FREEDOM HOUSE

NATIONS IN TRANSIT 2010

DEMOCRATIZATION FROM CENTRAL EUROPE TO EURASIA

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Democratization from Central Europe to Eurasia

Edited by Lisa Mootz

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Methodology

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

Country Reports

The country reports in *Nations in Transit 2010* follow an essay format that allowed the report authors to provide a broad analysis of the progress of democratic change in their country of expertise. Freedom House provided them with guidelines for ratings and a checklist of questions covering seven categories: electoral process; civil society; independent media; national democratic governance; local democratic governance; judicial framework and independence; and corruption. Starting with the 2005 edition Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects. Previous editions included only one governance category. The ratings for all categories reflect the consensus of Freedom House, the *Nations in Transit* advisers, and the report authors.

Each country report is organized according to the following outline:

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

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

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

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

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

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

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

Ratings and Scores

For all 29 countries and administrative areas in *Nations in Transit 2010*, Freedom House, in consultation with the report authors and a panel of academic advisers, has provided numerical ratings in the seven categories listed above. The ratings are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress.

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

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

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

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

The ratings process for *Nations in Transit 2010* involved four steps:

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

Nations in Transit 2010 Checklist of Questions

National Democratic Governance

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

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

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

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

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

Electoral Process

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

Civil Society

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

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

Independent Media

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

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

Local Democratic Governance

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

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

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

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

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

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

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

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

Judicial Framework and Independence

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

Corruption

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

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

Democracy Score

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

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

For *Nations in Transit 2010*, Freedom House once again uses the Democracy Score. Based on the Democracy Score and its scale of 1 to 7, Freedom House defined the following regime types:

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

Ratings and Democracy Score Guidelines

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

1.00–2.99 Consolidated Democracies

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

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

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

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

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

3.00–3.99 Semi-Consolidated Democracies

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

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

- National and local systems of government are stable and democratic. While laws and structures are in place to promote government transparency and accountability, implementation is lacking. The system of checks and balances may be weak, and decentralization of powers and resources to local self-governments incomplete.
- The framework for an independent judiciary is in place. However, judicial independence and the protection of basic rights, especially those of ethnic and religious minorities, are weak. Judicial processes are slow, inconsistent, and open to abuse.
- Corruption is widespread and state capacities to investigate and prosecute corruption are weak. Efforts to combat the problem produce limited results.

4.00–4.99 Transitional or Hybrid Regimes

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

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

- The judiciary struggles to maintain its independence from the government. Respect for basic political, civil, and human rights is selective, and equality before the law is not guaranteed. In addition to the judiciary being slow, abuses occur. Use of torture in prisons may be a problem.
- Corruption is widespread and presents a major impediment to political and economic development. Anticorruption efforts are inconsistent.

5.00–5.99 Semi-Consolidated Authoritarian Regimes

Countries receiving a Democracy Score of 5.00–5.99 attempt to mask authoritarianism 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 2010 edition were taken from the *World Bank Indicators 2010* (Washington, D.C.: World Bank, 2010).

Nations in Transit 2010: Democracy and Dissent

Christopher Walker

Yevgeny Zhovtis, Adnan Hajizade, Emin Milli, Eynulla Fatullayev, and Sergei Magnitsky are not household names. But the plight of these individuals, all of whom have received harsh treatment from arbitrary and opaque criminal justice systems in the former Soviet Union, should be better understood by the outside world.

The persecution of these modern-day dissidents from Kazakhstan, Azerbaijan, and Russia reveals the uncomfortable truth about the current condition of the rule of law and democracy in the region. They were peaceful activists and professionals working in the fields of law, journalism, and human rights, but like many other independent thinkers and reformers in former Soviet republics, they drew the attention of a repressive state apparatus designed not to protect the interests of the wider society, but to maintain at all costs the political and economic supremacy of those in power.

Two decades after the collapse of communism, the rulers of these countries are again using brutal security forces, pliant courts, and tightly controlled news media to systematically crush political dissent. While in a few cases the leading personalities have scarcely changed, they are no longer attempting to defend a totalitarian system. Instead, they simply enrich themselves while promising prosperity, and employ naked aggression while promising law and order. Just as the existence of dissidents said something about the Soviet system a generation ago, today's dissidents tell us something about the political environment in the former Soviet states.

A grim and growing list of activists and legal representatives have paid the ultimate price for seeking basic human rights and the rule of law, including Magnitsky, a 37-year-old Russian lawyer who died in pretrial detention in November 2009 after complaining for weeks that he was being denied adequate

medical treatment. He worked for the investment fund Hermitage Capital, which had been caught up in capricious legal proceedings reminiscent of those that destroyed the oil company Yukos and exposed the Kremlin's disdain for the rule of law.

Many of these deaths have occurred entirely outside the legal system, either on the streets or in the victims' homes. But the attitude of the authorities is evident in their consistent failure to identify or punish the killers, and this impunity significantly augments their more explicit efforts to intimidate existing or potential opponents.

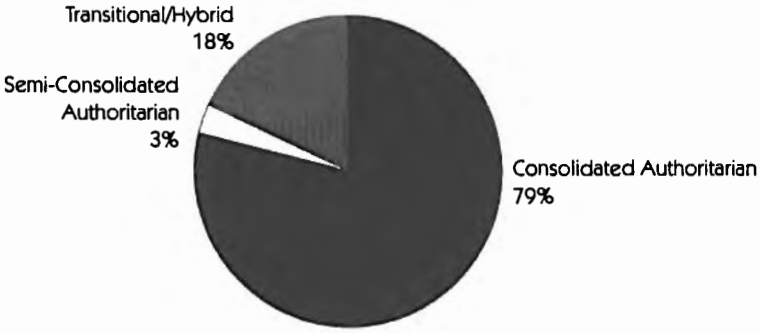
The 21st-century dissidents are visible, human symbols of the institutionalized repression that is prevalent in today's post-Soviet regimes. The component parts of these systems, and the degree to which they have been left behind by their more democratic neighbors to the west, are analyzed in detail in *Nations in Transit 2010*, Freedom House's latest annual assessment of democratic governance in the countries of Central and Eastern Europe and the former Soviet Union, covering the 2009 calendar year.

Main Findings and Notable Trends

The countries studied in *Nations in Transit* are highly diverse, ranging from full democracies in the eastern portion of the European Union (EU) to consolidated authoritarian states in the former Soviet Union, including two of the world's most repressive regimes, Turkmenistan and Uzbekistan. While developments over the past decade have sharpened the distinctions between these two regions, the past year was notable for the fact that countries in both areas experienced declines.

Of the 12 non-Baltic former Soviet republics, eight are consolidated authoritarian regimes in which basic human rights standards, democratic norms, and the rule of law are absent; two, Armenia and Moldova, are semi-consolidated authoritarian systems; and the remaining two, Georgia and Ukraine, are classified as transitional-hybrid systems. In terms of population, nearly 80 percent of residents of the former Soviet Union—some 221 million people—still live in entrenched authoritarian settings where they are deprived of basic political rights. By contrast, all of the new EU member states are consolidated democracies, with the exception of Bulgaria and Romania, which continue to confront deep corruption and other institutional challenges and are therefore classified as semi-consolidated democracies.

Figure 1
Population Breakdown by Regime Type: Non-Baltic Former Soviet Union



The following are among the survey's other notable findings:

- **A Year of Widespread Decline.** Overall, 14 of the 29 countries examined in *Nations in Transit* worsened on their democracy scores in 2009 compared with the previous year. Six new EU member states experienced declines, while one improved. Similarly, the former Soviet Union included six countries with score erosions and one with gains. In the Balkans, three countries improved, and two saw their scores regress.

- **A Decade of Democratic Regression in the Former Soviet Union.** Over the past decade, declines in democratic accountability have been a regular feature of governance across the former Soviet Union. The performance of nearly every country in the non-Baltic former Soviet Union has worsened during this period. The only exception is Ukraine, which now faces new challenges to the democratic progress it has achieved in recent years. No country in the region has undergone a sharper decline than Russia, whose scores on media independence, civil society, the judiciary, and electoral process have all suffered.

- **Press Freedom in the Crosshairs.** Declines in the independent media category were most numerous in 2009 and appeared in every subregion covered in *Nations in Transit*. Kyrgyzstan experienced a wave of attacks against independent journalists and a decrease in the ability of news media to criticize government policies. Kazakhstan failed to liberalize its media law in keeping with its commitments to the Organization for Security and Cooperation in Europe (OSCE), and the use of libel suits to punish investigative journalists continued to mar the country's record on press freedom. Encroachments on media independence were noted in five new

EU member states. Overall, 10 countries—Albania, Czech Republic, Hungary, Kazakhstan, Kyrgyzstan, Montenegro, Poland, Romania, Serbia, and Slovakia—regressed on the media independence indicator in 2009.

- **Clouds Gather Over Internet Freedom.** A number of countries saw an increase in restrictions on Internet freedom. In both Kazakhstan and Kyrgyzstan, the government crafted legislation classifying websites as mass media outlets, exposing them to the same restrictions that already applied to traditional media. During protests and police violence that followed Moldova's contentious election in April 2009, the government blocked a number of websites, with a particular focus on social-networking sites. While Russia's Internet generally retains a good deal of openness, on several fronts the authorities are insinuating themselves into the medium. The effort includes the acquisition of blogging platforms and popular websites by Kremlin-friendly companies and the emergence of commentators and provocateurs who subvert online discourse.

The Stifling of Dissent in the Former Soviet Union

The grave situation for human rights and democratic accountability that has long been the standard in most of the former Soviet Union grew even worse in 2009. Six of the 12 non-Baltic former Soviet republics suffered declines from already poor ratings, while one, Belarus, slightly improved its overall democracy score. The remaining five countries experienced no overall score change, but two of the better performers in this group, Georgia and Ukraine, faced threats to their future development.

Russia, which has undergone the largest decline over the past decade of any country in the study, lost ground on its corruption score this year due to "a growing prevalence of bribe paying, the failure of the authorities to address police corruption, and the growing use of sophisticated legal and illegal means to pressure business." The roots of corruption have grown deep in the country, and in many ways graft has become the lifeblood of the current system. Three other indicators have undergone an especially sharp decline over the past 10 years: electoral process, civil society, and independent media. All of these spheres have been focal points for the Russian authorities' efforts to limit political competition and dissent.

The region's performance declines have also been particularly severe in two of its other influential states, Kazakhstan and Azerbaijan. Like Russia, these countries have modernizing ambitions and are increasingly integrated into the international economic system and rules-based institutions. In a graphic example of such integration, Kazakhstan holds the rotating OSCE chairmanship for 2010. However, economic development and international ties have not translated so far into greater democratic accountability or adherence to human rights standards at home. In fact, the situation has deteriorated.

The Risks of Speaking Out

In 2009, opposition activists in many parts of the former Soviet Union confronted harsh retaliation for their work. Below is a sample of the dissidents and others who faced threats, abuse, and imprisonment during the year for activities that challenged authoritarian regimes.

Eynulla Fatullayev, a critic of the Azerbaijani government and the editor of the independent Russian-language weekly *Realny Azerbaijan* as well as the Azeri-language daily *Gundalik Azarbaycan*, has been held in jail since 2007 on charges including tax evasion, defamation, and terrorism.

Yusuf Jumayev, an Uzbek poet and dissident, was sentenced to five years in a penal colony in 2008 for calling for the resignation of President Islam Karimov. In 2009, authorities placed him in solitary confinement without grounds for eight days; he was denied food and water for two days and the use of a toilet for the entire period.

Albert Pchelintsev, the leader of the Movement Against Corruption, Deceit, and Disgrace, was shot in the face in the Russian city of Khimki in July.

Yevgeny Zhovtis, a human rights activist and director of the Bureau of Human Rights in Kazakhstan, was convicted of manslaughter and sentenced to four years in prison for his role in a deadly automobile accident. Human rights groups in Kazakhstan allege that his trial was flawed and his sentence was meant to intimidate other activists.

Karina Moskalenko, a Russian human rights lawyer who has represented former Yukos chief Mikhail Khodorkovsky at the European Court of Human Rights (ECHR) and the family of slain journalist Anna Politkovskaya in Moscow, has been harassed and threatened with disbarment by Russian authorities. She heads the International Protection Center in Moscow, which brings Russian appeals to the ECHR.

Adnan Hajizade and Emin Milli, two young Azerbaijani bloggers, were arrested in Baku in 2009 after posting a satirical video of a donkey holding a news conference. The arrests were on charges of hooliganism, stemming from an incident in which two strangers interrupted their conversation at a restaurant and started a fight with them, but the case is widely viewed as part of a crackdown on free expression on the internet.

Aleksandr Yevgrafov, a reporter for Russia's BaltInfo news agency, was beaten and forced into a car in Kyrgyzstan in December 2009. His captors, two men in police uniforms, warned him not to write "bad things" about the country.

Azerbaijan's downward spiral continued in 2009, with score declines on both civil society and judicial independence. In keeping with a growing trend in the region, the country's Council on State Support to Nongovernmental Organizations increased its funding to civic groups, effectively tying them to the state and compromising their independence. The judiciary, already regarded as an instrument of the executive, was true to form in 2009: the constitutional court endorsed a dubious referendum process that removed presidential term limits.

Azerbaijan's courts were also instrumental in facilitating the convictions of bloggers Adnan Hajizade and Emin Milli. In what Miklos Haraszti, then head of the OSCE's media-freedom arm, described as a set up, the two men were arrested for "hooliganism" following an altercation in a restaurant. Hajizade and Milli were sentenced in November 2009 to two and a half and two years in prison, respectively. The case is believed to have been fabricated to punish them for a satirical online video showing a donkey giving a press conference. It was also seen as a sign that the government is expanding its crackdown on freedom of expression to include new media.

A similar perversion of the criminal justice system appeared to be at work in Kazakhstan in 2009, when civil society activist Yevgeny Zhovtis was sentenced to four years in prison for vehicular manslaughter following a legal proceeding that was rife with irregularities. This and other factors led to a decline in the country's judicial independence score for the year.

Kyrgyzstan had been rated a semi-consolidated authoritarian regime for most of the past decade, and tended to grant more space to civil society and news media than its neighbors. But by the end of 2009 it had fallen further into the ranks of fully consolidated authoritarian systems. While Kyrgyzstan now performs worse on every *Nations in Transit* indicator than it did a decade ago, the erosions of civil society and media independence have been among the most negative developments. Under President Kurmanbek Bakiyev, systematic political coercion and violence became the standard, and the upheaval and dislocation that have accompanied and followed his ouster in 2010 do not bode well for the country's democratic ambitions.

The other two countries in the region that experienced declines in 2009 were Moldova, where the effects of a flawed national election and subsequent violence between police and protesters outweighed gains for civil society and the eventual change in government, and Uzbekistan, whose abysmal scores inched lower due to unchecked corruption.

Table 1
Average Democracy Scores

NIT Edition	2001	2005	2010
Non-Baltic Former Soviet States	**5.41**	**5.74**	**5.96**
All Other *NIT* Countries	**3.42**	**3.19**	**3.24**

Though Belarus remains a dictatorship, the country experienced improvements in the civil society and independent media categories, providing a slight lift to its overall score. Harassment and imprisonment of activists eased somewhat amid the country's talks on closer ties with the European Union, and civil society groups took advantage of the opportunity to improve their level of organization and engage with a wider section of the population. A slight relaxation of media controls were noted as well, and the government, which has been ruthless in dealing with independent outlets, allowed the European Radio for Belarus to operate in Minsk. Despite these modest positive steps, however, the authorities continued to persecute activists, and if new media rules proposed in 2009 come into force, independent journalists will face new setbacks.

In Georgia, whose scores remained flat in 2009, a fragmented opposition sought to rally public opinion against President Mikheil Saakashvili as the country prepared for municipal elections in 2010. The debate was often overshadowed by ongoing tension with Russia in the wake of the military conflict in 2008. Russian troops continued to occupy a considerable portion of Georgia's internationally recognized territory, casting a pall over the country's prospects for political development.

Scores also remained unchanged in Ukraine, which has distinguished itself among the countries of the former Soviet Union with its vibrant civil society, independent media, and relatively open political environment. However, the election of Viktor Yanukovych as president in early 2010 and the initial signs of authoritarianism that have accompanied it suggest that the durability of the country's democratic changes over the past several years will soon be tested.

Quiet Progress in the Balkans, Impediments in the New EU States

While the countries of the non-Baltic former Soviet Union have declined, the Balkans region has improved over the past decade. Countries including Albania, Bosnia and Herzegovina, and Macedonia have made steady gains in civil society, electoral process, and other categories.

The year 2009 presented a mixed picture in the Balkans. Three countries—Macedonia, Serbia, and Kosovo—experienced modest improvements. Two, Albania and Bosnia, suffered slight declines on independent media and electoral process, respectively. The remaining two, Croatia and Montenegro, held steady overall. Nevertheless, apart from Slovenia, an EU member, and perhaps Croatia, which is on course to join the bloc, the gradual progress achieved in the region should not be taken for granted. Bosnia, for example, is buffeted by rising nationalism, and Kosovo, which recently graduated from its former status as an international protectorate, faces enormous challenges on its path toward meaningful institutional development.

Table 2
Average Independent Media Scores

NIT Edition	2001	2005	2010
New EU Member States	**2.15**	**2.20**	**2.55**
Balkan Countries	**4.10**	**4.00**	**4.32**
Non-Baltic Former Soviet States	**5.48**	**5.85**	**6.00**

Viewed over a 10-year period, the story is generally positive in the new EU member states, which have built pluralistic political systems and functioning market-based economies. Over the past half-decade, however, eight of the 10 countries have undergone declines; in the past year alone, six suffered overall declines, three held steady, and one, Lithuania, improved slightly. This is due in part to fallout from the recent economic downturn, but in some cases it represents subtle backsliding on democratic norms after the goal of EU membership is achieved.

The declines have been modest in some countries, such as the Czech Republic. In others, including Hungary and Slovakia, the deterioration has been more significant. Both countries are confronting a number of challenges, including rising nationalist tendencies. Slovakia suffered a particularly sharp decline in 2009 compared with 2008—the largest of any country in the region—due to the ruling parties' concentration of power and a series of major corruption scandals. Over the past five years, Slovakia has slipped from 1.96 to 2.68 on its overall democracy score, falling most steeply on judicial independence.

Dissent Proves Deadly

Many of those who dared to speak out in opposition to authoritarianism in the former Soviet Union have paid the ultimate price for their efforts. For example, Elmar Huseynov, a journalist who had received numerous threats for criticizing the Azerbaijani government, was murdered in his Baku apartment building in 2005. Anna Politkovskaya, a Russian journalist who covered Chechnya for *Novaya Gazeta*, was gunned down in her apartment building in 2006. Alisher Saipov, a 26-year-old independent journalist in Kyrgyzstan, was murdered in 2007 after covering the Uzbek government's mass killings in Andijan in 2005 and working with Uzbek opposition groups. The perpetrators of these crimes have yet to be brought to justice. The following is a list of some of those who died in 2009.

Stanislav Markelov: A human rights lawyer who fought Russian abuses in Chechnya, Markelov was murdered in January less than a half a mile from the Kremlin.

Anastasia Baburova: An investigative journalist for the newspaper *Novaya Gazeta*, Baburova was killed alongside Markelov while trying to protect him.

Sergey Protazanov: Protzanov was a journalist for *Grazhdanskoye Soglasiye*, an opposition newspaper in the Russian city of Khimki. He was found dead in his home in March not long after being violently attacked.

Medet Sadyrkulov: A Kyrgyz opposition leader and former presidential aide, Sadyrkulov was killed in March in what the authorities said was a car accident; the country's opposition called his death an assassination.

Vyacheslav Yaroshenko: The editor in chief of *Korruptsiya i Prestupnost*, Yaroshenko died in June from injuries he suffered during an April attack in the staircase of his apartment building in the Russian city of Rostov-on-Don.

Natalya Estemirova: A human rights activist who worked closely with Anna Politkovskaya to fight abuses in Chechnya, Estemirova was abducted from her home in Grozny and murdered in July.

Andrey Kulagin: Kulagin was the head of Justice, a regional organization seeking better conditions in Russia's prisons and penal colonies. His body was discovered in a quarry near the northern Russian town of Petrozavodsk in July.

Zarema Sadulayeva: In August, the bodies of Sadulayeva, a Chechen children's activist, and her husband, Alik Dzhabrailov, were found in the trunk of the couple's car.

Maksharip Aushev: A businessman who led mass protests in the Russian republic of Ingushetia, Aushev was shot and killed in his car in October.

Sergei Magnitsky: Magnitsky, a lawyer for Hermitage Capital, was arrested in 2008 for alleged tax evasion after accusing Russian officials of fraud. After about a year in pretrial detention, he died in a Moscow jail in November 2009, having been denied adequate medical treatment.

Ivan Khutorskoy: Khutorskoy, a 26-year-old antifascist activist, was shot in the head outside his Moscow apartment building in November.

Olga Kotovskaya: One day after winning a court case to regain control over a regional television station in the Russian exclave of Kaliningrad, Kotovskaya, a prominent journalist, fell from a 14th-floor window in December.

Gennady Pavlyuk: A Kyrgyz reporter, founder of the Kyrgyz edition of *Argumenty i Fakty*, and member of the country's opposition, Pavlyuk was pushed from a sixth-floor window in Almaty, Kazakhstan, in December. His hands and feet were bound.

The global financial crisis hit Hungary particularly hard, adding to existing pressures on the country's institutions. In a highly polemical political environment, its overall democracy score declined from 2.29 for 2008, to 2.39 for 2009. Five years ago, Hungary's democracy score was 2.00, and the score declines across multiple categories indicate a broad downward trend. Declines in this year's analysis were registered in media and judicial independence, as well as in corruption. In previous years, Hungary's scores have also dropped in the spheres of electoral process and civil society.

The Implications of Unchecked Power

Twenty years ago, only two months after becoming president of the newly democratic Czechoslovakia, Vaclav Havel addressed a joint session of the U.S. Congress. Expressing awe at the recent democratic openings in the communist world, he described the rapid pace of positive political change as an "acceleration of history."

Democratic institutions have largely continued to wax in Central Europe and make gradual headway in the Balkans. But in the former Soviet Union, with its mix of partly and fully consolidated authoritarian systems, such institutions have waned. Indeed it is becoming increasingly clear that "history" has slowed down or reversed course in much of the region.

The regimes in question have used a combination of media manipulation, corrupt patronage, and political coercion to forge a brand of authoritarianism that seems capable of enduring in a 21st-century context. And they are often willing to resist even small political openings with deadly force. Yet despite the grave personal and professional risks, courageous civil society activists continue to defend basic human and political rights.

Why are these individuals important? While it may be easy to view their cases in isolation, their work and their treatment by the powerful have wider implications for the advance of democratic accountability. In these authoritarian settings, their fate is intertwined with citizens' broader aspirations for change. By silencing them, the regimes are sending a clear message to others who might mobilize in favor of meaningful reform.

That message is not meant for the rest of the world to hear, but policymakers abroad would do well to listen. The overall downturn in democratic development in the former Soviet Union—symbolized and punctuated by the murder and abuse of dissidents—raises a host of questions for the United States and the EU. Both seek reliable partners in the Caucasus, Central Asia, and elsewhere in the region for cooperation on security and economic priorities, and regimes that operate on the basis of coercion and caprice rather than democratic accountability and the rule of law cannot be depended upon to serve as the lynchpins for long-term strategic objectives. While the personalities and rhetoric of authoritarian leaders may grow more or less amenable to such cooperation, lasting and substantive change will come only when independent activists are free to hone the institutions of a modern democratic state.

Overview of Ratings Changes

Electoral Process

↓ 6 declines: Bosnia and Herzegovina, Estonia, Kyrgyzstan, Moldova, Romania, Slovakia

↑ 3 improvements: Kosovo, Macedonia, Poland

Civil Society

↓ 5 declines: Azerbaijan, Czech Republic, Kazakhstan, Kyrgyzstan, Tajikistan

↑ 4 improvement: Belarus, Moldova, Kosovo, Serbia

Independent Media

↓ 10 declines: Albania, Czech Republic, Hungary, Kazakhstan, Kyrgyzstan, Montenegro, Poland, Romania, Serbia, Slovakia

↑ 2 improvements: Belarus, Tajikistan

National Democratic Governance

↓ 8 declines: Albania, Azerbaijan, Bosnia and Herzegovina, Kosovo, Kyrgyzstan, Moldova, Romania, Slovakia

↑ 1 improvements: Serbia

Local Democratic Governance

↓ 1 declines: Azerbaijan

↑ 3 improvements: Kosovo, Serbia, Poland

Judicial Framework and Independence

↓ 6 declines: Azerbaijan, Hungary, Kazakhstan, Moldova, Poland, Slovakia

↑ 2 improvements: Czech Republic, Montenegro

Corruption

↓ 6 declines: Hungary, Kyrgyzstan, Poland, Russia, Slovakia, Uzbekistan

↑ 2 improvements: Lithuania, Macedonia

Christopher Walker is director of studies at Freedom House. Sara Rhodin, Lisa Mootz, and Tyler Roylance assisted in the preparation of this report.

Tables

Table 1. Nations in Transit 2010
Ratings and Democracy Score Summary

Country, Territory	EP	CS	IM	NGOV	LGOV	JFI	CO	DS
Albania	3.75	3.00	4.00	4.50	3.00	4.25	5.00	3.93
Armenia	5.75	3.75	6.00	5.75	5.50	5.50	5.50	5.39
Azerbaijan	6.75	5.75	6.75	6.50	6.25	6.25	6.50	6.39
Belarus	6.75	6.00	6.50	6.75	6.75	6.75	6.00	6.50
Bosnia	3.25	3.50	4.50	5.25	4.75	4.00	4.50	4.25
Bulgaria	1.75	2.50	3.75	3.25	3.00	3.00	4.00	3.04
Croatia	3.25	2.75	4.00	3.50	3.75	4.25	4.50	3.71
Czech Republic	1.50	1.75	2.50	2.75	1.75	2.00	3.25	2.21
Estonia	1.75	1.75	1.50	2.25	2.50	1.50	2.50	1.96
Georgia	5.25	3.75	4.25	6.00	5.50	4.75	5.00	4.93
Hungary	1.75	1.75	2.75	2.50	2.50	2.00	3.50	2.39
Kazakhstan	6.75	5.75	6.75	6.75	6.25	6.25	6.50	6.43
Kosovo	4.25	3.75	5.50	5.50	5.00	5.75	5.75	5.07
Kyrgyzstan	6.25	5.00	6.50	6.75	6.50	6.00	6.50	6.21
Latvia	2.00	1.75	1.75	2.50	2.25	1.75	3.25	2.18
Lithuania	1.75	1.75	1.75	2.75	2.50	1.75	3.50	2.25
Macedonia	3.25	3.25	4.25	4.00	3.75	4.00	4.00	3.79
Moldova	4.25	3.50	5.75	6.00	5.75	4.75	6.00	5.14
Montenegro	3.25	2.75	4.00	4.25	3.25	4.00	5.00	3.79
Poland	1.75	1.50	2.25	3.25	1.75	2.50	3.25	2.32
Romania	2.75	2.50	4.00	4.00	3.00	4.00	4.00	3.46
Russia	6.75	5.75	6.25	6.50	5.75	5.50	6.50	6.14
Serbia	3.25	2.50	4.00	3.75	3.50	4.50	4.50	3.71
Slovakia	1.75	1.75	3.00	3.00	2.50	3.00	3.75	2.68
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	3.50	5.00	5.25	5.00	5.75	4.39
Uzbekistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Average	**3.97**	**3.53**	**4.40**	**4.66**	**4.25**	**4.31**	**4.85**	**4.28**
Median	**3.25**	**3.00**	**4.00**	**4.50**	**3.75**	**4.25**	**5.00**	**3.93**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2010 ratings reflect the period January 1 through December 31, 2009.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
New EU Members											
Bulgaria	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	[illegible]	
Czech Rep.	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	[illegible]	
Estonia	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.75	▼
Hungary	1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75	
Latvia	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	1.75	▲
Romania	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75	▼
Slovakia	2.25	1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50	1.75	▼
Slovenia	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	**1.85**	**1.83**	**1.78**	**1.73**	**1.73**	**1.73**	**1.83**	**1.83**	**1.78**	**1.83**	
Median	**1.75**	**1.75**	**1.75**	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**	
The Balkans											
Albania	4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75	
Bosnia	4.75	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.25	▼
Croatia	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25	
Macedonia	3.75	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50	3.25	▲
Yugoslavia	4.75	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	3.50	3.25	3.25	3.25	3.25	3.25	3.25	
Montenegro	n/a	n/a	n/a	3.50	3.25	3.50	3.50	3.25	3.25	3.25	
Kosovo	n/a	n/a	n/a	5.25	4.75	4.75	4.75	4.50	4.50	4.25	▲
Average	**4.10**	**3.90**	**3.60**	**3.75**	**3.46**	**3.50**	**3.57**	**3.50**	**3.50**	**3.46**	
Median	**4.00**	**3.75**	**3.75**	**3.50**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**	
Non-Baltic Former Soviet States											
Armenia	5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75	
Azerbaijan	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75	
Belarus	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75	
Georgia	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25	5.25	
Kazakhstan	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	
Kyrgyzstan	5.75	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00	6.25	▼
Moldova	3.25	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.25	▼
Russia	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75	
Tajikistan	5.25	5.25	5.25	5.75	6.00	6.25	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	4.00	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50	
Uzbekistan	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	
Average	**5.42**	**5.54**	**5.60**	**5.79**	**5.79**	**5.79**	**5.79**	**5.88**	**6.00**	**6.04**	
Median	**5.63**	**5.63**	**5.63**	**5.88**	**6.00**	**6.25**	**6.50**	**6.50**	**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 2010 ratings reflect the period January 1 through December 31, 2009.

Table 3. Civil Society

Ratings History and Regional Breakdown

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
New EU Members											
Bulgaria	3.50	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50	
Czech Rep.	1.50	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75	▼
Estonia	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	
Hungary	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75	1.75	
Latvia	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.75	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	
Poland	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50	1.50	
Romania	3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50	
Slovakia	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75	1.75	
Slovenia	1.75	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.00	
Average	**2.03**	**1.93**	**1.85**	**1.78**	**1.73**	**1.73**	**1.83**	**1.75**	**1.88**	**1.90**	
Median	**1.88**	**1.75**	**1.50**	**1.50**	**1.63**	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	
The Balkans											
Albania	4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00	
Bosnia	4.50	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	
Croatia	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	
Macedonia	3.75	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Yugoslavia	4.00	3.00	2.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	2.75	2.75	2.75	2.75	2.75	2.75	2.50	▲
Montenegro	n/a	n/a	n/a	2.75	2.50	3.00	3.00	2.75	2.75	2.75	
Kosovo	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.00	4.00	3.75	▲
Average	**3.80**	**3.55**	**3.45**	**3.32**	**3.21**	**3.25**	**3.21**	**3.14**	**3.14**	**3.07**	
Median	**4.00**	**3.75**	**3.75**	**3.25**	**3.25**	**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	3.50	3.75	3.75	
Azerbaijan	4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75	▼
Belarus	6.50	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25	6.00	▲
Georgia	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75	3.75	
Kazakhstan	5.00	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50	5.75	▼
Kyrgyzstan	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00	▼
Moldova	3.75	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75	3.50	▲
Russia	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75	
Tajikistan	5.00	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75	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	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75	
Uzbekistan	6.50	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00	
Average	**4.83**	**4.90**	**4.85**	**4.92**	**4.88**	**4.98**	**4.98**	**5.02**	**5.13**	**5.17**	
Median	**4.50**	**4.50**	**4.38**	**4.50**	**4.75**	**5.00**	**5.13**	**5.38**	**5.50**	**5.75**	

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 2010 ratings reflect the period January 1 through December 31, 2009.

Table 4. Independent Media

Ratings History and Regional Breakdown

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
New EU Members											
Bulgaria	3.25	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75	3.75	
Czech Rep.	2.00	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50	▼
Estonia	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.75	▼
Latvia	1.75	1.75	1.75	1.50	1.50	1.50	1.50	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	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00	2.25	▼
Romania	3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00	▼
Slovakia	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75	3.00	▼
Slovenia	1.75	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25	2.25	
Average	**2.15**	**2.20**	**2.25**	**2.23**	**2.20**	**2.23**	**2.33**	**2.40**	**2.43**	**2.55**	
Median	**1.88**	**1.88**	**1.88**	**2.00**	**1.88**	**1.88**	**2.25**	**2.25**	**2.25**	**2.38**	
The Balkans											
Albania	4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00	▼
Bosnia	4.50	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50	4.50	
Croatia	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00	
Macedonia	3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	
Yugoslavia	4.50	3.50	3.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	3.50	3.25	3.25	3.50	3.75	3.75	4.00	▼
Montenegro	n/a	n/a	n/a	3.25	3.25	3.25	3.50	3.75	3.75	4.00	▼
Kosovo	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.50	
Average	**4.10**	**3.80**	**3.85**	**4.04**	**4.00**	**3.96**	**4.07**	**4.14**	**4.21**	**4.32**	
Median	**4.25**	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**	**4.00**	
Non-Baltic Former Soviet States											
Armenia	4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00	
Azerbaijan	5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75	
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50	▲
Georgia	3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25	4.25	
Kazakhstan	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50	6.75	▼
Kyrgyzstan	5.00	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25	6.50	▼
Moldova	4.25	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75	5.75	
Russia	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25	
Tajikistan	5.50	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00	5.75	▲
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	5.25	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50	
Uzbekistan	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	
Average	**5.48**	**5.63**	**5.73**	**5.83**	**5.85**	**5.83**	**5.90**	**5.92**	**6.00**	**6.00**	
Median	**5.38**	**5.63**	**5.63**	**5.75**	**6.00**	**6.00**	**6.25**	**6.13**	**6.25**	**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 2010 ratings reflect the period January 1 through December 31, 2009.

Table 5. National Democratic Governance

Ratings History and Regional Breakdown

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
	GOV	GOV	GOV	GOV	NGOV	NGOV	NGOV	NGOV	NGOV	NGOV	
New EU Members											
Bulgaria	3.50	3.50	3.75	3.75	3.50	3.00	3.00	3.00	3.25	3.25	
Czech Rep.	2.00	2.25	2.25	2.25	2.50	2.50	3.00	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	3.00	2.50	2.50	2.00	2.00	2.25	2.25	2.50	2.50	
Latvia	2.25	2.25	2.25	2.25	2.25	2.00	2.00	2.00	2.50	2.50	
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.75	2.75	
Poland	1.75	2.00	2.00	2.00	2.50	2.75	3.25	3.50	3.25	3.25	
Romania	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.75	3.75	4.00	▼
Slovakia	2.75	2.25	2.25	2.25	2.00	2.00	2.25	2.50	2.75	3.00	▼
Slovenia	2.50	2.25	2.25	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Average	**2.63**	**2.60**	**2.58**	**2.55**	**2.50**	**2.45**	**2.60**	**2.65**	**2.78**	**2.85**	
Median	**2.50**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.50**	**2.75**	**2.75**	
The Balkans											
Albania	4.25	4.25	4.25	4.25	4.25	4.00	4.25	4.25	4.25	4.50	▼
Bosnia	6.00	5.50	5.25	5.00	4.75	4.75	4.75	5.00	5.00	5.25	▼
Croatia	3.50	3.50	3.75	3.75	3.50	3.50	3.50	3.25	3.50	3.50	
Macedonia	3.75	4.25	4.50	4.00	4.00	3.75	3.75	4.00	4.00	4.00	
Yugoslavia	5.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	4.00	4.00	4.00	3.75	4.00	4.00	3.75	▲
Montenegro	n/a	n/a	n/a	4.00	4.50	4.50	4.50	4.25	4.25	4.25	
Kosovo	n/a	n/a	n/a	6.00	5.75	5.75	5.75	5.50	5.25	5.50	▼
Average	**4.55**	**4.35**	**4.40**	**4.43**	**4.39**	**4.32**	**4.32**	**4.32**	**4.32**	**4.39**	
Median	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**	**4.00**	**4.25**	**4.25**	**4.25**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	4.50	4.50	4.75	4.75	5.00	5.00	5.25	5.25	5.75	5.75	
Azerbaijan	6.25	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.25	6.50	▼
Belarus	6.25	6.50	6.50	6.50	6.75	7.00	7.00	7.00	6.75	6.75	
Georgia	4.75	5.00	5.50	5.75	5.50	5.50	5.50	5.75	6.00	6.00	
Kazakhstan	5.00	5.75	6.25	6.25	6.50	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	5.25	5.50	6.00	6.00	6.00	6.00	6.00	6.25	6.50	6.75	▼
Moldova	4.50	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.00	▼
Russia	5.00	5.25	5.00	5.25	5.75	6.00	6.00	6.25	6.50	6.50	
Tajikistan	6.00	6.00	6.00	5.75	6.00	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.75	5.00	5.00	5.25	5.00	4.50	4.75	4.75	5.00	5.00	
Uzbekistan	6.00	6.00	6.25	6.25	6.50	7.00	7.00	7.00	7.00	7.00	
Average	**5.42**	**5.58**	**5.75**	**5.83**	**5.98**	**6.06**	**6.10**	**6.17**	**6.29**	**6.35**	
Median	**5.13**	**5.63**	**5.88**	**5.75**	**6.00**	**6.00**	**6.00**	**6.25**	**6.38**	**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 2010 ratings reflect the period January 1 through December 31, 2009.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
	GOV	GOV	GOV	GOV	LGOV	LGOV	LGOV	LGOV	LGOV	LGOV	
New EU Members											
Bulgaria	3.50	3.50	3.75	3.75	3.50	3.00	3.00	3.00	3.00	3.00	
Czech Rep.	2.00	2.25	2.25	2.25	2.00	2.00	1.75	1.75	1.75	1.75	
Estonia	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	
Hungary	3.00	3.00	2.50	2.50	2.25	2.25	2.25	2.25	2.50	2.50	
Latvia	2.25	2.25	2.25	2.25	2.50	2.50	2.50	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	1.75	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.00	1.75	▲
Romania	3.75	3.75	3.75	3.75	3.00	3.00	3.00	3.00	3.00	3.00	
Slovakia	2.75	2.25	2.25	2.25	2.25	2.00	2.00	2.25	2.50	2.50	
Slovenia	2.50	2.25	2.25	2.00	1.50	1.50	1.50	1.50	1.50	1.50	
Average	**2.63**	**2.60**	**2.58**	**2.55**	**2.40**	**2.33**	**2.33**	**2.33**	**2.35**	**2.33**	
Median	**2.50**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.25**	**2.50**	**2.50**	
The Balkans											
Albania	4.25	4.25	4.25	4.25	3.25	2.75	2.75	2.75	2.75	3.00	▼
Bosnia	6.00	5.50	5.25	5.00	4.75	4.75	4.75	4.75	4.75	4.75	
Croatia	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Macedonia	3.75	4.25	4.50	4.00	4.00	3.75	3.75	3.75	3.75	3.75	
Yugoslavia	5.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75	3.75	3.50	▲
Montenegro	n/a	n/a	n/a	4.00	3.50	3.50	3.25	3.25	3.25	3.25	
Kosovo	n/a	n/a	n/a	6.00	5.50	5.50	5.50	5.50	5.25	5.00	▲
Average	**4.55**	**4.35**	**4.40**	**4.43**	**4.07**	**3.96**	**3.93**	**3.93**	**3.89**	**3.86**	
Median	**4.25**	**4.25**	**4.25**	**4.00**	**3.75**	**3.75**	**3.75**	**3.75**	**3.75**	**3.50**	
Non-Baltic Former Soviet States											
Armenia	4.50	4.50	4.75	4.75	5.50	5.50	5.50	5.50	5.50	5.50	
Azerbaijan	6.25	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.25	6.25	
Belarus	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	
Georgia	4.75	5.00	5.50	5.75	6.00	5.75	5.50	5.50	5.50	5.50	
Kazakhstan	5.00	5.75	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Kyrgyzstan	5.25	5.50	6.00	6.00	5.75	6.25	6.25	6.50	6.50	6.50	
Moldova	4.50	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75	5.75	
Russia	5.00	5.25	5.00	5.25	5.75	5.75	5.75	5.75	5.75	5.75	
Tajikistan	6.00	6.00	6.00	5.75	5.75	5.75	5.75	6.00	6.00	6.00	
Turkmenistan	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75	6.75	
Ukraine	4.75	5.00	5.00	5.25	5.25	5.25	5.25	5.25	5.25	5.25	
Uzbekistan	6.00	6.00	6.25	6.25	6.25	6.75	6.75	6.75	6.75	6.75	
Average	**5.42**	**5.58**	**5.75**	**5.83**	**5.98**	**6.04**	**6.02**	**6.06**	**6.08**	**6.08**	
Median	**5.13**	**5.63**	**5.88**	**5.75**	**5.88**	**5.88**	**5.88**	**6.00**	**6.13**	**6.13**	

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2010 ratings reflect the period January 1 through December 31, 2009.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
New EU Members											
Bulgaria	3.50	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00	3.00	
Czech Rep.	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00	▲
Estonia	2.00	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	▼
Latvia	2.00	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.75	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75	1.75	
Poland	1.50	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25	2.50	▼
Romania	4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00	
Slovakia	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75	3.00	▼
Slovenia	1.50	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	
Average	**2.33**	**2.33**	**2.30**	**2.25**	**2.20**	**2.15**	**2.13**	**2.20**	**2.28**	**2.33**	
Median	**2.00**	**2.00**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**2.00**	**2.00**	
The Balkans											
Albania	4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25	
Bosnia	5.50	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00	4.00	
Croatia	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25	
Macedonia	4.25	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00	4.00	
Yugoslavia	5.50	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	4.25	4.25	4.25	4.25	4.50	4.50	4.50	
Montenegro	n/a	n/a	n/a	4.25	4.25	4.25	4.25	4.00	4.25	4.00	▲
Kosovo	n/a	n/a	n/a	6.00	5.75	5.75	5.75	5.75	5.75	5.75	
Average	**4.70**	**4.50**	**4.45**	**4.54**	**4.46**	**4.36**	**4.32**	**4.36**	**4.43**	**4.39**	
Median	**4.50**	**4.50**	**4.25**	**4.25**	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**	**4.25**	
Non-Baltic Former Soviet States											
Armenia	5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50	
Azerbaijan	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25	▼
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Georgia	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75	4.75	
Kazakhstan	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.25	▼
Kyrgyzstan	5.25	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.00	
Moldova	4.00	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50	4.75	▼
Russia	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50	
Tajikistan	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.50	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00	
Uzbekistan	6.50	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00	7.00	
Average	**5.35**	**5.44**	**5.50**	**5.56**	**5.65**	**5.63**	**5.65**	**5.75**	**5.83**	**5.92**	
Median	**5.25**	**5.25**	**5.38**	**5.50**	**5.63**	**5.63**	**5.63**	**5.88**	**5.88**	**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 2010 ratings reflect the period January 1 through December 31, 2009.

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

Table 8. Corruption

Ratings History and Regional Breakdown

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
New EU Members											
Bulgaria	4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00	
Czech Rep.	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	
Estonia	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Hungary	3.00	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25	3.50	▼
Latvia	3.50	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25	3.25	
Lithuania	3.75	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75	3.50	▲
Poland	2.25	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75	3.25	▼
Romania	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00	
Slovakia	3.75	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25	3.75	▼
Slovenia	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50	
Average	**3.40**	**3.35**	**3.23**	**3.23**	**3.23**	**3.28**	**3.23**	**3.15**	**3.25**	**3.33**	
Median	**3.63**	**3.50**	**3.38**	**3.38**	**3.25**	**3.25**	**3.13**	**3.13**	**3.25**	**3.38**	
The Balkans											
Albania	5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00	
Bosnia	5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	4.50	
Croatia	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50	
Macedonia	5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00	▲
Yugoslavia	6.25	5.25	5.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	5.00	5.00	4.75	4.50	4.50	4.50	4.50	
Montenegro	n/a	n/a	n/a	5.25	5.25	5.25	5.50	5.25	5.00	5.00	
Kosovo	n/a	n/a	n/a	6.00	6.00	6.00	6.00	5.75	5.75	5.75	
Average	**5.40**	**5.20**	**5.05**	**5.14**	**5.11**	**5.00**	**4.96**	**4.82**	**4.79**	**4.75**	
Median	**5.50**	**5.25**	**5.00**	**5.00**	**5.00**	**4.75**	**4.75**	**4.50**	**4.50**	**4.75**	
Non-Baltic Former Soviet States											
Armenia	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	
Azerbaijan	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	
Belarus	5.25	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00	
Georgia	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00	5.00	
Kazakhstan	6.25	6.25	6.25	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	6.00	6.25	6.25	6.50	▼
Moldova	6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00	
Russia	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50	▼
Tajikistan	6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	6.25	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75	6.75	
Ukraine	6.00	6.00	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	6.00	6.50	6.50	6.50	6.50	6.75	▼
Average	**5.94**	**5.96**	**5.96**	**6.04**	**6.06**	**6.13**	**6.08**	**6.10**	**6.10**	**6.17**	
Median	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.13**	**6.13**	**6.25**	**6.25**	**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 2010 ratings reflect the period January 1 through December 31, 2009.

Table 9. Democracy Score

Year-To-Year Summaries by Region

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Change
New EU Members											
Bulgaria	3.42	3.33	3.38	3.25	3.18	2.93	2.89	2.86	3.04	3.04	
Czech Rep.	2.25	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18	2.21	▼
Estonia	2.13	2.00	2.00	1.92	1.96	1.96	1.96	1.93	1.93	1.96	▼
Hungary	2.13	2.13	1.96	1.96	1.96	2.00	2.14	2.14	2.29	2.39	▼
Latvia	2.21	2.25	2.25	2.17	2.14	2.07	2.07	2.07	2.18	2.18	
Lithuania	2.21	2.21	2.13	2.13	2.21	2.21	2.29	2.25	2.29	2.25	▲
Poland	1.58	1.63	1.75	1.75	2.00	2.14	2.36	2.39	2.25	2.32	▼
Romania	3.67	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36	3.46	▼
Slovakia	2.50	2.17	2.08	2.08	2.00	1.96	2.14	2.29	2.46	2.68	▼
Slovenia	1.88	1.83	1.79	1.75	1.68	1.75	1.82	1.86	1.93	1.93	
Average	**2.40**	**2.37**	**2.33**	**2.29**	**2.28**	**2.27**	**2.32**	**2.33**	**2.39**	**2.44**	
Median	**2.21**	**2.19**	**2.10**	**2.10**	**2.07**	**2.11**	**2.20**	**2.20**	**2.27**	**2.29**	
The Balkans											
Albania	4.42	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82	3.93	▼
Bosnia	5.17	4.83	4.54	4.29	4.18	4.07	4.04	4.11	4.18	4.25	▼
Croatia	3.54	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71	3.71	
Macedonia	4.04	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86	3.79	▲
Yugoslavia	5.04	4.00	3.88	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Serbia	n/a	n/a	n/a	3.83	3.75	3.71	3.68	3.79	3.79	3.71	▲
Montenegro	n/a	n/a	n/a	3.83	3.79	3.89	3.93	3.79	3.79	3.79	
Kosovo	n/a	n/a	n/a	5.50	5.32	5.36	5.36	5.21	5.11	5.07	▲
Average	**4.44**	**4.22**	**4.13**	**4.20**	**4.10**	**4.05**	**4.06**	**4.03**	**4.04**	**4.04**	
Median	**4.42**	**4.25**	**4.17**	**4.00**	**3.89**	**3.82**	**3.82**	**3.82**	**3.82**	**3.79**	
Non-Baltic Former Soviet States											
Armenia	4.83	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39	
Azerbaijan	5.63	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25	6.39	▼
Belarus	6.38	6.38	6.46	6.54	6.64	6.71	6.68	6.71	6.57	6.50	▲
Georgia	4.33	4.58	4.83	4.83	4.96	4.86	4.68	4.79	4.93	4.93	
Kazakhstan	5.71	5.96	6.17	6.25	6.29	6.39	6.39	6.39	6.32	6.43	▼
Kyrgyzstan	5.29	5.46	5.67	5.67	5.64	5.68	5.68	5.93	6.04	6.21	▼
Moldova	4.29	4.50	4.71	4.88	5.07	4.96	4.96	5.00	5.07	5.14	▼
Russia	4.88	5.00	4.96	5.25	5.61	5.75	5.86	5.96	6.11	6.14	▼
Tajikistan	5.58	5.63	5.63	5.71	5.79	5.93	5.96	6.07	6.14	6.14	
Turkmenistan	6.83	6.83	6.83	6.88	6.93	6.96	6.96	6.93	6.93	6.93	
Ukraine	4.71	4.92	4.71	4.88	4.50	4.21	4.25	4.25	4.39	4.39	
Uzbekistan	6.42	6.46	6.46	6.46	6.43	6.82	6.82	6.86	6.89	6.93	▼
Average	**5.41**	**5.51**	**5.57**	**5.66**	**5.74**	**5.78**	**5.79**	**5.84**	**5.92**	**5.96**	
Median	**5.44**	**5.50**	**5.54**	**5.65**	**5.72**	**5.84**	**5.91**	**5.98**	**6.13**	**6.18**	

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 2010 ratings reflect the period January 1 through December 31, 2009.

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

2010 Rankings by Regime Type

Consolidated Democracies (1.00–2.99)	
Slovenia	1.93
Estonia	1.96
Latvia	2.18
Czech Republic	2.21
Lithuania	2.25
Poland	2.32
Hungary	2.39
Slovakia	2.68

Semi-Consolidated Democracies (3.00–3.99)	
Bulgaria	3.04
Romania	3.46
Croatia	3.71
Serbia	3.71
Macedonia	3.79
Montenegro	3.79
Albania	3.93

Transitional Governments or Hybrid Regimes (4.00–4.99)	
Bosnia	4.25
Ukraine	4.39
Georgia	4.93

Semi-Consolidated Authoritarian Regimes (5.00–5.99)	
Kosovo	5.07
Moldova	5.14
Armenia	5.39

Consolidated Authoritarian Regimes (6.00–7.00)	
Russia	6.14
Tajikistan	6.14
Kyrgyzstan	6.21
Azerbaijan	6.39
Kazakhstan	6.43
Belarus	6.50
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 2010 ratings reflect the period January 1 through December 31, 2009.

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).

Albania

by Gledis Gjipali

Capital: Tirana
Population: 3.1 million
GNI/capita: US$7,520

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75
Civil Society	4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00
Independent Media	4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00
Governance*	4.25	4.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.25	4.50
Local Democratic Governance	n/a	n/a	n/a	n/a	3.25	2.75	2.75	2.75	2.75	3.00
Judicial Framework and Independence	4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25
Corruption	5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00
Democracy Score	4.42	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82	3.93

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

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

Executive Summary

Two decades after the collapse of the Communist regime in late 1990, Albania has achieved some positive results in terms of Euro-Atlantic integration. Albania became a member of NATO on April 4, 2009. The Stabilization and Association Agreement signed by Albania with the European Union (EU) in 2006 entered into force in April 2009, and the procedure for considering the country's application for EU membership officially started. The parliamentary general elections held in Albania on June 28, 2009, were considered a positive achievement, meeting almost all of the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODHIR) election standards. However, irregularities were noticed in the vote counting procedure, as well as misuse of public administration and public goods. These problems were enough of a setback for the opposition parties to disagree with the overall assessment of the general elections. As a result, the Socialist Party (SP) chose to boycott the Parliament, and later, the local elections held in November. Albanian society remains heavily affected by the country's political polarization; politics influence the judicial system, media, and civil society, thus hindering the country's progress toward the consolidation of democracy.

National Democratic Government. Parliamentary elections on June 28, 2009, brought a coalition of parties from the Right and Left to power. The new government has asserted its commitment to European integration, which will include sweeping reforms in a number of areas. However, the Socialist Party boycott of parliamentary proceedings has greatly hindered the functioning of Parliament, and by the end of the year the parties had not reached any political consensus to solve the impasse created in state institutions. *Owing to the Socialist Party boycott of parliamentary proceedings, Albania's national democratic governance rating worsens from 4.25 to 4.50.*

Electoral Process. Parliamentary elections were held in Albania on June 28, 2009. The elections were conducted under a new electoral code adopted in a consensual manner by the Democratic Party and the Socialist Party six months prior to election day. For the first time, voter lists were generated electronically from the computerized National Civil Status Register. The elections took place in a highly polarized political environment. No major incidents were noticed, but the vote count process was disputed and legal complaints followed. *While meeting most OSCE commitments, the June 2009 elections did not fully realize Albania's potential to adhere to the highest democratic standards, although they were considered the best elections Albania has held so far and were recognized by international organizations and governments. Albania's electoral process rating remains at 3.75.*

Civil Society. Albanian civil society is at a crossroads and lags behind its peers in the region. Scarce financial resources, high donor dependence, and a substantial decrease in advocacy activities are some explanations for this stagnation, as well as decreased membership in associations and networks, and the lack of capacity of nongovernmental organizations (NGOs) in both urban and rural areas. Various segments of the civic sector were involved in the June elections, and several NGO leaders ran for parliamentary seats, primarily under the Socialist Party and G99 tickets; a significant number were elected, while the rest returned to civil society activities. This "revolving door" phenomenon between the NGO community and government should be seen as a healthy relationship, beneficial and refreshing to the political scene, yet it has cast serious doubts on the impartiality of Albanian civil society. *Albania's civil society rating remains at 3.00.*

Independent Media. Albanian media have advanced in terms of technology, but the legislative framework covering free media is not yet complete. This lack of legal framework combined with little transparency in the funding of print and electronic media favors the interests of media owners and politicians rather than the public interest, and similarly hampers editorial quality. Media coverage of the June 2009 electoral campaign was divided in favor of the ruling party and the main opposition party, and smaller parties did not receive the coverage entitled to them under the electoral code. Reform of the public service broadcaster has stalled. Cases of violence against journalists have been sporadic, yet investigative journalism remains under threat, as demonstrated by the physical assault on *Tema* editor/journalist Mero Baze. *Owing to increasing intimidation of investigative journalism and the influence of politics over media regulatory bodies, Albania's independent media rating worsens from 3.75 to 4.00.*

Local Democratic Governance. The polarization of political life at the central level of governance has had a negative impact on the work of municipal councils. The decentralization process is ongoing yet hampered by cuts to local budgets. Parliament passed a law lowering the tax rate for small businesses, which reduces the income of local governments in charge of collecting small business taxes. The central government has not taken any measures to compensate for these losses to local budgets. *Owing to cuts in the income of local governments, as well as the opposition's boycott of local by-elections, Albania's local democratic governance rating worsens from 2.75 to 3.00.*

Judicial Framework and Independence. The judicial system in Albania is not entirely independent, and Albania lacks an overall strategy for judicial reform. The government continues to take actions to intimidate judges and prosecutors while bringing politically sensitive cases to court. Two ministers were accused of abuse of office, but their cases were dismissed by the High Court on procedural grounds. The National Judicial Conference could not convene a meeting to replace members of the High Council of Justice (HCJ) whose mandates had expired because the two

major political forces could not reach consensus on adopting the National Judicial Conference Law. Delays and poor functioning of the justice system were observed throughout the year. The HCJ is in the process of increasing the number of judges in larger district courts to solve the backlog of cases. Court reorganization, although considered a positive step in increasing the efficiency of the judicial process, is not always accompanied by thorough preliminary studies by the HCJ or the Ministry of Justice. State institutions set a bad example with regard to the execution of court decisions, and the lack of trust in enforcement agencies has forced many Albanians to bring their cases before the European Court of Human Rights. *Albania's judicial framework and independence rating remains unchanged at 4.25.*

Corruption. Corruption continues to be a widespread phenomenon in Albania, and the perception of corruption in various public services remains high. Government efforts to tackle corruption have stalled at the strategy stage or are only selectively applied. Furthermore, the government's anticorruption strategy lacks a concrete timetable and mechanisms. Immunity of high officials continues to be an obstacle in the fight against corruption. Immunity served as grounds for dismissing the criminal case against Minister of the Environment Fatmir Mediu, accused in relation to the Gërdec ammunition plant explosion that killed 26 in 2008. *Albania's corruption rating remains at 5.00.*

Outlook for 2010. Albania's application for EU membership will be considered in 2010 and a response from the EU is expected by the end of the year. In the meantime, as it takes steps closer to EU membership, it is likely that the country will benefit from a visa free regime in the Schengen Area within 2010. More than half of the members of the Constitutional Court will finish their terms, and their replacement is of significant leverage as the Constitutional Court plays an increasingly crucial role in the functioning of key institutions and preservation of constitutional rights.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.25	4.50

On April 4, 2009, Albania joined NATO, culminating the country's decade-long effort to fulfill criteria laid down in the Membership Action Plan (MAP) introduced by NATO in 1999. The positive response to the country's request for NATO membership encouraged the government to submit its application for European Union (EU) membership on April 28, two months before the general elections. After some delays, the Council of the European Union authorized the EU Commission on November 16, 2009, to prepare the *avis* on Albania's application for EU membership. Meanwhile, the Council did not include Albania in the visa liberalization regime of the Schengen Area, due to the country's lack of substantial progress in meeting the benchmarks of the agreement road map.

Albania's parliamentary life was relatively productive and positive in the first half of 2009, although Parliament showed administrative deficiencies in harmonizing national legislation with the EU acquis. The cooperative political climate between the government and the opposition came to an end with the June 28 parliamentary elections in which the coalition led by the Democratic Party (DP) won 70 seats, followed by the coalition led by the Socialist Party (SP) with 66 seats, and the coalition led by the Socialist Movement for Integration (SMI) taking 4 seats. None received a sufficient number of seats to form a government.

Although SMI used harsh rhetoric against the DP, together they formed a governmental coalition. Consequently, Prime Minister Sali Berisha succeeded in forming a new government in coalition with SMI and the Republican Party (RP). The SMI, as the main coalition partner, secured the posts of deputy prime minister, minister of foreign affairs, minister of economy, and the ministry of health. The RP secured the post of minister of environment and water management for its party leader, Fatmir Mediu. Mediu served as minister of defense in the previous government, but resigned following the explosion of an ammunition dismantling plant in Gërdec in March 2008. The High Court dismissed charges against him in connection with the Gërdec explosion in September 2009 following his re-election to Parliament. His inclusion in the government caused heated political and public debates.

The new coalition hoped to accelerate the European integration process in order to catch up with advanced countries in the Western Balkans. However, the opposition's boycott of parliamentary procedures following the general elections created a crisis of unresolved issues around its claim that the electoral process was fraudulent and subsequent calls for a parliamentary investigation. Strengthening Albania's public administration is a precondition for successful EU accession,

but no improvements were noted during 2009. Particularly worrisome is the phenomenon of appointing individuals on a contractual basis as high turnover rates and politicization of civil servants at the central and local levels obstruct the effectiveness and professionalism of the public administration.

One of the most debated issues in 2009 was the adoption of the lustration law, which has often been misused by the political forces in Albania. Members of the opposition, the Albanian Helsinki Committee, and National Association of Prosecutors brought separate complaints before the Constitutional Court, which suspended implementation of the law in February. The Venice Commission was asked by the Court to deliver an *amicus curiae* opinion on the conformity of the lustration law with the constitution; issued on October 13, the Commission's opinion confirmed several constitutional violations, but by the end of 2009, the Court had yet to issue a final decision.

Albania's economy remained stable during 2009 and was not heavily affected by the global economic crisis. This stability was due to fiscal and regulatory reforms as well as the privatization of large-scale companies within strategic sectors, such as energy. Although these reforms had a positive impact on the macroeconomic stability of the country, they did not go through a fully transparent consultative process.

After the disputed privatization of the state oil company the Albanian Refining and Marketing Organization (ARMO), the government issued several decisions that favored the new private oil company. These were challenged in January 2009 by the *Shoqata e Hidrokarbureve* (Association of Hydrocarbons) before the Constitutional Court, which declared the decisions unconstitutional and also inconsistent with the EU—Albania Stabilization and Association Agreement and World Trade Organization obligations. Trouble persisted with ARMO when the Tax Office suspended its activities in the fall, claiming that ARMO had not paid taxes for over a year. Within hours, the state police confronted the tax inspectors and assisted the refinery in breaking the suspension order. This case showed a lack of cooperation between enforcement agencies and raised concerns about respect for the rule of law in Albania.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75	[illegible]

Parliamentary elections in Albania were held on June 28, 2009 and were considered a litmus test for the country to advance in the European integration process. The final report by the Organization for Security and Cooperation in Europe (OSCE)–Office for Democratic Institutions and Human Rights (ODIHR) Election Observation Mission noted that: "while meeting most OSCE commitments, these elections did not fully realize Albania's potential to adhere to the highest democratic standards."[1] Still, the June 2009 elections were considered the best Albania has held so far and were recognized by international organizations and governments.

The polls were conducted under a new electoral code adopted in a consensual manner by the DP and SP six months prior to election day. The new code addressed several OSCE-ODIHR recommendations based on Albania's previous elections, in particular changing the electoral system and voter registration, but also related to the vote count and the complaints and appeals process.

The new electoral code introduced a system of regional proportional representation to replace the previous controversial system and eliminate the so-called *dushku* phenomenon, which had plagued earlier elections and allowed the transfer of votes and the distortion of the electorate's will. As the previous system favored the representation of smaller parties in Parliament, the DP and SP instructed their supporters to vote for ally parties in the ballot of the proportional list, and also represented their candidates under smaller parties' lists. The new, regional, proportional representation system favors two main political parties and makes it difficult for the smaller parties to reach the parliamentary threshold. The new code also established an obligatory 30 percent quota for women in Parliament, but it was not appropriately implemented by most parties. Nevertheless, the number of women in Parliament increased notably from 6.4 in 2005 to 16.4 percent in 2009.

Under the new electoral process, voter lists were generated from the computerized National Civil Status Register rather than from the frequently changing paper records kept at local offices. Furthermore, the DP and SP consensually approved keeping an online record of the vote. However, these improvements were overshadowed by the politicization of different technical aspects of the electoral process, such as the issuance of identity cards. The new code sanctioned voting only with a passport and/or identity card. As the production of new identification documents began only 5 months before election day, the main priority was to issue identity cards to around 730,000 eligible voters without a valid passport. Considering the deadline to provide all citizens with reliable identification documents before June 2009, the late start of this process raised concerns that a significant number of voters might not be able to vote on election day. That proved to be the case; 257,000 citizens without a passport could not vote.[2]

The elections took place in a highly polarized political environment. Members of the opposition expressed deep mistrust in state institutions and the elections' administration. On the other hand, public administration officials were involved in the electoral campaign supporting the activities of the ruling party. During the campaign, the media reported that public sector workers were pressured to attend ruling party campaign events or to desist from opposition activities, as well as the use of public assets by ruling party candidates who were running on the DP ticket.

Nonetheless, the elections took place without major incidents, though a few familiar shortcomings were noted, such as family voting (one member voting for an entire family or his/her relatives) in rural areas and a lack of proper training for election administrators. Major political parties recognized the calm atmosphere and absence of violent acts. This was not the case during the vote count, where the process was blocked in 3 out of 12 districts for several days, leading to delays in announcing the election outcome. The Central Elections Commission's official

results were made public one month after election day, with the DP-led coalition receiving 70 seats, the opposition SP-led coalition taking 66 seats, and the coalition led by the SMI winning 4 seats. As SMI joined the government coalition, the coalition reached the required number of seats to form the government. Under the new system, only three other small parties reached the parliamentary threshold with one member of parliament (MP) each.

According to the final election results, the DP-led coalition gained 23,000 more votes than the SP-led coalition while in the contested districts—Tirana, Berat, and Shkodra—the seats were won with less than a 1,000 vote difference. The SP claimed severe irregularities in these three districts and requested a recount. Based on the new electoral code, a recount and re-evaluation can be carried out when two members of the Central Elections Commission (CEC) request to do so. Two opposition-nominated CEC members asked for a full recount of the disputed ballots, but the request was rejected by the CEC and the Electoral College of the Court of Appeal of Tirana. The SP-led opposition then demanded the formation of a parliamentary committee headed by the opposition to investigate the electoral process, including an investigation of the ballot boxes. The SP claimed that it neither wanted to overthrow the final result nor invalidate the elections, since the legal battle for election results was over and there were no other legal means at their disposal. The DP-led majority agreed to fulfill some of these conditions, such as setting up a parliamentary investigative committee on elections and granting the SP the right to form a majority within the commission, but did not agree to recount the ballots due to legal constraints. Consequently, SP boycotted the new Parliament, and later, along with other opposition parties, boycotted five local government by-elections held on November 15, 2009.

The electoral code provides some provisions for the financing of political parties, but their scope and implementation are limited. The CEC is responsible for the implementation of these measures, but resources and administrative capacities are insufficient to guarantee full transparency.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00

Civil society in Albania is generally free from state interference, but it continues to face many challenges. The public is skeptical of the role of civil society, which is mostly represented by small nongovernmental organizations (NGOs) that are fragmented and lack cooperation. Citizens are largely apathetic, with modest to low rates of participation in civic activities, volunteering, or membership in associations and networks. Consequently, Albania's NGO sector is considered to be in a period of "slippage," resulting in part from a lack of sufficient financial support and administrative sustainability. The central and local levels of government in Albania do not yet provide financial support for NGOs, which are concentrated in the

capital city, Tirana. Civil society is strongly dependent on foreign donors, whose agendas set the priorities of local NGOs.

In 2009, a significant number of high-profile civil society actors became active in the country's political life. Many joined political parties or transformed their roles to fit political organizations, in some cases as new members of Parliament. While the quality of policy- and lawmaking in Albania may benefit from the involvement of civil society figures turned politicians, NGOs may find it challenging to fill the human capacity gap created by this transition.

NGOs in Albania have played a limited role in the EU integration process by stimulating public debate on sensitive issues such as visa liberalization, human rights, and antidiscrimination. A new law on antidiscrimination drafted by NGOs has the full support of the government. Likewise, the government has started to consult a number of these organizations on draft laws, although their comments are not always taken into consideration. Human rights and watchdog NGOs have encountered difficulties in gaining cooperation from governmental structures as they monitor and report their activities. In 2009, the Albanian government included US$1.2 million for civil society in the state budget, and in March, after intensive consultation with civil society organizations, the Law on the Establishment of the Agency for Support to Civil Society was adopted.

The legal framework on civil society organizations remains ambiguous regarding taxation. In order to be tax exempt, NGOs must receive a confirmation from the Ministry of Finance. Although the measure is not enforced and NGOs have not had to pay taxes, this requirement maintains a certain level of pressure and legal uncertainty on Albanian civil society groups.

There are still notable barriers to the normalization of relations between the government and trade unions. Both organizations for workers and those for employers are dissatisfied with the existing level of the tripartite dialogue. The National Labor Council is the major forum for this dialogue, which aims to reconcile the interests of the various economic players, ease conflicts, and maintain social harmony. The Council has been criticized for a lack of continuity in its work and because its views are not being sought on crucial political issues, such as privatization and financial legislation.

Trade unions are weak due to Albania's fragmented labor market and the large "gray economy" that still exists in the country. Newly proposed legislation under revision in the Parliament that seeks to reclaim properties previously transferred to the unions could further threaten their existence.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00

Freedom of expression in Albania is guaranteed by the constitution. The country's media have advanced in terms of technology, but the legislative framework

covering free media is not yet complete. The Albanian media market has witnessed an expansion in the number of broadcast and print outlets, which compete for limited advertisement revenues and depend mainly on businesses to subsidize their operations. Combined with the lack of legal framework on the transparency of financial resources, this favors the interests of media owners and politicians rather than the public, and editorial quality is often hampered. Likewise, there is no self-regulation concerning the employment of most journalists, which jeopardizes the quality and ethics of Albanian journalism.

Reporters Without Borders noted the worsening situation in Albania in its Press Freedom Index for 2009, ranking the country 88 out of 175 countries surveyed compared with a ranking of 79 the previous year.[3]

The Electoral Code closely regulated how the June 2009 parliamentary campaign would be covered by media outlets. For the first time in the history of Albanian elections, campaign coverage was largely reduced to broadcast footage and commentary produced by political parties. Media coverage was divided in favor of the ruling party or the opposition party, while smaller parties did not receive the coverage they were entitled to under the electoral code. The Media Monitoring Board, an institution established by the Central Election Commission (CEC), failed to carry out its duties on assessing whether broadcasters fulfilled their legal obligations regarding the "pluralism of information" during the elections.[4]

Reform of the public service broadcaster, Radio Televizioni Shqiptar (RTSH) did not progress during the year. RTSH continued to be extremely biased, mostly covering the activities of the government. It has the broadest territorial coverage of the country, and with less than 10 percent of its budget coming from subscription fees, the state broadcaster remains financially dependent on government funding.

The National Council of Radio and Television (NCRT) has licensed 3 commercial television stations with national coverage, 69 local television stations, and 50 cable television stations. The international community has advised Albania to undertake legal and institutional reforms to ensure the credibility of the NCRT, but reform to strengthen its role and independence has stalled. For example, in November 2009 Parliament elected Endire Bushati as the NCRT chair, replacing Mesila Doda who was elected to the Parliament from the ruling party in the June elections. Chairwoman Bushati previously served as legal advisor to Prime Minister Sali Berisha, but has no previous experience working with the media.

The case of the daily newspaper *Tema* remained unresolved at year's end. In 2008, the publisher's 20-year lease on a state-owned building was interrupted without prior notice by the Ministry of the Economy and *Tema* was forced to move out. The Tirana district court suspended the decision, but *Tema* journalists were prohibited from entering the building and state police prevented the transfer of equipment to another location. *Tema* brought another complaint against the Ministry, and is seeking damages as the entire infrastructure of both the newspaper and its printing house are now at a standstill. Yet even these difficult circumstances have not stopped the newspaper from reporting on the unlawful actions of state authorities.

Cases of violence against journalists are sporadic in Albania. In November 2009, the owner and chief editor of *Tema*, Mero Baze, was assaulted by Rezart Taci and his bodyguards. The court issued an arrest order for Taci, a businessman who runs the former state oil company ARMO, and the case is set to go before the district court of Tirana. Prior to the incident, Mero Baze had run an investigative program on *Vizion Plus* in which he alleged that Taci had unlawfully privatized the state-owned oil refinery and smuggled oil using ties with family members of Prime Minister Berisha. Taci is also known for providing financial support to the ruling party during the electoral campaign, where he appeared in media spots next to the Prime Minister and his family. The Union of Albanian Journalists reacted to the violence against Baze by urging all media to interrupt their news broadcasts for five minutes, and representatives of the international community expressed their deepest concern, considering the incident a serious threat to media freedom in the country.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.25	2.75	2.75	2.75	2.75	3.00

The structure of local government in Albania and its relationship with the central government is determined by the constitution. Decentralization began in 1998, and according to the law on local government adopted in 2001, local authorities exercise exclusive competences, delegated competences, and shared competences with the central government. Albania has also signed the European Charter on Local Government of the Council of Europe. However, in past years there has been a trend toward arbitrary interventions by the central government in local government affairs at the expense of the decentralization process.

The country's decentralization process is developing in two main directions: improving the legal framework for local government competences in compliance with the constitutional principle of decentralization, and implementing the subsidiary principles by working more closely with citizens. Reform is jeopardized by the lack of local financial autonomy, intervention of the central government, and unclear division of competences.

The 2009 parliamentary election had an impact on the performance and reform of local government in Albania with a number of diminished local competences and budget cuts. The polarization of the country's political life affected the decentralization process and some municipal councils faced difficulties in approving their budgets for several months.

In April 2009, the Parliament established an investigative commission to look into building permissions issued by the Municipality of Tirana, which had brought a complaint before the Constitutional Court over a clash of competences between the local government and the Parliament. The issue is pending before the Constitutional Court. Meanwhile, the commission continued its work, but only

with members of the ruling party as the opposition party's members refused to take part.

Albania still lacks a law regulating, or at least determining, standard financial procedures between the local and central government. In spring, Parliament approved a proposal to diminish the fiscal discretion of the local government in collecting small business taxes from 30 percent to 10 percent. Their proposal will also limit the authority of local governments to impose tariffs, thereby reducing local income from tariffs by 90 percent.[5] A measure to compensate local government budgets for their losses has not been put in place.

On November 15, local representatives initiated a round of protests on the subject of financial autonomy, accusing the government of cutting local budgets as a way to balance the impact of the global economic crisis on the state budget. They asked the government to address their concerns with concrete actions, warning that they would otherwise use all democratic forms of protest to force the government to find an appropriate solution.

The process of transferring powers from the central to the local level in certain fields, such as water supply, has been quite slow. Two municipalities, Tirana and Himara, have started judicial proceedings against the central government for issues related to the transfer of power in this sector. In February, the Constitutional Court declared unconstitutional an attempt by the central government to take over competences from local authorities on issues involving the administration of the territory.

In 2009, a case concerning amendments to the Law on Legalization, Urbanization and Integration of Unlicensed Buildings that would transfer competences of local government to the state run Agency for Legalization, Urbanization, and Integration of Informal Buildings (ALUIZNI) was brought before the Constitutional Court by Socialist Party MPs. The Court declared the amendments unconstitutional. Regardless, in May the government adopted a Council of Ministers' decision foreseeing that local government responsibilities not executed in time by the local government would be transferred to the ALUIZNI. This move challenged the earlier Court ruling as well as constitutional principles, which clearly emphasized that the distribution of power may not be altered by a simple majority law or by a subordinate legal act, thus the government was overstepping its competence regarding local government.

At the beginning of November 2009, a dispute took place in downtown Tirana between the Construction Inspectorate of the Municipality and the state police, ending in clashes. The conflict arose over a decision by the government to halt construction on the City Center Plan approved by the Territorial Control Council of Albania in 2004. In October 2008, the Territorial Control Council of Tirana approved the plan based on an international competition, and ownership certificates issued by the relevant state offices. The government tore down the construction, stating that it would build a public park on the area that had been designated for private investment, calling into question the state's respect for the principles of decentralization and local autonomy. One of the investors affected by

the government's action is an owner of *Vizion Plus*, a TV media outlet known for its criticism of the government.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25	[illegible]25

The constitution provides a sound legal basis for judicial independence. However, the country's justice system is far from independent, and its reform process is at an early stage. The government continues to take actions to intimidate judges and prosecutors. For example, in 2009 the government again raised the issue of addressing communist crimes through a lustration law. Adopted in December 2008, the law targets judges and prosecutors and, among other things, foresees the removal of judges and prosecutors who served during the communist regime.

Although implementation of the lustration law was suspended by the Constitutional Court, the debate around it affected the judicial proceedings against former minister of defense and current minister of environment, Fatmir Mediu, and other high officials accused in the 2008 explosion of the Gërdec ammunition plant in which 26 people died. The main prosecutor of the Gërdec case, Zamir Shtylla, was personally attacked in the media by the prime minister for alleged criminal involvement in political persecution of citizens by the former communist regime. Shtylla resigned soon after the lustration law was adopted. The case against Mediu was later dismissed by the High Court in September 2009 on grounds that his immunity had been reinstated with his election to the Parliament.

In another matter, Minister of Interior, Lulzim Basha, was accused by the Prosecution Office for abuse of office in connection with a highway construction project during his service as minister of public transport and telecommunication. The trial against Basha involved courts at three levels in Albania and was adjudicated in two parallel lines before the District Court of Tirana, both ending up before the High Court, which issued two different decisions by different criminal panels. According to the constitution, criminal proceedings against persons with immunity must be dealt with by the High Court, which finally dismissed the case as a result of the contradictory decisions.

Albania still lacks a comprehensive strategy on judicial reform. As a result, the Parliament could not adopt the draft law "On Establishment of Administrative Courts and Administrative Dispute" submitted by the government at the end of 2008, which would establish specialized administrative courts and shorter judicial procedures for administrative disputes. The business community supported the adoption of the law, considering it an important step toward shortening judicial administration processes.

The debate on the National Judicial Conference (NJC) came up again after the government's failure to submit a new law to Parliament. Political representatives

encouraged judges to convene a meeting of the NJC without a law in order to replace members of the nine-member High Council of Justice (HJC) whose mandates had expired. The NJC law of 2005 was completely repealed by the Constitutional Court, which decided that the law requires a qualified majority to be approved. Yet, judges were divided on whether or not to convene the NJC under such circumstances.

The effectiveness of the judiciary remains a problem. Court reorganization began two years ago with the abolishment of eight courts in outlying areas of the country; the premises were preserved and judges were flown in from central courts as needed. In January 2009, Minister of Justice Bujar Nishani issued a decision closing court branches, with all sessions to be held instead at the central court building. This might have a negative impact on access to justice, as citizens are now obliged to travel long distances to have their cases adjudicated.

Determining the right number of judges for each court of first and second instance has been a long-standing problem in Albania. Larger courts have faced a tremendous backlog of cases. The high workload of judges has a negative impact not only on the delay of court proceedings, but also on the quality of judicial decisions. To ease matters, President Bamir Topi issued Decree No. 6265 on September 16, 2009, which will increase the number of judges in Albania and affect almost all courts of first and second instance. The HCJ is currently working on a methodology to organize the fair and transparent process of transferring judges between courts. Likewise, the HCJ is in the process of simplifying the problematic system of evaluating and promoting judges.

A draft law introduced in April 2009 on judicial administration was strongly opposed by judicial representatives as an attempt by the executive to control judicial power. Moreover, the Constitutional Court repealed the competence of the chancellor to appoint the judicial administration, declaring it unconstitutional following a complaint by the National Association of Judges. There is thus an urgent need to fill this legal gap as there is no authority vested with the power to appoint the judicial administration.

During 2009, Parliament passed laws related to legal aid and witness protection to improve the protection of citizens and witnesses in criminal trials. The law on legal aid is supposed to provide citizens with the right to legal defense, but has not yet been implemented and no budget has been allocated to support this. Albania has adopted a law on probation services, which is considered to be a positive step for the penitentiary system. When implemented, the law is expected to help solve the problem of overcrowding in prisons. Additionally, it will improve the rehabilitation of certain categories of detainees such as juveniles and women.

Although the number of implemented decisions in Albania increased in 2009, the number of unimplemented decisions was much higher (5,806 to 8,057, respectively, according to the Annual Statistics Report of the Ministry of Justice). State institutions continue to fail to enforce court rulings. In many cases, state institutions blame their failure to implement court decisions on budget shortfalls. The Constitutional Court decided in January 2009 that the failure of the Bailiff's

Office to enforce decisions is considered a violation of the constitution. A new law on private bailiffs, adopted in 2009, aimed to liberalize the enforcement services and thereby increase competitiveness while reducing corruption, but it has been implemented slowly with little improvement to the system. Other secondary legislation for the implementation of the law has not yet been adopted and enforcement fees are still under negotiation. In the meantime, an increasing number of complaints (up to 200 in 2009) over the state's failure to implement court decisions have been submitted to the European Court of Human Rights. These unimplemented decisions are often related to property issues and illegal dismissals from the civil service.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	[illegible]

Corruption in Albania is a widespread problem not only for the government, but also for justice institutions and civil society organizations. Fighting corruption is a priority for most political and non-political actors alike. According to a U.S. Agency for International Development poll conducted at the beginning of 2009, "almost half of the sample (48.5 percent) believes that corruption has increased in comparison to the previous year, while 38 percent think that it has remained the same."[6] Trust in the country's major institutions is low, with the healthcare sector is reportedly the most notorious for corruption. Transparency International's 2009 Corruption Perceptions Index ranked Albania 95, down 10 positions from the previous year.[7] The ranking shows that Albania remains one of the most problematic countries in the region with regard to the fight against corruption.

Governmental efforts to tackle corruption are sporadic, with a lack of cooperation between different state actors, and penalties are selectively applied. The Inter-Sectoral Strategy on the Prevention and Combating of Corruption adopted in October 2008, followed by the adoption of an action plan in January 2009, lacks a concrete timetable and mechanisms that can be monitored. Some progress has been noticed on the legislative and regulatory framework related to the business environment. The main purpose of these laws is to reduce bureaucracy and reform administrative procedures on taxes and public procurement, but their impact cannot be assessed yet. The implementation of the laws relies on new electronic procedures and systems, but is often jeopardized by poor infrastructure and a lack of experience in using this new technology.

Immunity for high officials is considered an obstacle in the country's fight against corruption, and lifting the immunity of MPs, ministers, and judges has been addressed several times in Parliament. The new parliamentary majority emerging from the June 2009 elections has renewed its promise to establish important legal regulations on immunity. Still, a stable legal approach to this issue has not yet been undertaken. Political actors are reluctant to cooperate with justice institutions on

pursuing corruption cases. Moreover, even when immunity is formally lifted for ministers, the government has demonstrated no will to fully cooperate with the judiciary; on the contrary, a threatening approach is often taken against judges and prosecutors. In one example, the immunity of Fatmir Mediu, former minister of defense and current minister of environment, was lifted in June 2008. Mediu was accused of abuse of office in connection with the March 15, 2008, explosion of an ammunition plant in Gërdec, followed by the initiation of a judicial process against him in May 2009 before the High Court. The process was deferred several times and finally dismissed by the High Court in September on the grounds that Mediu regained immunity when he was elected to Parliament. So far the General Prosecutor, Ina Rama, has not made an official request to remove Mediu's immunity.

Immunity was not an obstacle to the judicial proceedings against Lulzim Basha, former minister of transport and telecommunication and current minister of interior who was accused of abuse of office based on the criminal code. However, govern-mental pressure on the judiciary and Minister Basha's lack of cooperation with the General Prosecutor's Office did influence the court's decision. The High Court dismissed Basha's case, arguing that the Prosecutor's Office carried the investigation beyond the deadline foreseen in the Criminal Procedure Code. Both of the aforementioned High Court decisions were limited to the procedural aspects of the cases and did not address the accusations of the Prosecutor's Office against Basha.

The High Inspectorate for Declaration and Auditing of Assets (HIDAA), as the only institution responsible for gathering declarations from high public officials, is very limited in its ability to investigate these declarations. Only one case, involving the head of the Durres Prosecution Office who was forced to resign after failing to justify a questionable amount of money on his bank account, has produced results.

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1 OSCE-ODIHR Election Observation Mission Final Report, September 14, 2009.

2 Ibid.

3 Reporters Without Borders—World Press Freedom Index 2009, http://www.rsf.org/en-classement1003-2009.html

4 OSCE-ODIHR Election Observation Mission Final Report, September 14, 2009, p.16.

5 Interview with Albana Dhimitri, Deputy Mayor of Tirana Municipality.

6 Corruption in Albania, 2009 Pool, Institute for Development and Research Alternatives (IDRA) Within the Framework of the Rule of Law Project of USAID.

7 http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table.

Armenia

by Aleksander Iskandaryan

Capital: Yerevan
Population: 3.1 million
GNI/capita: US$6,310

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75
Independent Media	4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00
Governance*	4.50	4.50	4.75	4.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50
Judicial Framework and Independence	5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50
Democracy Score	4.83	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39

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

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

Executive Summary

Armenia's move for independence was triggered in 1988 by wide public support for a secessionist movement in Nagorno-Karabakh, an Armenian-populated region in adjacent Azerbaijan. By the time the Soviet Union disintegrated in 1991, the territorial conflict had turned to war, leading to a blockade, energy crisis, and the overall collapse of Armenia's economy. Created during the war, Armenia's political system was centralized around the president, with war veterans involved in politics and business. By the 1994 ceasefire, national consolidation decreased, the authorities were losing popularity, and over a fourth of Armenia's population emigrated due to poverty. Tarnished elections, the 1998 forced resignation of the president, the 1999 shooting in Parliament, and postelectoral unrest in 2008 have all contributed to the reduced legitimacy of the government. The results of every national election since 1995 have been denied by the opposition, which is personality driven and passive between elections. The constitution was democratized in 2005 by amendments that continue to be implemented. Radical market reforms enabled rapid economic growth that reached 13 percent per annum in 2003–07 but subsided by 2008 due to the global economic recession. However, the growing job market concentrated in agriculture, the food industry, construction, services, and tourism cannot satisfy the social expectations of an urbanized, educated populace. Widespread corruption and the merger of politics and economics have led to social pessimism, and the conflict over Nagorno-Karabakh remains unresolved.

In March 2008, the excessive use of force in an attempt to disperse a postelection rally left 10 people dead and close to 200 wounded, leaving the Armenian society in a state of shock and polarization. By the end of 2009, 15 people arrested in connection with the unrest remained in custody. The government coalition survived the year, despite the departure of one party in protest against rapprochement with Turkey, while the political opposition became marginalized and disintegrated. The global economic crisis hit Armenia's economy, leading to a 16.3 percent drop in GDP that affected businesses and jobs. Armenian-Turkish rapprochement was launched by the government but triggered a controversial reaction from the media and intellectuals. The European Union Eastern Partnership project opened new prospects for strengthening Armenia's ties with Europe.

National Democratic Governance. Armenia's legislation provides for democracy and rule of law, but executive authorities continue to dominate in governance. The global economic crisis hit the country's economy in 2009, leading to a decrease after six years of rapid growth. Polarization of the society as a result of the 2008 postelection unrest gradually subsided and transformed into public apathy.

Armenia and Turkey signed protocols that may lead to the opening of borders. *The negative aftermath of the 2008 political crisis and global economic recession was offset somewhat by the moderate success in regional politics, thus Armenia's national democratic governance rating remains at 5.75.*

Electoral Process. Armenia has a progressive legislative framework for the conduct of elections. The first election for the Council of Aldermen of the capital city Yerevan was held in 2009. It was assessed by international observers as broadly in compliance with the general principles of the Council of Europe. However, the poll was marred with undemocratic practices and a lack of public trust in the electoral process. *Owing to the lack of progress in the conduct of elections, Armenia's electoral process rating remains at 5.75.*

Civil Society. The legal and political environment for nongovernmental organization (NGO) activity in Armenia is generally favorable. The 2009 amendments to the Law on Public Organizations aim to increase transparency but were criticized for potentially complicating NGO activity. Civil society organizations were increasingly active in 2009, playing an important role in forming public opinion, engaging more with public offices, and participating in international cooperation, including European integration and rapprochement with Turkey. *Since NGOs remain concentrated in the capital and major cities, and are still largely dependent on foreign funding for their sustainability, Armenia's civil society rating remains at 3.75.*

Independent Media. Armenia's legislation provides a sound framework for freedom of expression. The media environment improved in 2009, as compared to 2008 when direct censorship was exercised by the government for 20 days following postelection unrest. The transition to digital broadcast media was approved by the government in 2009, raising concerns over the lack of independence of media regulatory bodies and suspension of tenders for new licenses. Self-regulation by media, including in the areas of ethics and standards, was insufficient. Cases of intimidation and attacks against journalists were also reported in 2009. *Owing to the limited reach of print media and few genuinely independent outlets, which exist for the most part only online, Armenia's independent media rating remains at 6.00.*

Local Democratic Governance. Starting in 2009, municipal elections were also held in the capital city, Yerevan. Local government activities, however, are hampered by low citizen incentives, unclear division of responsibilities, poor funding, and overcentralized administrative control. The local elections in 2009 were competitive, but marred by violations. *The Council of Alderman in the capital Yerevan were elected for the first time in 2009; while the elections were competitive, they were also marred by violations, thus Armenia's local democratic governance rating remains at 5.50.*

Judicial Framework and Independence. The Constitution of Armenia provides for an independent judiciary, but in practice, courts are vulnerable to pressure from

executive powers. The investigation into the March 2008 postelection unrest and casualties was not finalized in 2009. Constitutional amendments to the articles on mass disorders and usurpation of power were in line with recommendations by the Parliamentary Assembly of the Council of Europe (PACE). A general amnesty was held in 2009, leading to the release from custody of 35 people held in connection with the March 2008 events, yet 15 still remained in custody at year's end. *Owing to the incomplete implementation of PACE resolutions in 2009, Armenia's rating for judicial framework and independence remains at 5.50.*

Corruption. The perception of corruption in Armenia slightly improved in 2009, but corruption still remains a major deterrent to the country's democratic development. Based on a new anticorruption strategy for 2009–12, the government continued its campaign against corruption, combining legislative measures and the reform of public services. Although the campaign has revealed abuses at various levels in the public administration, officials were not adequately punished. *Given that the anticorruption campaign failed to reach high-level public officials in 2009, Armenia's corruption rating remains at 5.50.*

Outlook for 2010. Armenia will continue to work toward neutralizing the consequences of the global economic crisis. In the event that relations with Turkey are not normalized and the border with Turkey does not open, Armenia can expect poorer economic prospects. Rapprochement with Europe will continue in the framework of the Eastern Partnership project. The unresolved conflict over the breakaway region Nagorno-Karabakh is likely to stagnate while stakeholders continue to make optimistic statements regarding progress in negotiations. In domestic politics, the main challenge for Armenia is the creation of a level playing field in politics and the emergence of a viable opposition, which was marginalized and nonfunctional at the end of 2009. Given the absence of national elections in 2010, this goal will probably not be achieved during the coming year.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75

Armenia's political system operates on the basis of consensus among elite groups that control political and economic resources. In this environment, social protests are not channeled into politics except during elections, such as the turbulent postelection events of March 2008 that polarized Armenia and strained the country's political system into 2009. The Armenian National Congress (ANC), led by Armenia's first president, Levon Ter-Petrossian, served as a channel for public discontent in the 2008 pre-election season but failed to accede to power, causing public apathy and the subsidence of political activity through the rest of the year. The opposition, including but not limited to the ANC, gradually lost momentum and, by mid-2009, had lost most of its influence in the electoral field. The low legitimacy of the opposition further decreased the legitimacy of the government in general, a trend since the mid 1990s.

Elected in 2007, before the ANC led by Ter-Petrossian formed as a political force, the current Armenian Parliament does not work via political parties but mostly via business groups. Most members of Parliament (MPs) vote and lobby in favor of the large businesses they lead or represent, rather than according to party affiliation. Adoption of laws requires consensus among various MPs who may or may not belong to the same party. The Parliament does not ensure political representation, although the constitution prescribes the independence of the legislature. Debates are open and covered by the media, draft and approved legislation is available to the public, and the Web site of the Parliament is functional.

Armenia's constitution and legal statutes provide a framework for democratic development and rule of law. In 2009, amendments were proposed to the Law on Freedom of Conscience and on Religious Organizations, Law on Media, and Law on NGOs, raising wide, public concerns. The Venice Commission commented that although the amendments to the Law on Freedom of Conscience "take some important steps to improve the precision and the range of human rights guarantees as required by international commitments," they may impose some limitations on the activities of religious groups and require redrafting.[1]

Meanwhile, the global economic crisis touched almost every sphere of public life and further aggravated the country's atmosphere of insecurity and pessimism. Armenia's GDP growth rate had stayed above 13 percent in 2003–07, but dropped to 6.8 percent in 2008. The 16 percent economic drop from January to December 2009 showed the vulnerability of Armenia's economy, with its small size, narrow base, and strong dependence on transfers from labor migrants abroad. When the

Armenian Central Bank stopped supporting the national currency in March 2009, the rate of the Armenian dram against the U.S. dollar went down by 20 percent, causing public panic.

By August, Fitch Ratings downgraded Armenia's standing after the country received over US$1.1 billion in emergency loans from the International Monetary Fund, the World Bank, and other foreign sources. "Despite a strong policy response supported by the international community, the severity of the shock has materially weakened Armenia's credit fundamentals and medium-term prospects. Unlocking Armenia's economic potential and restoring strong and sustained growth necessary to reduce poverty and raise incomes will be much harder as a result of the crisis," reported Fitch.[2] The Heritage Foundation Index of Economic Freedom ranked Armenia 38 out of 183 countries surveyed in 2009.

Armenian-Turkish rapprochement, a process that could potentially lead to the opening of the Armenian-Turkish border, which has been sealed since 1993, was a foreign policy development that changed Armenia's domestic politics in 2009. When the first results of the Swiss-mediated, Armenian-Turkish negotiations were made public on April 22, the news led to turmoil in the media, a new configuration in Parliament, and grave changes in the political discourse. Fears and bitter historical memories overwhelmed the country. The Dashnaktsutyun Party stepped out of the ruling coalition in late April in protest against normalizing relations with Turkey as long as it continues to deny the 1915 massacres as genocide. On one hand, this party has traditionally been nationalist-oriented, and anti-Turkish sentiment is rather high in its electorate, especially in the Armenian Diaspora, from which Dashnaktsutyun gets some of its support. On the other hand, the opposition niche was, by that time, almost vacant and Dashnaktsutyun could gamble to fill it by relying on nationalistic rhetoric. Whether or not this was a deliberate strategy, it failed and Dashnaktsutyun did not unite other opposition groups or become a key opposition actor by year's end.

After Armenian-Turkish protocols on normalization of relations and opening of borders were announced on August 31 and signed by the ministers for foreign affairs on October 10, a new outburst of emotion took hold of the country. Still, given the political apathy and current lack of elections, the wave did not transform into a political movement. The final blow to the political opposition was dealt in 2009 by internal disputes leading to the loss of popularity of Heritage, the only opposition party in Parliament apart from Dashnaktsutyun. Its leader, Raffi Hovhannisian, announced on September 12 that he was leaving politics and giving up his mandate. Although he changed his mind by September 30, the Heritage faction in Parliament was disoriented and weakened.

Armenia's border with Azerbaijan remained sealed in 2009, as a result of the conflict over the breakaway region Nagorno-Karabakh. Negotiations between Armenia and Azerbaijan continued without significant results, although the nations' presidents met several times in 2009. Armenian-Turkish rapprochement had a strong impact on the peace process, causing apprehension and concerns in both Armenia and Azerbaijan. A set of principles for conflict resolution (known as the Madrid Principles) were published in 2009. Armenia's army remained grossly

out of proportion to the population (over 40,000 from a population of only 3 million). In 2009, military needs accounted for 15.7 percent of Armenia's budget, a slight decrease compared to 16.4 percent in 2008.[3] The constitution and several laws prescribe civilian oversight of the military by the Parliament and civil society groups, but no significant steps to improve practices were made in 2009.

Armenia's government controlled the entire territory of the country during 2009 except for a small exclave, Artsvashen, which has been under Azerbaijani occupation since the Nagorno-Karabakh War (1988–1994). The ongoing process of delineating borders with Georgia led to a brief, adverse reaction in the Armenian media; some publications intimated that some Armenian territories would be moved into Georgia's borders.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	[illegible]

Armenia's constitution and election code create a sound framework for equal, universal suffrage. However, the country has a record of flawed elections with contested results starting in 1996. The struggle over votes in elections at all levels is genuine, sometimes leading to unrest and violent incidents; the 2008 presidential election, for example, was marred by especially violent postelectoral events that once again revealed the low public trust in elections.

National elections were not held in 2009, therefore the most prominent electoral event during the year was the May 31 election of the Council of Aldermen of Yerevan, Armenia's capital city. This poll had special importance as one-third of Armenia's population resides in Yerevan. Moreover, this was the first significant multiparty vote since the 2008 disputed presidential election, and the first ever election of the mayor of Yerevan. Previously, the mayor was appointed by the president, whereas the heads of other municipalities were elected. The 2009 election was held under the new Law on Local Self-Government in Yerevan, adopted in December 2008 after review by the Council of Europe. The new law stipulates the election of a Council of Aldermen based on party lists, with the leader of the party that wins at least 40 percent of the votes becoming mayor.

Six political parties, three in the ruling coalition (Republican Party, Prosperous Armenia, and Orinats Yerkir) and three in the opposition (People's Party, Labor Socialist Party, and Dashnaktsutyun, which had just left the coalition), plus one opposition bloc, the ANC, competed in the election, with 771,500 voters eligible to go to the polls. The incumbent mayor, Gagik Beglaryan, was appointed by the president on March 4, just prior to the election, boosting his advantage as both ruling party nominee and incumbent.

The participation of the ANC, led by Levon Ter-Petrossian, the runner-up in the 2008 presidential race, introduced a national policy agenda into a campaign that was otherwise focused on local and economic issues. ANC's campaign slogan

was "Let us change Armenia starting from Yerevan;" its strategy consisted in discrediting the election by pointing out corruption, pressure on voters, bribery, and manipulation of voter lists. In contrast, the campaign of the Republican Party was distinctly nonpolitical, focused on everyday life, construction, city infrastructure, and planning. Overall, voters were not given much choice of electoral platforms; as in previous elections on the national and local level, campaigning was personality- rather than issue-oriented.

According to official reports, over half of the eligible voters (407,700) came to the polls, and the Republican Party won with 47.4 percent of the vote. Prosperous Armenia followed with 22.7 percent; the ANC came in third with 17.4 percent; and Orinats Yerkir fourth with 5.2 percent. Dashnaktsutyun failed to pass the threshold with 4.6 percent.[4]

Claims of extensive irregularities were brought forward by the opposition and various domestic observers and NGOs, including Transparency International, It's Your Choice, and the Helsinki Committee. The ANC gave up all seats on the Council of Aldermen in protest against the irregularities. The representative of the Dashnaktsutyun Party in the Central Electoral Commission refused to sign the final protocol of the election. A statement released by Dashnaktsutyun referred to numerous irregularities, bribery, and abuse of administrative resources, and the party called on the authorities to annul election results in the precincts where irregularities were especially blatant. The Office of the Prosecutor General demanded a recount of votes in eight precincts, most of them located in the Malatia-Sebastia district of Yerevan. A recount was conducted, revealing fake ballots, cases of ballot stuffing, and other irregularities in some precincts, but nothing that affected the overall results of the election. A claim filed by the ANC to the Constitutional Court demanding the annulment of the election results was considered, but deemed unfounded.

The recommendations of the Council of Europe Congress of Local and Regional Authorities stated that "the overall organization of the elections on May 31, 2009 has been broadly carried out in compliance with the general principles of the Council of Europe, as well as European and international principles for democratic elections," but listed a number of concerns, including lack of public trust in electoral processes, absence of a normal competitive climate between political parties, few or no visual signs of an ongoing campaign, little recognizable difference between the programs and policies of candidates, and a scarcity of concrete city projects.[5]

The outcome of the election was predictable, but the number of votes won by Beglarayan was high, even given his administrative resources. One possible reason could have been voter fatigue from the previous year's abortive political struggle and subsequent inclination for a down-to-earth program. Another possible explanation was that Levon Ter-Petrossian's electorate was much more passive this go-round, as was Ter-Petrossian himself—the hopes for his victory being rather low. In the presidential election, ANC received only half the number of votes that it received in Yerevan.

The mayoral election was competitive, but the campaign, which included bribery and pressure, still did not meet democratic standards. Scandals and

clashes broke out during the campaign and voting. Some of the violent incidents involved activists from two coalition parties, Republican and Prosperous Armenia, and indicated competitiveness inside as well as outside the establishment. The Republican Party became even stronger in 2009, or as some described it, the de facto "government pretending to be a party." Voter apathy was high, sliding within a single year from open protests to psychological withdrawal.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75

Civil society in Armenia is relatively well developed by post-Soviet standards. Its activity is regulated by three statutes: Law on Public Organizations, Charity Law, and Law on Foundations. Of the nearly 4,000 nongovernmental organizations (NGOs), including over 3,200 public organizations, and over 600 foundations registered in Armenia in 2009, less than a quarter are active.[6] The majority of NGOs are concentrated in the capital Yerevan and in the northern part of Armenia, which has several large cities. This is a result of both greater staffing and funding opportunities in major cities, and also of the centralized NGO registration procedure conducted by the Ministry of Justice.

NGOs are especially active in the spheres of human rights, public policy, charity and social work, media, environment, youth, gender, health, and family issues. The social status of many civil society actors in Armenia is high; activists are interviewed by newspapers, invited to speak on television (though some national stations limit airtime given to government critics), and have a strong impact on public opinion. In 2009, NGOs were actively involved in discussing legislative changes and policy developments, including the Armenian-Turkish rapprochement.

While it is typical for NGOs and media in post-Soviet countries to fulfill some of the functions normally performed by political parties, in Armenia the zero-sum nature of opposition politics and the low legitimacy of political parties creates additional incentives for politically active persons to engage in NGO activity rather than in politics.

Authorities sometimes perceive NGOs as hostile actors or political competitors, but members of leading NGOs are protected by their reputation in society and in the West. The government does not openly interfere with NGO activity; however, in 2009, Open Society Institute (OSI) Armenia reported cases where hotels were discouraged from renting premises to civic sector events. In 2008, a group of 80 Armenian NGOs established a collaborative network with Parliament; in 2008–09, the government signed service agreement contracts with civil society organizations that allowed them to take over on specific services previously provided by municipal authorities. The relative success of these efforts encouraged local and regional government interest in civil society cooperation. However, the Public Chamber, established in 2008, has remained nonfunctional.

Human rights concerns were raised in connection with several NGO actors in 2009. Arshaluys Hakobyan of the Armenian Helsinki Association was forcibly expelled from a polling station during the Yerevan mayoral election in May and arrested in June on charges of assaulting officers who had delivered a police summons. He was released from custody in October but is still awaiting trial. Environmental activist Mariam Sukhudyan was alternately charged with slander, falsely reporting a crime, and slander again after she publicized a case of alleged sexual harassment at a school. The investigation into the May 2008 attack on Armenian Helsinki Association Chairman Mikael Danielyan was halted in 2009 reportedly for lack of criminal intent.

According to the United States Agency for International Development (USAID) *NGO Sustainability Index* published in June 2009, the development of Armenian NGOs remains halfway between early and mid-transition.[7] Most NGOs continue to rely on foreign donor support, which has an impact on their agendas and personnel recruitment policies. Support for NGOs from local businesses is scarce; however, a new fund established by businessman and head of Prosperous Armenia coalition party, Gagik Tsarukyan, supported some NGO activity in 2009. The government provides some support to NGOs through grants or redistributed foreign funding. Support for NGOs is insufficient, especially in the provinces, where competition for foreign funding grew in 2009 as a result of the global economic crisis. New opportunities may be created by the European Union's Eastern Partnership project, which intends to support civil society activities in Armenia and has already established a Civil Society Forum in which Armenian NGOs participate. Competition for funding serves as an incentive for NGOs to improve management skills and strive for local sustainability.

NGOs enjoy almost no preferential taxation. Separate agreements grant value-added tax (VAT) exemption to large international organizations and, for some, also to the activities they support in Armenia. However, this involves time consuming formalities with the Ministry of Finance for every VAT-free purchase. Armenian legislation does not offer any tax incentives for businesses to engage in charity: only 0.25 percent of company pretax income donated to charity organizations is exempt from the profit tax. Eurasia Partnership Foundation Armenia proposed the concept of endowments as a tool for providing financial sustainability to civil society and facilitating individual and corporate giving. A Draft Endowment Law was prepared by EPF's contractor, Grant Thornton Amyot LLC, and submitted to public scrutiny in 2009.

Draft amendments to the Law on Public Organizations were approved by the government in September 2009. The amendments were initiated by members of several large NGOs in a move to increase control over their executive bodies. This drew protests from many smaller groups. The provisions that raised concerns oblige public organizations to publish their annual financial data in local press outlets with a circulation of at least 1,000 copies, impose a registration procedure instead of informing the Ministry of Justice about changes of the head of the organization's executive body, and change the obligatory period to convene a general meeting

from two years to four years.[8] Over 90 NGOs protested the amendments, arguing that they were not subjected to wide public discussion prior to adoption and may unnecessarily complicate the activity of civic sector organizations. The Ministry of Justice later proposed creating a free Web site for the publication of NGO financial reports.

There are few illiberal NGOs, including extremists, nationalists, or xenophobic groups in Armenia. Rapprochement with Turkey in 2009 triggered nationalistic discourses in the Armenian media, and some NGOs, especially those active in the rapprochement, were censured in the media as agents of foreign influence detrimental to national traditions, or as businesses established for the purpose of generating income without regard to the needs of society.

Apart from officially registered NGOs, Armenia has many traditional forms of citizen associations formed on an ad hoc basis for practical activities, such as renovating buildings or creating mutual support funds in local communities. These traditional groupings do not rely on external funding, are not institutional, and participants are not aware that they are engaging in civil society activities. Yet, institutionalization of some of these grassroots associations would likely enrich the gamut of Armenia's NGOs and increase public trust in the positive role of civil society.

The free activity of trade unions is foreseen by legislation; in reality, trade union activity remained low in 2009, and labor protection is a grave concern in Armenia. The Union of Consumers has become more active in recent years but is not strong enough to adequately protect consumer rights in the country.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	[illegible]

Armenia's legislation provides a sound framework for freedom of expression. Reform of the country's media laws began in 1993, passing through several stages, including the adoption of a Law on Mass Media and creation of legislation on television and radio, and continued in 2009.

In November, the government approved the concept of transition to digital television and radio; the concept must be submitted for public debate and the Ministry of Economics must prepare an implementation plan and develop a package of legislative changes to start implementation in 2010 and be completed by 2015. The two main concerns in connection with the digitalization project are the independence of media regulatory bodies and current suspension of tenders for new licenses. An amendment to the Law on Television and Radio, adopted by Parliament in September 2008, suspended the holding of tenders for broadcast licenses until July 2010 on account of the digitalization project. Six media organizations, including the Yerevan Press Club, announced that the amendment was aimed at "preserving and strengthening the currently practiced total control over broadcasters."[9] This view was shared by interna-

tional agencies, including Article 19, an international NGO campaigning for free expression, and the Organization for Security and Cooperation in Europe (OSCE) Representative on Freedom of the Media, Miklos Haraszti.

The Law on Television and Radio was amended again on April 28; the Parliamentary Assembly of the Council of Europe (PACE) welcomed the new amendments "which were elaborated in close consultation with the Council of Europe and are aimed at ensuring the independence of the media regulatory bodies in Armenia." It pointed out, however, that to be fully independent, the National Television and Radio Commission and the Public Television and Radio Council must have all members appointed through a politically neutral procedure, their composition reflect the Armenian society, and serving politicians be barred from membership on these bodies. The PACE stressed, once again, that the technical implications of the introduction of digital broadcasting in Armenia should not be used to unduly delay the holding of tenders for licenses.[10]

Unlike in 2008, when the government exercised direct censorship for 20 days following postelection unrest, in 2009, government pressure on media was exercised chiefly through discouraging companies from placing advertisements in disobedient media, primarily broadcasters. Except for the public television, Armenia's broadcasters (around 50 television stations, about 40 of them local) are privately owned by individuals or companies. Of these, only Gala TV, broadcasting in Armenia's second largest city of Gyumri, is openly pro-opposition. Gala TV was subjected to direct pressure in 2007–08 but survived with public donations, creating an important precedent for media freedom. Other stations, in some cases de facto supporting a particular political party (which contradicts the Law on Television and Radio), generally oblige authorities.

Armenia's print media are pluralistic, but not strong. Since the print press relies on political patronage, reporting is biased, leading to a diminished information sphere, poor journalism, and small print runs (1,000–10,000)—which also accounts for lack of government pressure and little interest from advertisers. There are few politically neutral print outlets that can sustain themselves through advertising.

The impact of online publications in Armenia grew in 2009 as the number of Internet users doubled from an estimated 6 percent in 2008. This increase was due to mobile Internet access, higher competition for Internet services, and increased computer literacy among the population. Major print media have online versions, and a number of Internet-only media were launched in 2009.

Two problems that plagued Armenian media in 2009 reveal the disjointed state of the industry and explain, to some extent, the media's inability to regulate itself and create institutions needed for its sustainability and independence. First, the nonexistence of strong, independent, audience research agencies impedes media sustainability, leaving already discouraged advertisers with unreliable data. Secondly, the market research competitors AGB Nielsen and TeleMediaControl have installed viewing meters in Armenian households, generating data that is inconsistent between the two ratings companies and further decreasing advertiser trust. Additionally, advertising agents are reported to frequently demand kickbacks.

Media ethics are also a concern in Armenia, where slander and libel have become increasingly common. Studies of intolerance in the country's media show a high instance of insults, derision, and labeling.[11] Several attempts have been made by media organizations and journalists to create self-regulatory mechanisms, but most do not follow any ethical rules of conduct and violate international standards of professional journalism in their daily work. As a remedy, the Venice Commission stressed the need to decriminalize defamation and insult in the criminal code of Armenia (Articles 135 and 136) and establish legal frameworks and protection for individuals in civil courts through monetary restitution of moral damages. However, given the weakness of self-regulatory bodies, legal, punitive measures may become new tools for control over the media.

From 2007 to 2009, media and human rights organizations reported a total of 65 criminally punishable acts aimed at preventing the professional activity of journalists. Of these offenses, 11 were committed during the 2009 Yerevan mayoral election. These included cases of intimidation, physical prevention, damage to property, and 10 attacks on journalists. Perpetrators were punished in only 3 cases, with several attacks still under investigation.[12] Journalist Edik Baghdasaryan was assaulted in 2008 following his investigative reports that exposed corruption in Armenia's mining industry. In June 2009, the Kentron and Nork-Marash District Court of Yerevan sentenced the one identifiable assailant in the case to five years imprisonment for assault and battery.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50

Considered a major 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. Armenia has a constitutional and legislative framework for local self-government, but practical implementation is hampered by low citizen incentives, poor funding, and overcentralized administrative control.

Armenia is divided into 930 communities comprising 10 regions. Regional governors administer the regions, while self-government bodies manage the communities. Each community has a representative body, composed of 5 to 15 individuals called the Council of Aldermen, and an executive body (municipality) led by the community head (equivalent to mayor). Members of the Council of Aldermen and community heads are elected by citizens via direct universal suffrage for three-year terms. Community heads are accountable to the Council of Aldermen, which can approve laws, although implementation procedures are often lacking. Regional governments have strong control over most aspects of local governance, and very little authority is left to self-government bodies. There is dual subordination to regional and central government and unclear division of responsibilities.

Measures were taken in 2008–09 to harmonize self-governance practices and by-laws with the 2005 constitutional amendments, giving local bodies more control over tax collection and local budgets. The Law on Financial Equalization prescribes the allocation of equalization grants to municipality budgets, but the mechanism is poorly developed. Amendments to the Equalization Law were proposed by the OSI Local Government and Public Service Reform Initiative, and redrafted in 2009 to ensure synchronization with the new Law on Self-Government in Yerevan. USAID provides support for the development of local government in Armenia through training and technical assistance.

Yerevan is designated as a community, but until 2009 its mayor was appointed by the president (contrary to the 2005 constitutional amendments). This new status for the capital city is based on the 2008 Law on Local Self-Government in Yerevan, which establishes the legislative body of Yerevan and the Council of Aldermen (composed of 65 members elected by proportional ballot and led by the mayor). The Council of Aldermen has the power to hold a no-confidence vote, dismiss the mayor, and elect a new mayor by a majority vote. The Council of Aldermen was elected in Yerevan for the first time on May 31. The incumbent mayor, nominated by the president earlier in the year, retained his post as he was number one on the list of the Republican Party, which won over half the seats in the Council of Aldermen.

The political opposition is not represented on the newly elected Council of Aldermen of Yerevan. Opposition parties participated in the election as the bloc ANC, which passed the threshold but rejected its mandates immediately after the election. The active participation of the ANC in the mayoral election was admittedly an effort to ascend to central power. "Levon Ter-Petrossian is prepared to serve as mayor as long as it takes to reinstate constitutional order in Armenia," stated the ANC leader's press secretary during the spring campaign, adding that election to the Council of Aldermen was, for ANC, the continuation of the 2008 presidential poll.[13] After Ter-Petrossian failed to win the mayoral election in late May, the ANC lost interest in local governance. The Heritage Party boycotted the Yerevan mayoral election after a failed endeavor to bloc with the ANC. The next elections in five other communities are scheduled for January 2010.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50

The constitution of Armenia provides for an independent judiciary, but in practice courts are vulnerable to pressure from the executive authorities and lack independence. Throughout 2009, the country's judicial framework continued to be revised in accordance with constitutional amendments adopted in 2005. A new judicial code came into force in January 2008, which instituted the General Jurisdiction Courts, specialized Civil Courts, and Criminal Courts. An Administrative Court,

instituted and first convened in 2008, handles litigations between citizens, and the state and is intended to better protect citizen rights. The fact that the new system is partially based on case law is expected to make it more transparent and give it more independence from executive powers. It is the role of the Court of Cassation to ensure the implementation of case law by Courts of Appeal throughout the country. A judicial school, instituted in 2008, partly compensates for the poor legal training of judges that remained a major concern in 2009.

The handling of cases brought in connection with the 2008 postelection unrest became a crucial test for Armenia's judiciary, revealing its weaknesses and lack of genuine independence from executive powers. The work of an independent, expert group to establish the facts in relation to the March 2008 events was suspended in May 2009, due to tension between its members and the politicizing of its work by both sides. Moreover, the investigation by the prosecutor general into the 10 deaths that occurred that day did not lead to any concrete results by the end of 2009.

On June 19, the National Assembly adopted a general amnesty covering nearly 2,000 people, including 500 to be released from custody. The amnesty covered, inter alia, most people deprived of their liberty in relation to the events of March 2008, especially, those who were not charged with violent crimes or who were not sentenced to prison terms of more than five years; in the remaining cases, the sentences yet to be served were reduced by half. The amnesty was implemented by September 30, and 35 out of 51 opposition activists jailed in connection with the unrest were released from custody.

Nikol Pashinian, editor of an opposition newspaper and spokesperson for Levon Ter-Petrossian, handed himself in to the police in July and was charged under Articles 316 (violence with regard to a public official) and 225 (mass disorder) in relation to the March 2008 unrest. His trial was ongoing at year's end. Another fugitive, businessman Khachatur Sukiassian who financed Ter-Petrossian's campaign, handed himself in on August 2, 2009; he was also arrested but not charged and released from custody in September. In 2009, the PACE continued to follow up on Armenia's implementation of Resolutions 1609 and 1620, adopted in 2008 in the aftermath of the unrest, which demanded an independent, transparent, and credible inquiry and due process for detained persons.

In January, the PACE adopted Resolution 1643 on the implementation of Assembly Resolutions 1609 and 1620, and, in June, Resolution 1677 on the functioning of democratic institutions in Armenia. The PACE stated that it remained dissatisfied with the detainee situation but approved of recent initiatives by the authorities. In particular, it welcomed the March adoption of amendments to Articles 225 (mass disorders) and 300 (usurpation of power) of the Criminal Code of Armenia, which, in the opinion of the Venice Commission, marks a general improvement by reducing the articles' scope for interpretation and abuse. However, it noted that these changes did not have any impact on the cases of people convicted solely on the basis of police testimony.

In 2009, the Armenian Ministry of Justice developed and circulated a draft Law on the Introduction of Changes and Amendments to the Judicial Code aimed

at harmonizing it with international standards. The draft was sent to various institutions and courts and submitted to the OSCE for legal expertise. Reforms in the Prosecutor's Office implemented in 2009 established investigative bodies that are intended to look into corruption at all levels of government.

In October, the Datalex public information system was introduced and is expected to enhance public control over legislative and judiciary powers by increasing the transparency of their work. Operated via information booths and monitors located in the Yerevan courts, Ministry of Justice, Ombudsman's Office, and regional courts, Datalex will provide information on legislative process, legal cases, court decrees, and final forensic acts, with the exclusion of classified criminal cases. The booths can also be used to pay taxes and browse governmental websites.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50

Throughout Armenia's independence, corruption has been perceived by citizens as having an overall negative impact on their lives. According to a survey published by the Caucasus Research Resource Center (CRRC) in 2009, 86 percent of Armenians named corruption as a very serious problem.[14] In public perceptions, corruption permeates Armenian society, starting at primary school and involving every sector of the economy and public service. By CRRC data, the level of corruption is perceived as especially high in the electoral system (66 percent), police (66 percent), healthcare (61 percent), and education (58 percent).

All Armenian governments have been under strong domestic and international pressure to reduce corruption, but all have grossly failed to achieve tangible change. Transparency International's Corruption Perceptions Index for Armenia worsened again in 2009, falling from 2.9 to 2.7, with Armenia ranking 120–125 amongst 180 countries surveyed in 2009 (down from 109–114 in 2008).

In 2008, the Armenian government devised and implemented measures against corruption, demonstrating its awareness of this critical problem plaguing the country. The first government campaign against corruption in 2003–07 served only to improve the legislative framework for anticorruption activity but failed to impact practices or perceptions. In the 2007 Global Integrity Index, Armenia scored 82 points on a scale of 100 for its anticorruption legislation, sharply contrasting with its 34 point score for law enforcement.

In September 2009, the government adopted its new Anticorruption Strategy and 2009–12 Implementation Action Plan. The five-chapter strategy is aimed at Armenia's implementation of commitments under international anticorruption agreements and treaties. Its first draft was produced in January and submitted for consultations and review to a number of agencies, including the OSCE, USAID, EC Consulting Group, Council of Europe, and Transparency International.

However, many independent experts do not believe that the government's anticorruption activities are efficient. According to Transparency International-Armenia Head Amalia Kostanyan, the strategy has many flaws, most importantly, too little emphasis on exposing political corruption. In its comments, the Transparency International Anticorruption Center (TIAC) noted that the strategy placed too much focus on the code of conduct for parliamentarians and not enough on the conduct of free and fair elections, or efforts to abolish the merger of politics and economics and abuse of administrative, financial, and information resources.[15] Kostanyan identified the main cause of corruption in the country as the oligarchic concentration of political and economic interests in the hands of bureaucrats.

The TIAC position correlates with CRRC data in which 45 percent of respondents see corruption as more severe among high-ranking public officials, whereas only 9 percent believe it is most prevalent among low-ranking officials. However, in the same CRRC survey, 91 percent of respondents affirmed that they did not pay bribes in 2008, and the perceived level of corruption in Armenia slightly diminished: 30 percent of respondents believed corruption had decreased relative to the year before, while 17 percent believed it had increased. The number of people who believe corruption is a serious problem in Armenia also decreased compared to previous years.

The CRRC survey also indicates that corruption in Armenia is a profound societal and cultural problem: while 95 percent of respondents agreed that paying a judge was a form of corruption, only 37 percent considered the use of an office car by a government employee for private purposes to be a corrupt act. Moreover, just over half admitted they would pay a bribe if asked, and only 72 percent stated they would not take a bribe if offered. This shows that, among other measures, an education effort is required in order to eradicate corruption in Armenia; in the government anticorruption Strategy, the job of education is mainly entrusted to civil society.

In 2009, the Control Chamber of Armenia exposed major cases of financial abuse at the Ministries of Finance, Justice, Sport and Youth, Civil Management, Culture, the Social Fund, and regional and local administrations, revealing violations of over US$20 million. The most blatant violations were at the Ministry of Health at over US$2 million. Abuses at the Ministry of Culture involved large sums spent on the construction and reconstruction of monuments that were not in fact carried out. The architect and head of the construction company were charged and sentenced to jail terms, but punishment of officials was purely decorative: the Deputy Minister of Culture, Gaghik Gyurjan, was dismissed from his job and soon appointed director of the Erebuni Museum in Yerevan. As in 2008, the government anticorruption campaign failed to reach senior officials and major businesspeople during the year.

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Azerbaijan

by Magdalena Frichova Grono

Capital: Baku
Population: 8.7 million
GNI/capita: US$7,770

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75
Civil Society	4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75
Independent Media	5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75
Governance*	6.25	6.00	5.75	5.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.50
Local Democratic Governance	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.25
Judicial Framework and Independence	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25
Corruption	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50
Democracy Score	5.63	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25	6.39

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

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

Executive Summary

Azerbaijan had a brief period of independence between 1918 and 1920, and regained sovereignty as the Soviet Union disintegrated in 1991. Its early transition years were overshadowed by a war over the breakaway region Nagorno-Karabakh with Armenia and separatist Armenians from the enclave. An estimated one million people were displaced by the conflict. Although a ceasefire agreement was signed in 1994, the conflict remains unresolved; Azerbaijan does not control some 16 percent of its territory. President Heydar Aliyev came to power in 1993 and during his ten years in office he strengthened the hold of the presidency on the country through a concentration of powers in the executive. In October 2003, his son Ilham Aliyev succeeded him following disputed elections that were deemed neither free nor fair by the Organization for Security and Cooperation in Europe. The 2005 parliamentary elections, the reruns in 2006, and the October 2008 elections that secured President Ilham Aliyev's second term in office failed to meet a number of international standards.

There were further setbacks to Azerbaijan's democratization in 2009. A March referendum eliminated the constitutional limits for two consecutive presidential terms, potentially paving the way for Aliyev's life-long presidency. New detentions of journalists marked further backsliding of freedom of expression standards. Along with rights and watchdog groups, youth activists were under governmental pressure, with two young bloggers sentenced to prison terms on charges believed to be politically motivated. These developments were accompanied by the government's increasing readiness to ignore the international community's criticisms of its democratic performance.

National Democratic Governance. The Azerbaijani authorities deepened their authoritarian grip on the country and governed with increasing impunity. A March 2009 referendum approved 41 constitutional amendments and removed limits for two consecutive presidential terms. The vote featured no genuine public debate and was widely seen as a rubber-stamp exercise, with the opposition crying foul at the reported official turnout and results. The executive wields full control over the legislature and the judiciary, and has taken steps to dominate local self-governance, especially during the December municipal election and in the Nakhchevani Autonomous Republic. The space for pluralistic debate and civil society activity continued to shrink. Thanks to its booming oil and gas revenues, Azerbaijan was not dramatically affected by the 2009 world economic crisis, and as a result, the government's self-confidence in domestic and international affairs increased. War rhetoric dominated the official discourse on the Nagorno-Karabakh enclave, despite President Aliyev's six meetings with his Armenian counterpart during the year. The international community's insistence on Azerbaijan's democratization and reform

commitments has had minimal resonance. *Owing to the government's steps to increase its grip on power, and further intimidation of opponents, Azerbaijan's national democratic governance rating worsens from 6.25 to 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. Irregularities have included the abuse of administrative resources, intimidation and harassment of the opposition, and election day violations. The March 2009 referendum approving controversial constitutional amendments was criticized by opposition parties as deeply flawed. Opposition parties lacked representation in election commissions at all levels. The lack of media independence has undermined the fairness of Azerbaijani polls and thwarted public debate. Municipal elections held in December were perceived as marred by violations and fraud. *Owing to the authorities' unwillingness to provide conditions for free and fair elections, Azerbaijan's electoral process rating stagnates at 6.75.*

Civil Society. The space for civil society has continued to shrink in Azerbaijan. The authorities do not countenance dissenting voices and have sought to silence critics with both financial incentives and intimidation ranging from tax inspections to jail terms. There was significant pressure against human rights defenders, independent media outlets, and watchdog organizations during the year. Youth activists were also targeted, including two young bloggers who were detained in July and sentenced to prison terms on apparently trumped-up charges. A controversial draft law on nongovernmental organizations (NGOs) was discussed in Parliament in June, and the most restrictive provisions were toned down after strong domestic and international opposition. The Council on State Support to NGOs increased its funding, but it is believed that most funds go to government-organized or non-influential NGOs. Demonstrations protesting the detention of elders celebrating a religious holiday in the Nakhichevani village of Bananyar were violently suppressed by the Interior Ministry forces in late December. *Owing to the increasing multifaceted pressure against civil society and official attempts to trample civic and human rights and freedoms, Azerbaijan's civil society rating worsens from 5.50 to 5.75.*

Independent Media. Azerbaijan's media landscape is not pluralistic; authorities seek to silence critical voices in the broadcast, electronic, and print media, and there is significant self-censorship among media professionals. Although three imprisoned journalists were released in April, the rest of the year saw several others sentenced to jail terms for freely expressing their opinions. Libel continues to be considered a criminal offense, and authorities have used libel/defamation charges to impose severe punishments on critics, despite strong international condemnation. Journalists were harassed and subject to physical attacks during the year. The December 2008 law banning foreign broadcasting on national frequencies was implemented as of January 2009, effectively putting a stop to BBC, Radio Free Europe/Radio Liberty, and Voice of America. *Owing to the authorities' continued*

crack down on all forms of independent reporting and harsh treatment of critical media professionals, Azerbaijan's independent media rating remains at 6.75.

Local Democratic Governance. Executive appointees continue to play a more significant role in local governance than elected municipal authorities, and municipalities remain severely underfunded. Local governance structures are an extension of the patronage-based national governance system dominated by the ruling party. The March 2009 constitutional amendments have sanctioned some control over local governance structures by the executive and legislature. Despite calls by the Council of Europe, the mayor of Azerbaijan's capital city, Baku, is appointed, not elected. Municipal elections held in December; although well-organized and calm, were marred by reported violations and shortcomings. The low voter turnout was a further indication of the lack of a genuinely pluralistic system. *Owing to the continued subordination of local governance to the central authorities, Azerbaijan's local democratic governance rating stagnates at 6.25.*

Judicial Framework and Independence. Legislation in Azerbaijan guarantees judicial independence, but in actuality the judiciary is deeply dependent on the executive, including the presidential administration, Ministry of Justice, and the Prosecutor's Office. The justice system is also deeply inefficient, poorly staffed, and corrupt, preventing it from providing effective recourse mechanisms against violations of human, civic, and property rights, and leading to increasing official impunity. *Owing to the Constitutional Court's role in approving the results of a questionable referendum, the unfair trial of the young bloggers, and the lack of any credible attempts to safeguard judicial independence, Azerbaijan's judicial framework and independence rating worsens from 5.75 to 6.25.*

Corruption. Corruption is one of the gravest and most deeply rooted obstacles to Azerbaijan's democratic development. Although an anticorruption legislative framework is in place, corrupt practices permeate all spheres of public life. Officials from the lowest ranks of the civil service to the top echelons of government are believed to be among the key drivers of systemic corruption in the country. *Owing to the increasing lack of transparency in oil revenue expenditures and public contracts, and the lack of political will to address systemic corruption at all levels, Azerbaijan's corruption rating remains at 6.50.*

Outlook for 2010. Authoritarianism in Azerbaijan is expected to deepen, facilitated by the government's unchallenged hold on power and strong revenues from the country's vast energy resources. The authorities will likely silence dissenting voices ahead of the 2010 parliamentary elections, which are expected to reconfirm the ruling party's dominance. There are few issues that can galvanize the politically apathetic public. However, one of them could be the much debated potential for movement in the Nagorno-Karabakh conflict resolution process, although prospects for a genuine breakthrough remain unlikely.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.50

Azerbaijan has a centralized presidential system, with a powerful executive branch that comprises the president, Office of the President, prime minister, and Cabinet of Ministers. The constitution stipulates separation of powers between government branches, but the purview of the loosely defined executive includes any sphere that is not covered by Parliament or the judiciary. In practice, the president and other executive bodies exercise full control over the judiciary and the Parliament. Likewise, their reach extends well beyond the capital city of Baku, as regional centers are controlled by presidential appointees at the municipal level.

The president of Azerbaijan is directly elected for a five-year term. In October 2008, President Ilham Aliyev won his second term in office in an uncontested poll boycotted by major opposition parties. International observers, including the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR), said the election fell short of international standards.[1] In 2009, President Aliyev strengthened his grip on power in a March 18 referendum that approved 41 constitutional amendments. Most controversial among them, the limit on the number of consecutive presidential terms was lifted, which opens the possibility of a life-long presidency for Aliyev.

The Council of Europe's (CoE) Venice Commission warned that scrapping presidential term limits undermines separation of powers between the three branches, a key principle of the rule of law.[2] Meanwhile, the amendment banning checks on the executive makes the concentration of power in that branch easier to accomplish. In fact, President Aliyev, Ramiz Mehdiev–the head of the presidential administration, and Kemaleddin Heydarov–the Minister for Emergency Affairs, are widely perceived as the country's most powerful (and most corrupt) figures.

The National Assembly (Milli Majlis), has 125 members, all elected from territorial districts for 5-year terms. The current Milli Majlis, elected in a flawed 2005 poll, is dominated by the ruling Yeni Azerbaijan Party (YAP). Only a handful of members of Parliament (MPs) represent weak opposition parties, and a number of nominally independent ones are believed to be closely affiliated with the government. In practice, the legislativebody has a rubber-stamp function.

The country's governance system remained stable during 2009, but this continued to be achieved at the expense of basic rights and civic liberties. The human rights situation in Azerbaijan is poor and continues to worsen in some areas. Civilian authorities maintained effective control of the army and security services, but law enforcement at the national and local levels were reported to act with impunity in cases of ill-treatment and excessive use of force. Arbitrary arrests

and detentions have occurred, often against those considered to be in the political opposition. Local and international human rights groups have criticized the physical abuse, torture, and due process violations that occur in detention, leading in some reported cases to the deaths of detainees.[3]

Other troubling areas include the government's pressure against and harassment of human rights and youth activists, including politically motivated arrests and prosecution. The Azerbaijani authorities have increasingly discouraged meaningful citizen participation in political processes and decision making; no genuine public debate has been possible on national democratic governance issues of concern—from the March 2009 referendum on constitutional amendments, to high-profile human rights cases, or even the transparency of oil and gas revenue expenditures.

Political space for dissenting voices has continued to shrink in Azerbaijan with the significant restriction of the freedoms of expression, assembly, and religious observance. The government controls virtually all influential media outlets, and media freedoms have deteriorated steadily; violence against and arrests of journalists are an urgent concern. Political apathy is widespread.

Azerbaijan's economic growth was again boosted by oil and gas production, with the average annual GDP growth rate for 2003–08 calculated at 20 percent,[4] and the 2009 GDP growth of 9.3 percent.[5] The 2009 GDP growth remained solid given Azerbaijan's long-term energy export contracts and limited economic links to external markets, which mitigated the impact of the global economic crisis. While oil and gas account for over 50 percent of the country's GDP,[6] some sectors benefiting from energy revenues—such as construction, banking, and financial services—also contributed to growth. Other non-energy related sectors are underdeveloped and, in the long run, the diversification of the economy is one of the biggest challenges facing the country and the government.

Azerbaijan's oil and gas boom has also boosted the national leadership's self-confidence and assertiveness in domestic and international affairs. Baku's lack of concern over the international community's democratization messages remained apparent in 2009. According to economic experts, the country's energy resources should generate revenues of US$200 billion over the next ten years.[7] Consequently, international actors cannot rely on economic incentives to bring about systemic political change in the country.

Baku has maneuvered ably between Moscow, the Europena Union (EU), and the United States, especially on energy and security issues. The latter two have not challenged Baku on its human rights abuses and governance shortcomings with resolve. Their strong interests in the country, given its oil and gas wealth, relationship with Russia, and border with Iran, have overshadowed rights and governance issues. Baku's responses to international pressure regarding its human rights and reform commitments, including in the CoE and European Neighborhood Policy frameworks, have been indifferent at best. This was illustrated, for instance, by the state's unwillingness to free journalists detained on apparently politically motivated charges.

On March 17, Parliament approved a motion initiated by member of Parliament and wife of the president Mehriban Aliyeva, to amnesty several

thousand inmates; 1,700 prisoners, or 12 percent of all inmates, were released, and the sentences of 1,200 others were commuted.[8] The opposition cried foul, claming the government was merely trying to increase its chances of public support for the March 19 referendum on constitutional amendments, allegations that the government refuted. The amnesty failed to include most inmates considered to be political prisoners by the opposition.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75

Electoral processes in Azerbaijan have been deeply flawed since the country's independence in 1991, and no election since the adoption of the 1995 constitution has been assessed as free and fair by international observers. Irregularities have included extensive use of administrative resources by the ruling party for campaigning purposes, voter intimidation, harassment of the opposition, and vote buying. Election day violations have traditionally included ballot stuffing, illegal campaigning, carousel voting, and voter list irregularities. The overall electoral environment suffers from a lack of competition and open public debate, further exacerbated by the government's effective control of the media. Citizens are mostly disengaged with electoral processes and appear to accept the governing authorities with resignation.

Although electoral legislation has been amended several times, it still allows the ruling party to control electoral commissions. Traditional opposition parties have not participated in electoral commissions since 2005 and are restricted from public assembly, rallies, and meetings during the non-election period. The opposition boycotted the 2008 poll that secured a second term for President Aliyev and the 2009 referendum on constitutional amendments in protest of these restrictions.

During 2009, the government held sway over the electoral system, prominently demonstrated by the March 18 referendum that approved 41 constitutional amendments. Most controversially, the amendments scrapped the hitherto constitutional two-term limit for the presidency, thus opening the possibility for President Aliyev to run indefinitely following the expiry of his second term in 2013.

Other amendments included the postponement of presidential and parliamentary elections in times of war. This provision is problematic given that Azerbaijan considers itself at war with Armenia over the enclave of Nagorno-Karabakh, and some claim it may give direct incentive to a sitting president to start hostilities in order to avoid elections.[9] Speculation abounds that this measure may have been put in place to protect access to power and state resources enjoyed by the so-called Nakhichevan clan, a group of powerful figures belonging to and surrounding the Aliyevs. An alleged concern for some in that clan was that the YAP's strongest candidate in the 2013 presidential poll might be President Aliyev's wife Mehriban Aliyeva, whose political loyalties are Baku-based and not linked to the clan.

Despite the significant constitutional changes, public interest in the March 2009 referendum was very low; the poll was widely seen as an attempt to create the appearance of a public endorsement of the government's efforts to strengthen its grip on power. According to the Central Elections Commission, turnout for the referendum was 71 percent.[10] All 41 amendments were passed with approval margins between 87 and 92 percent.[11] However, the vote appeared no more free and fair than the 2008 presidential poll, with local observers and the media reporting widespread violations and falsifications. The opposition claimed the process was marred by massive fraud and contested the official turnout as no higher than 15 percent (a 25 percent threshold is required to validate the vote).[12]

In advance of the referendum, the country's notoriously splintered opposition groups joined forces on January 9 to establish a "Civil Movement for the Republic and Karabakh" to oppose the proposed amendments. A number of opposition party members campaigning against the referendum were jailed in January and February, among them Musavat Party Deputy Head Fakhreddin Abbasali, two members of the Popular Front, and two members of the Movement for Karabakh and the Republic. Some of the detentions were made on alleged drug possession charges. Such charges are widely believed to be an increasingly popular tool of political intimidation in Azerbaijan.

The referendum was strongly criticized by a number of international and domestic actors, including the CoE. Ian Micaleff, president of the CoE's Congress of the Local and Regional Authorities, said the constitutional amendments violated the country's CoE commitments, and their implementation could lead to the loss of Azerbaijan's CoE membership.[13]

During the local municipal elections held in Azerbaijan on December 23, reported violations included fraud, ballot stuffing, carousel voting, and pre-announcing the lists of winners. A Council of Europe delegation was the only international group to observe the poll. It noted that the election was well prepared and calm, but the CoE rapporteur said that "based on incidents in some of the polling stations, the integrity of the vote could be called into doubt."[14] The Central Election Commission considered voting results or election protocols in some 20 precincts invalid, with some violations investigated by the prosecutor general. The country's electoral environment was repressive around the December municipal poll and is unlikely to change in the run-up to the 2010 parliamentary elections, as indicated by the government's recent moves to tighten control over the media and further intimidate civic activists.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75

The government's increased pressure on all spheres of public life has resulted in a general sense of fear among the Azerbaijani population and shrinking space for civil

society.[15] Political apathy has grown in this atmosphere with few effective mechanisms for recourse, including the nation's judiciary, as it is under the grip of the government. Self-censorship permeates most civic activism as well as media work.

The number of NGOs has mushroomed over the past years, with some 3,100 registered NGOs in the country, but fewer than ten percent are active and only a small percentage of those can be considered genuinely effective.[16] Most active organizations are based in the capital, Baku. The lack of public awareness of the relevance of civil society work is high, and public distrust of NGOs is prevalent, especially outside of Baku.

In June 2009, the Office of President Aliyev initiated amendments to the Law on Nongovernmental Organizations (Public Associations and Foundations) that would severely restrict local and international NGO activity in the country. For example, the proposed law required all NGOs to register with the state and anyone acting on behalf of an unregistered NGO would be liable to an administrative sanction or, in the case of foreign nationals, deportation. Azerbaijani NGOs would only be allowed to operate if more than half their funding was received locally, and could operate countrywide only if they had branches and/or representatives operating in one-third of the country's 59 administrative-territorial districts.

In a rare show of solidarity, civil society organizations formed a coalition to protest the draft law's adoption. International NGOs also protested against the adoption of the law. Ultimately, the harshest provisions were dropped and the law was adopted in a significantly milder form in early summer 2009. Still, the new law sent shock waves through the Azerbaijani civic sector.

In 2009, the Ministry of Justice continued to create registration obstacles for many local and international civil society organizations. NGOs found it increasingly difficult to work in areas that are perceived by the government as sensitive. NGOs working for systemic democratic change typically encountered the strongest obstacles, from registration issues to tax controls or outright pressure and intimidation. NGO 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, a trend that continued in 2009. The more recent trend of pressure on youth activists developed during the year. In particular, a high-profile case was brought against Emin Milli and Adnan Hajizade, two young activists who used online blogging and film to express their personal civic views. They were arrested in July on dubious charges of hooliganism. The young men had created satirical videos featuring one of the activists in a donkey suit, which likely irritated the government and provoked the arrests (at the time of the video's release, there were allegations that the government was involved in a corrupt deal purchasing donkeys from abroad). After protracted pretrial detention, Milli and Hajizade were convicted in early November and sentenced to two years of jail time in a nontransparent legal process.[17] The sentence drew strong international criticism, including from United States Secretary of State Hillary Clinton and Swedish Foreign Minister Carl Bildt.

Additionally, several youth activists were detained in May for planning to protest the government's commemoration of former president Heydar Aliyev's birthday just days after 13 people died in a shoot-out at the Azerbaijan State Oil Academy (ASOA) in Baku. The activists called on the government to declare a countrywide period of mourning and to defer the late president's birthday celebrations.

The Constitution of Azerbaijan guarantees freedom of religion; however, the amendments approved by the March referendum limit the spread and propagandizing of religion. Subsequent amendments to the Law on Freedom of Religion, adopted by Parliament and signed by the president in May, appear to further restrict the registration of religious communities and the operational space for nontraditional religious groups. Azerbaijani authorities have increased their pressure on Muslim communities 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. Several Baku mosques were reportedly closed in 2009. Pressure against nontraditional Christian groups also increased, including monitoring by officials and harassment and detention of members.

The police used force to suppress nonviolent demonstrations in the Nakhichevan exclave's village of Bananyar in late December. 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' (authorities routinely trample freedom of assembly in Nakhichevan, a region which suffers from the greatest degree of repression). This sparked a 10-day standoff between demonstrators and police backed by troops from the Interior Ministry, and led to a crack down on the villagers. Until early January 2010, the government denied any incident had occurred and later blamed "the opposition and mentally ill people."[18] One demonstrator allegedly set himself on fire to protest the police beating his elderly father. Some of the Bananyar protesters remained jailed into 2010 and others reportedly were sent to mental institutions.

An increasing number of government-organized nongovernmental organizations reportedly operate in the country. Many are funded by the Council on State Support to NGOs under the President of Azerbaijan, established by presidential decree in 2007. The Council seeks to support local NGO initiatives and is comprised of eight NGOs and three government representatives, but most civil society experts say there are no independent individuals on the council. In 2008, the council awarded grants worth over US$1.2 million,[19] and distributed 1,848 million manat (US$2.3 million) in 2009.[20]

Many NGOs 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 also coincided with the withdrawal or decrease of some donor support in light of the government's mounting oil and gas revenues.

NGOs find it particularly difficult to operate in regions outside the capital, Baku, and many regional NGOs have been unable to register. Once registered, they are exposed to close scrutiny on the part of local authorities, including security agencies. Regional activities of Baku-based NGOs are equally scrutinized and generally discouraged by authorities. Civil society gatherings, including public debates, are viewed with suspicion or discouraged.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75

Azerbaijan's Law on Mass Media, adopted in 2000, provides for freedom of speech, support for media, access to information, and protection of the rights of journalists. In practice, however, media freedoms continue to deteriorate in the country. Journalists who criticize the government or shed light on government expenditures or human rights issues have been intimidated and/or jailed on criminal charges. In-depth, investigative reporting is effectively nonexistent in the country. Self-censorship is high, and journalists and editors tend to avoid sensitive topics, especially any mention of the Aliyev family.

Libel is a criminal offense in Azerbaijan, despite strong criticism from international organizations, including the CoE and the OSCE Representative on the Freedom of the Media; journalists sentenced for libel face punishments ranging from large fines to up to three years imprisonment.[21] Criminal charges have also been used to stifle critical or satirical reporting. Fines can be used to undermine the very survival of media outlets. Particularly worrying are the government's recent attempts to crack down on electronic media, including Internet blogging.

In April 2009, Mirza Sakit Zahidov (an opposition satirical poet), journalist Ali Hasanov (editor in chief of the newspaper *Ideal*), and Asif Marzili (of the *Tezadlar* weekly) were freed from prison. Some say these releases were due to the March 17 Pardon Act, others link them with President Aliyev's April 10 statement describing libel cases as incompatible with European standards.[22] While this seemed to indicate a reversal of the government's harsh treatment of critical journalists, hopes were frustrated in May when Nazim Guliyev, founder of the newspaper *Ideal*, was sentenced to six months in prison for "insult." Later in the year, he faced additional charges, including hooliganism, the use of threats, and the selling of drugs, and was sentenced to over 13 years in prison in early 2010.[23]

In October, Sardar Alibayli and Faramaz Allahverdiyev of the *Nota* newspaper were sentenced to three months imprisonment on defamation charges. Another *Nota* correspondent, Ramiz Tagiyev, received a six-month suspended sentence for the same offense. In a separate case, the head of the Web site *Fanat.az*, Zahid Azamat, and his staff writer Natig Mukhtarly were convicted of defamation and sentenced to six months and one year of corrective labor, respectively.

Eynulla Fatullayev, editor in chief of two newspapers, *Gundelik Azerbaijan* and *Realniy Azerbaijan*, and a vocal critic of the Azerbaijani authorities, has been jailed since 2007 on charges including criminal libel and insult, terrorism, inciting ethnic hatred, and tax evasion. Both newspapers were closed down and their property confiscated. In late December 2009, dubious new criminal charges of drug possession were brought against the incarcerated Fatullayev. Additionally, Novruzali Mamedov, editor of the now defunct newspaper *Talishi*, died in prison in August; he had been sentenced to 10 years imprisonment in 2008 on high treason charges following his coverage of abuses against ethnic minorities in Azerbaijan.

The numerous cases of official violence and intimidation against journalists that were reported in 2008 and 2009 had a severly negative impact on the country's remaining independent reporting. The Azerbaijani government has not taken steps to credibly investigate assaults on journalists in preceding years, and there has been no accountability to date for the 2005 murder of Elmar Huseynov, editor in chief of the *Monitor*.

The government also impeded foreign radio and television in 2009. In January it enforced a recently passed law that banned foreign companies from broadcasting on national frequencies, effectively discontinuing BBC, Radio Free Europe/Radio Liberty (RFE/RL), and Voice of America (VOA) broadcasts in Azerbaijan. This decision affected up to 90 percent of the RFE/RL audience in the country.[24] Foreign broadcasting is still available on shortwave and via the Internet and cable services. Although Internet connectivity is on the rise, even in the country's remote areas, it is still not widely available in regions beyond Baku, especially broadband services. There were about 1.5 million Internet users at the end of 2008, about 17 percent of the total population.[25]

Television and radio are the most influential media in Azerbaijan. *AzTV* continues to receive support from the state budget despite the country's CoE commitment to make it independent. In practice, *AzTV* is under direct control of the presidential administration. The public broadcasting channel *iTV* is technically independent but is also strongly dominated by the executive. The country's private television stations—*ANS*, *Space*, *Lider*, and *Azad Azarbaycan*—have retained only minimal independence and mostly focus on non-political subjects. Even the formerly outspoken independent *ANS* has cautiously avoided political themes after it was temporarily closed in 2006–07. The investigative reporting it does still carry out focuses mainly on issues of local or community interest.

Azerbaijani print media have small circulation and unreliable distribution in the regions beyond Baku. The few, relatively influential newspapers tend to be politicized, and few offer independent reliable coverage. The Russian-language *Zerkalo* and *Ekho*, which many in the civil society have considered more or less balanced, are losing their reputation for quality; financial incentives and job offers by government or progovernment structures to well qualified staff have become a political tool for undermining the quality of independent media.

In October 2009, Presidential Administration Chief Ramiz Mehtiev called on state-run media to dramatically improve the quality of their broadcasting.

In an article in the state newspaper *Azerbaijan*, Mehtiev stated that Azerbaijanis "simply do not watch national television channels" which focus on "vapid and low-grade" programs.[26] Analysts say Mehtiev's comments were prompted by a sharp drop in state-television audience figures, apparently down to 17 percent. The remainder of the audience share goes to Turkish and Russian television channels accessible via satellite and cable. Improving the quality of local broadcasting will be a significant challenge in Azerbaijan's noncompetitive, repressive media environment.

In April, the president confirmed amendments to the Law on Mass Media adopted by Parliament in March. These changes include stipulations that a media outlet may be suspended or shut down if a foreigner or person without higher education is appointed as editor; if a media organization is found to have breached freedom of speech or rights of a journalist twice within one year; or for distributing information that causes damage to the security of the state and public order.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.25

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, in the same year as the country's first municipal elections. Since then, 2,757 municipal governments have been established, ranging from small rural villages to large cities.[27]

Municipal councils consist of 5 to 19 members elected for 5-year terms, and elections are held by a relative majority system in multi-mandate territories. The number of municipal councils is determined by population size. In September 2009, the Milli Majlis passed a law on the unification of municipalities, whereby the number of municipalities decreased to 1,766.[28] Authorities argued that the reform increased the efficiency of local self-government, especially in territories with small populations. However, there is the potential that this may result in fewer posts for local representatives.

Municipalities are, on paper, independent of the executive committees or local bodies of state administrations. In practice, municipalities have been strongly subordinate to the executive and lack adequate funding. Executive committees carry out most functions assigned to municipalities, such as community service projects, renovations, citizen registration, social services, and so on; municipal authorities have minimal responsibilities in terms of addressing real socioeconomic problems. Generally, they tend to be responsible for issues such as road construction and social assistance to low income households not benefiting from state social programs.

The capital, Baku, continues to be run by executive appointment, despite strong calls by the CoE to make this an elected function. According to the Venice Commission, prior to the March amendments, the Constitution of Azerbaijan provided limited guarantees for the independence of municipalities. This further deteriorated after the March 2009 referendum and adoption of constitutional amendments. The Venice Commission concluded that the constitutional provisions on local self-government did not explicitly guarantee a number of principles foreseen by the European Charter of Local Self-Government, ratified by Azerbaijan in 2001. The CoE was particularly concerned with the amendment by which "the State oversees activities of municipalities," because the exact scope of this supervision has not been further specified in the constitution.[29] Another amendment suggested that municipalities should submit reports to the Milli Majlis, an unusual form of supervision that may further erode the independence of these bodies.

The patterns of governance at the local level in Azerbaijan replicate those at the higher level of administration. Local executive committees are part of the ruling party structure. In practice, they provide access to and further distribute patronage, and municipal authorities are expected to align themselves with these local ruling party structures. Patronage and access to resources without accountability are characteristic of local governance throughout the country. Local officials often prioritize their personal or clan interests, or those of the ruling elite. In the latter case, this helps to endorse the ruling party's grip on the country while keeping an eye on civic activity that may be seen by the state as challenging.

There is typically little transparency in the work conducted by self-governance structures. Scant information is distributed, and citizens have only vague ideas about what these entities do in reality, thereby undermining public trust in municipal leadership. The alienation between local self-governance and citizens seems dramatically worse in Baku and bigger townships than in rural areas where citizens appear to have better knowledge of their local government activity. Sometimes local self-governance structures cooperate with civil society, especially when there are opportunities to get funding for joint activities via civil society grants.

Securing adequate funding is one of the greatest practical challenges for municipal authorities in Azerbaijan. Their real revenue represents only a small percent of their budgetary needs. Tax revenues that should boost municipal budgets are often misallocated to regional tax departments.

Municipal elections were held in Azerbaijan on December 23, 2009, in more than 1,718 municipalities. Nearly 32,000 candidates representing 19 political parties ran for some 15,600 local self-government posts.[30] Officials estimated voter turnout at 32 percent, but NGO observers say it may have been as low as 17 percent.[31] According to the Central Election Commission, the YAP won some 66 percent of seats.[32]

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25

The Constitution of Azerbaijan guarantees the independence of the judiciary, but in actuality, the justice system is dependent on the executive branch. It is also highly corrupt and inefficient, effectively facilitating countrywide systemic corruption and the disempowerment of dissenting voices. Due process violations are reported frequently, with little recourse. In essence, the judiciary provides no real mechanism to remedy violations of human, property, or civic rights.

The Azerbaijani Constitutional Court is widely regarded as being in the president's pocket. Constitutional Court judges, like Supreme Court and Appellate Court judges, are nominated by the president and must be approved by the Milli Majlis. The term in office of several Constitutional Court judges has been arbitrarily extended, and no new judges were appointed in 2009. The Constitutional Court was instrumental in approving President Aliyev's March referendum and assuring its outcome.

The Judicial Legal Council, which administers the examination for lower court candidate judges, is effectively controlled by the Ministry of Justice, and the selection process is believed to allow space for corruption. The Ministry of Justice has taken steps to depersonalize case assignments, but judges and prosecutors reportedly continue to be assigned to specific cases by the presidential administration and the Ministry of Justice, especially in high profile cases that are of interest to the international community. Prosecutors and defense attorneys have equal standing according to the constitution, but in reality prosecutors are much more influential and often dominate the defense.

The law guarantees public trials except in cases that involve "state, commercial, or professional secrets or matters involving confidential, personal, or family matters."[33] The Court of Grave Crimes and the Court of Grave Military Offenses frequently refuse the right to a public hearing. Likewise, many due process provisions are not observed, including "the presumption of innocence in criminal cases, the right to review evidence, the right of defendants to confront witnesses and present evidence at trial, the right to a court approved attorney for indigent defendants, and the right of appeal for defendants and prosecutors."[34]

Corruption is perceived to permeate the everyday activities of the judicial branch. Transparency International's 2009 Corruption Barometer indicated that 39 percent of Azerbaijanis believe the judiciary is "extremely" corrupt, while only 3 percent believe it is not corrupt at all.[35]

A handful of Baku-based human rights defenders conduct trial monitoring but without any significant impact. In 2008, the Ministry of Interior brought a libel lawsuit against Leyla Yunus, a prominent rights activist monitoring a kidnapping trial, accusing her of "insulting" the ministry and causing "moral damage" to the

reputation of the police in a news media interview about the trial.[36] The charges were dropped in March 2009.

Azerbaijan's Ombudswoman Elmira Suleymanova is seen by many civil society actors as an "apparatchik", tasked with providing further semblance of credibility to the system.[37] In November, the National Assembly approved an additional legislative change to the March constitutional amendments allowing the ombudsperson's tenure to be extended from one to two consecutive terms in office.

Also in March, the CoE's Parliamentary Assembly appointed a rapporteur on political prisoners for Azerbaijan. Local NGOs have claimed that the government continues to hold political prisoners, estimating their number between 25 and 66.[38] There are instances of human rights defenders, media professionals, and youth activists being detained in politically motivated cases. Judges have sentenced these detainees within a short time following arrest, with serious due process violations.

Some reforms of the Azerbaijani judiciary have been undertaken with international funding and technical assistance. These have typically targeted such areas as management capacity building, upgrading court facilities, strengthening the professionalism of judges, and disseminating legal information to citizens. The World Bank has supported large-scale judicial modernization efforts. Other organizations, such as the German Technical Cooperation, have provided mainly technical assistance. Judicial reform is part of the EU's political dialogue and reform cooperation with Azerbaijan under the European Neighborhood Policy mechanism.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	

Azerbaijani legislation outlaws bribery, but corruption is nonetheless widespread. In 2009, Transparency International (TI) ranked the country near the bottom of its Corruption Perceptions Index (CPI), with a score of 143 out of a total of 180 countries assessed.[39] This figure is, however, an improvement in comparison to the country's rank of 158 in the 2008 CPI.

The government's second National Strategy for Increasing Transparency and Combating Corruption for 2007–11 may potentially boost government accountability and the implementation of anticorruption measures. Officials are required to report their annual income, property, and financial liabilities according to the Law on Financial Disclosure; the law also prohibits nepotism. However, these legal provisions are rarely implemented.

Corruption is said to impact all levels of public life, from oil revenue management, to civil service employment, to traffic police activity, and payments of social benefits. The public perception is that all state bodies, including the civil service, government ministries, courts, and the top leadership, are rife with corruption. Yet, there appears to be no public debate regarding high-level corruption. The topic is generally seen as taboo, and one that journalists and watchdog organizations cannot

investigate. Some low-level corruption cases and trends have been explored by a few organizations and media, but with limited impact.

Azerbaijan is an early implementer of the Extraction Industries Transparency Initiative (EITI), and the country's compliance with EITI has significantly increased the transparency of state oil revenues. However, the management and expenditure of that revenue remain largely nontransparent and are prone to high-level corruption. Similarly, there is little transparency in public procurement and contracting. The ruling elite have carved out a monopoly in government orders, which have boomed with the oil revenue windfall flooding the economy. The construction industry, among other private business sectors, is especially vulnerable to nontransparent public contracting practices.

The 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. According to TI's 2009 Global Corruption Barometer, 72 percent of Azerbaijani households that came in contact with police in 2008 paid a bribe. Even in the civic sector, there are rumors of kickbacks used as a way of acquiring funding in virtually all granting organizations. Corruption allegations have also been used as a political tool to undermine civil society actors whom authorities may consider politically inconvenient.

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Belarus

by Vitali Silitski

Capital: Minsk
Population: 9.7 million
GNI/capita: US$12,120

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75
Civil Society	6.50	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25	6.00
Independent Media	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50
Governance*	6.25	6.50	6.50	6.50	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.75	7.00	7.00	7.00	6.75	6.75
Local Democratic Governance	n/a	n/a	n/a	n/a	6.50	6.50	6.50	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	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00
Democracy Score	6.38	6.38	6.46	6.54	6.64	6.71	6.68	6.71	6.57	6.50

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

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

Executive Summary

Belarus set itself firmly on an authoritarian path with the 1994 election of Alyaksandr Lukashenka as the country's first president in the post-Soviet era. Elected on a populist platform and buoyed by widespread nostalgia for Soviet-era stability, President Lukashenka pursued a reversal of nascent democratic openings of the early 1990s through a series of controversial referenda. He restored Soviet-era symbols, reduced the Parliament and judiciary to rubber stamp bodies, abandoned term limits for the presidency, and took control over local administrations and security forces. President Lukashenka also curbed media freedom, suppressed political opposition, and reasserted state control over the economy. Sanctions and criticism from the United States and the European Union (EU) did little to challenge President Lukashenka's grip on power. Generous economic support and subsidies from Russia were integral to President Lukashenka's political sustainability.

Serious challenges to President Lukashenka's hold on power began to mount in 2007 when Russia significantly increased the previously highly subsidized energy prices that had underpinned President Lukashenka's political control. Furthermore, the economic crisis briefly undermined Russia's capacity to act as Belarus's lender of last resort. This constellation of pressures pushed President Lukashenka to engage in a dialogue with the EU. As part of a gambit to ensure his political survival, he purged his inner circle of pro-Russian figures and brought a younger cohort of pragmatists into his entourage. The EU temporarily lifted visa sanctions after President Lukashenka released a number of political prisoners and refused to support the Kremlin in the August 2008 war between Russia and Georgia. However, the government failed to carry out the September 2008 parliamentary elections in a transparent manner. In order to comply with International Monetary Fund requirements, President Lukashenka had to devalue the currency and deregulate the economy. In April 2009, Belarus was invited to fully participate in the EU Eastern Partnership program.

While the regime was forced to adjust and engage in a discussion on political reform measures with supranational bodies, this activity did not suggest a long-term, substantial liberalization program. Every step towards liberalization seems to be countered by new, albeit slightly subtler, forms of repression and harassment of opponents to the regime. In the face of an effective standstill of liberalization during the second half of 2009, the opposition, civil society, and international observers called for new sanctions. At the same time, the Belarusian authorities' dialogue with the EU has had the effect of widening the space within Belarus for independent civil society to operate without fear of government persecution.

National Democratic Governance. The modest liberalization attempts of 2008–09 did not alter the status of Belarus as a consolidated authoritarian polity. However, political repression subsided compared to the worst period of the mid-2000s, and some space for a dialogue between the government and civil society emerged. The government's attempt to promote the Public Advisory Council as a figurehead platform for a state-society dialogue ended in frustration over attempts by independent-minded members to add substance to the council's debates. *Frantic and controversial government reshuffling in November and December 2009 demonstrated the acute shortage of competent cadres in President Lukashenka's inner circle. Belarus's rating for national democratic governance remains at 6.75.*

Electoral Process. Promised reforms to the electoral code have been reduced to insignificant improvements in nonessential areas. The government maintains the power to manipulate the vote. The state may provide the opposition with somewhat better campaigning opportunities for the April 2010 local elections in an attempt to placate Western audiences and to secure permanent removal of EU visa sanctions. The opposition regrouped itself across ideological lines in 2009. A new generation of younger leaders is gradually taking over the leadership of the ruling party. *Belarus's rating for electoral process remains at 6.75*

Civil Society. Belarusian authorities continued to harass civic activists even as instances of imprisonment and harassment became less widespread. Belarusian civil society strove to take maximum advantage of the opportunities offered by the government's nod to liberalization, half-hearted as it is has been, and the authorities' dialogue with the EU. The unity of civil society groups at the Eastern Partnership Civil Society Forum demonstrated a maturing and more organized sector. Nongovernmental organization (NGO) activity is gradually focusing on engagement with the population to reform public attitudes and attract broader audiences. *Due to incremental improvements in the country's NGO sector, Belarus's rating for civil society improves from 6.25 to 6.00.*

Independent Media. Fears that the new Media Law enacted in February would significantly worsen conditions for independent journalism did not materialize. The government abstained from censoring the Internet, despite a leaked document indicating that plans to censor the Internet had been drafted. The government granted the European Radio for Belarus permission to operate in Minsk, but continued to ban other foreign media outlets, including Belsat TV. *Due to a slight relaxation of controls, Belarus's rating for independent media improves from 6.75 to 6.50.*

Local Democratic Governance. Somewhat improved conditions for civic activism were not accompanied by radical change in overall relations between the state and society at the local level. The government showed some willingness to engage with the public on key local issues, such as the building of a nuclear power

plant in the Astravets district. That said, the state carefully dictated the terms of engagement. *Belarus's rating for local democratic governance remains at 6.75.*

Judicial Framework and Independence. Belarus took some steps to reduce the intensity of political harassment against regime opponents. Nevertheless, the executive continued to openly interfere in the work of the judiciary. Jana Paliakiva, a human rights defender, was convicted to two and a half years of forced labor for attacking a policeman on March 3, 2009, a charge that was supported by false police evidence. A subsequent slander campaign against Paliakiva, and the activist's eventual suicide, highlighted the danger of human rights work in Belarus. *Belarus's rating for judicial framework and independence stands at 6.75*

Corruption. Belarus made some steps to liberalize business requirements and remove unnecessary controls in the economy. Both efforts improved transparency and bettered Belarus's ratings in corruption and business environment surveys. At the same time, there are signs of the spread of corruption in key state institutions. *Belarus's rating for corruption remains at 6.00*

Outlook for 2010. The economic crisis and disturbances in Belarus's relations with Russia that forced some policy readjustments on the part of the government will not shake the foundation of the country's authoritarian system. The regime has settled on a temporary equilibrium through multi-vector foreign policy and deals with international financial organizations. President Lukashenka retains full control over law enforcement ministries and all areas of key importance to the regime. Ad hoc adaptation and minimal concessions to the West will be sufficient to secure regime interests if the economic crisis ends before it inflicts a serious blow to the Belarusian economy. During 2010, and the run-up to the presidential election in 2011, the regime will likely roll back the modest democratic reforms of the past two years. Civil society will strive to consolidate modest gains from past liberalization efforts but will moderate its activities in connection to the presidential election in order not to provoke a renewal of repression.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.75	7.00	7.00	7.00	6.75	6.75

The Constitution of Belarus concentrates power over the entire government in the hands of the president. Consequently, Alyaksandr Lukashenka, the country's president, has total control over the executive branch, local administrations and the security apparatus. He has de facto control over the legislature and the judiciary; he hires and fires all regional and local governors, all judges (except for the chairman of the Supreme Court), half of the Constitutional Court, half of the Central Election Commission (CEC), and 8 out of 64 members of the Council of the Republic; the upper house of the country's Parliament. The president also regulates the activities of Parliament and the Constitutional Court by decree. In 2009, for example, President Lukashenka mandated that the Constitutional Court prescreen all the draft laws debated by Parliament for constitutionality before their submission. This requirement leaves the court inadequate time to review the bill before its debate and effectively turns the court into a rubber stamp body.[1] The constitution gives legal preference to presidential decrees over parliamentary decisions in the case of a conflict between the two. A constitutional referendum in 2004 removed the last check on presidential powers by waiving presidential term limits.

The last presidential elections were conducted on March 19, 2006. President Lukashenka officially took 83 percent of the vote, though the opposition and Western observers found widespread and serious flaws in the election process and the vote. In an August 2009 interview, the President admitted that he rigged the elections and lowered the percentage given to the incumbent from 93 to 83 percent as "the number above 90 is not well perceived psychologically."[2] The head of the CEC, however, challenged this figure.

Parliamentary elections most recently took place on September 29, 2008. According to observers from the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR), the elections failed to comply with the OSCE's criteria for free and democratic elections and to Belarus's international commitments. When elections ended after the first round in all 110 municipalities, all elected members of Parliament (MPs) were government supporters. Most international observers, however, noticed some improvements in the electoral process. The parliamentary campaign of 2008 was carried out with fewer physical attacks on democratic activists and opposition candidates, and the opposition had more opportunities to present its views to the public, albeit through state-controlled media outlets.

The regime continued superficial liberalization efforts from the second half of 2008. The need to balance relations between Russia and the West caused President

Lukashenka to ease some political repression and allow greater economic freedom. President Lukashenka had to soften the political climate to extend the lifting of the EU visa ban, to ensure European Union (EU) and United States support for International Monetary Fund (IMF) loans, and to pave the way for participation in the EU's Eastern Partnership program. President Lukashenka himself, however, stated that liberalization is mere concession to the West and does not mean that the country is moving toward a democracy. While the president released political prisoners and allowed two opposition publications access to state networks, he drafted youth opposition leaders into the army. He recognized one opposition nongovernmental organization (NGO), but refused the registrations of others en masse.

Throughout the year, President Lukashenka's regime engaged in tricky geopolitical balancing between Moscow and Brussels. The president distanced himself from Moscow by not recognizing Abkhazia and South Ossetia, and Moscow boycotted Belarusian dairy products on the grounds that they had not been properly certified in Russia.[3] In retaliation to the boycott, President Lukashenka refused to agree to participate in the special reaction forces of the Organization of Collective Security Treaty, a Russia-centered, political-military bloc, which Belarus was expected to chair in 2009. President Lukashenka eventually signed a treaty reserving the right to personally commit his troops on a case-by-case basis to Moscow's causes. Moscow became frustrated with President Lukashenka's flirtations with the EU and stepped up efforts in the second half of 2009 to bring Belarus firmly back into its sphere of influence. Belarus was essentially forced to sign a controversial customs union treaty with Russia and Kazakhstan in November that gave Moscow access to control of Belarusian transit infrastructure without a guarantee of duty-free oil.

Overall, new terms of trade with Russia and the worldwide economic crisis revealed President Lukashenka's failure to create a competitive modern economy in Belarus. The government lacks the necessary sense of direction and human capacity to draft a new course. Belarus has segments of a professional bureaucracy such as a National Bank, yet reform-minded professionals tend to be excluded from key decision-making positions. Some new, high-level appointees seemingly lack the basic know-how to carry out duties.[4] Limited reforms undertaken in 2009 were primarily driven by a stabilization loan offered by the IMF at the end of 2008. The IMF gave Belarus the loan on the condition that the government devalue the country's currency, which it did on January 2, 2009. Though the move had the effect of cutting incomes by 20 percent overnight, it did not provoke civil unrest. By the end of 2009, the government lifted restrictions on most consumer prices. Overall, however, the government borrowed heavily from abroad in order to overcome the economic crisis, allowing debt to rise to a potentially dangerous level.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75

Belarus lacks meaningful electoral competition. The country's electoral code fails to provide for the basic tenets of free and fair elections, such as equal campaigning opportunities, representation of all political parties in the country's electoral commission, and transparent vote counting. Representatives to the CEC are appointed to five-year terms by the president, effectively ensuring the interpretation of electoral legislation to the advantage of progovernment candidates.

Widespread violence, intimidation, and other forms of repression marked the 2006 presidential election. Official election results granted President Lukashenka an overwhelming victory; Alyaksandr Milinkevich, the leader of United Democratic Forces (UDF), won only 6 percent of the vote.[5] Independent observers accused the government of fraud, and security forces arrested or attacked hundreds of protesters who demanded a recount. The September 2008 parliamentary elections were accompanied by comparatively little violence, harassment, and campaign obstruction against the opposition. Nevertheless, all 110 progovernment candidates won the elections in the first round; no opposition candidate was elected.

In November 2009, President Lukashenka announced that, in order to avoid carrying out both presidential and local elections during the first quarter of 2011, the latter would be moved to April 2010. With this move, President Lukashenka, in one stroke, cut the campaigning period of local candidates by one year. Some observers believe that authorities may hold relatively free parliamentary elections to mollify the EU and, more specifically, to gain a permanent lifting of visa restrictions.

After a yearlong debate, the government introduced amendments to the electoral code as part of an ongoing dialogue with the EU. The dialogue did not include members of the political opposition. No draft amendments were released to the public before the bill went to the House of Representatives. The amendments introduced some improvements to the electoral code, such as guarantees for participation of political parties in territorial electoral commissions, simplified procedures for registration of candidates, and more lenient campaign funding laws. Nevertheless, the new code failed to introduce solid checks on the government's ability to manipulate the stages of the process where most violations and falsifications take place, namely vote counting and early voting.

The legal environment for the functioning of opposition political parties saw no major changes in 2009. Authorities continued to deny registration to some opposition parties, such as the Belarusian Christian Democracy (BCD) party and Party of Freedom and Progress (PFP). Though prohibited from registration, the state did allow BCD to hold party congresses twice in 2009. Due to the difficulty of obtaining registration, many political parties operate with semi-underground status.

In 2009, the opposition tried to address public concerns about the country's pressing social and economic issues. To this end, the opposition sought to

advocate for economic liberalization, public control over government spending, more extensive allocations to the social safety net, and initiatives to attract foreign investment.[6] It took weeks before the opposition presented any statement or assessment of the consequences of January's currency devaluation. Although the opposition expected the economic crisis to shake the regime, society generally accepted the government's claim that the crisis was brought on from outside and not a result of the government's economic policies. Nevertheless, the percentage of the population who holds the government accountable for the country's economic woes grew substantially over the past year.[7]

Unable to engage in open and meaningful political competition, many political parties operate effectively as civil society structures. Some opposition parties actively lobbied in the first half of 2009 against Belarusian participation in the EU's Eastern Partnership program. They objected to President Lukasheka's invitation to Prague and rhetorically attacked EU leaders when President Lukashenka was allowed to travel to Europe. Dalia Grybauskaitė, Lithuania's president, criticized Andrei Sannikov, leader of Charter-97, a civil society group, for promoting the opposition's decade-long tradition of isolationism.

The opposition experienced a restructuring this year with the disintegration of its largest coalition, the UDF. After losing the party's chairmanship in 2007, Alaksandr Milinkevich abandoned his hard-line stance against President Lukashenka and founded the moderate, pro-European party, For Freedom. This move evoked accusations from other members of the opposition that Milinkevich has compromised his political standards. However, Milinkevich reclaimed leadership of the opposition in September, when his ally, 33-year old Aliaxei Janukevich replaced Liavon Barscheuski as the leader of the Belarusian Popular Front (BPF), the largest opposition party. In November, Janukevich combined For Freedom with several other nationalist right wing groups to create the Belarus Independence Block (BIB). The new leadership of BPF soon confirmed that UDF was defunct, thus formalizing the split in the opposition just before the election year. At the end of 2009, several opposition figures announced their intention to run for presidency, reducing the possibility of a unified coalition.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.50	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25	[illegible]

The government treats independent civil society as a subset of the political opposition. Belarusian legislation criminalizes unauthorized civic activities, refuses to offer NGO tax-exemptions for charitable projects, and gives courts and regional governments the liberty to harass NGOs on arbitrary grounds. Although the government no longer liquidates NGOs, most of which were outlawed in 2003–06, there is no movement toward expanding the civil society sector. Thus, the total number of officially registered NGOs in Belarus saw virtually no growth over the

last decade, with only 24 additional organizations since 2003. The Ministry of Justice registered only 63 new public associations in the first 9 months of 2009.[8] The government actively promotes and finances loyal organizations, such as the Belarusian Republican Youth Union or the Federation of Trade Unions, which serve as instruments of official control and indoctrination.

Minor improvements in the legal environment for NGO activities took place in 2009. In December, the Belarusian Parliament adopted the Law on Amendment of Some Administrative Procedures, which is intended to simplify the registration process for public associations. The law simplifies some aspects of NGO administration, including reports to the Ministry of Justice and procedures for obtaining tax identification numbers. At the same time, critics insist that the law widens the range of 'blatant violations of the law,' for which NGOs can be legally closed.[9] Several NGOs, however, benefited from the process of economic liberalization by registering themselves as 'establishments,' in other words legal entities with simplified procedures for registration and financial accounting.

Repressive attacks against NGOs slightly subsided in 2009 compared with previous years, especially the peak of political repression in 2005–06. Since 2007, authorities have not enforced Article 193-1 of the criminal code, the "Anti-NGO" article which sets the punishment for unregistered NGOs at two years imprisonment (between 2005 and 2007, the court sentenced 17 people according to the article).[10] On June 30, the government launched a criminal case against Jauhen Volkau, a parishioner of the Unification (Moon) Church, for violation of Article 193-1. The case, which was dropped two months later, was reopened in December. Some NGO activists, such as members of the independent Belarusian Union of Poles, received official notifications that they may be prosecuted for their activities according to Article 193-1. During the second half of 2009, authorities debated whether to move the article to the administrative code, however, no action was taken. Civil society organizations campaigned against Article 193-1 by staging flash mobs in the Prosecutor General's Office, posing as an 'unregistered organization of Santa Clauses.' Authorities issued serious warnings to mob participants for acting on behalf of unregistered NGOs.

Authorities continued their campaign against several Protestant sects they saw as disseminators of undesired Western cultural trends. The New Generation Church in Baranavichy was fined in July for "non-statutory activities."[11] Jury Rashetnikau, an activist from the Jehovah's Witnesses community in Homel, was fined the same month for staging an unauthorized prayer service in a private house. The authorities renewed pressure on the New Life Church by demanding that the church surrender its building. The government claims that the church is using the facility, a refurbished cattle barn, improperly. Attempts to confiscate the building prompted a 200-person hunger strike in 2006.

On a positive note, a slight softening of the political climate, due to the Belarus-EU dialogue, helped widen opportunities for civil society to operate without direct punishment. These relations led to new opportunities for civil society activity, highlighted by the mass participation of Belarusian NGOs in the Eastern Partnership

Civil Society Forum. The regime sought to offer a 'consolation prize' to opponents in the 2008 elections by establishing public advisory councils composed of both government and opposition figures. The most prominent such body, the Public Advisory Council of the Presidential Administration, was formed in February and 10 of its 30 representatives came from the independent civic sector. In November, however, Uladzimir Makey, the head of the presidential administration, suspended the council's activities after criticism on the part of council about the 'window dressing' nature of its functions.[12]

Limited open debates have taken place between the representatives of NGOs and authorities on key policy issues. These debates usually happen under the patronage of international organizations such as the EU or the OSCE. The OSCE mission in Minsk held a roundtable on media freedom and several NGOs in Mahileu organized the Social Forum in March. A public debate over the construction of a nuclear power plant in Astravets took place in October. The policy debate was made possible due to the administration's desire to demonstrate its willingness to engage in dialogue with the opposition, as well as a widening of NGO objectives.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.50

Belarus's media sector remained in a dismal state. Although President Lukashenka's half-hearted liberalization of the political climate eased repression somewhat against critical opinions, the government remained in full control of information flows.

According to the Ministry of Information, there were 1,314 printed periodicals in the country before the enactment of the new Media Law, 70 percent of which were nongovernmental publications. Nevertheless, the independent Belarusian Association of Journalists (BAJ) estimates that there are only slightly more than a dozen independent periodicals that write on sociopolitical issues and present alternative viewpoints to official propaganda. Public sector employees and state establishments are required to subscribe to state periodicals. Independent publications suffer from discriminatory pricing policies of government-owned printing houses and may be denied access to state distribution networks. Authorities allowed two publications, *Narodnaya Volja* and *Nasha Niva*, to return to the distribution networks in November 2008, but this step was widely considered a one-off concession and not a sign of systemic liberalization of the media. Since *Nasha Niva* returned to kiosks its readership increased three-fold. Most independent publications banned from Belsajuzdruk and Belposhta, two state distribution networks, appealed in 2009 to restart their subscription and sales agreements. With the exception of one publication, all received negative responses. State distribution networks refused to distribute some independent periodicals, such as *Hancavicki Chas*, on the grounds that these publications do

not have sufficiently large readerships to justify their inclusion. Belsajuzdruk broke an agreement to sell *Barysauskija Naviny* in state kiosks in January. Additionally, independent newspapers, especially those critical of the authorities, may have trouble gaining advertisers, as state-run companies are mandated to give priority to government-owned newspapers. In 2009, President Lukashenka extended tax-free status for several government media outlets, including the Belarusian TV and Radio Company and Capital TV in Minsk, but stopped short of extending the same privilege to independent stations.

Aimed at pricing independent media outlets out of existence with excessive fines, the state continued to levy administrative penalties against nongovernmental publications. On January 13, the Minsk Regional Economic Court fined the publisher of *Barysauskija Naviny* US$18,000 for incorrectly reporting the address at which the office of the newspaper was rented.

Belarusian law restricts interaction between independent journalists and government officials, who may not speak with the press without permission from their superiors. The state continues to arbitrarily deny independent journalist accreditation for state-run events and press conferences and hinder access to information regarding the work of government bodies. For example, a regional executive council denied *Uzhorak,* a Horki-based newspaper, accreditation on the grounds that the administration had already accredited a state newspaper and regarded the accreditation of a second paper as unnecessary.

The state may punish journalists and newspapers for reporting sensitive information. In November, the Ministry of Information issued warnings to four independent newspapers—*Nasha Niva, Komsomolskaya Pravda v Belorussii, Va-Bank,* and *Narodnaja Volja*—for allegedly spreading state secrets and false information. Most journalists perceived the warning as a reaction to reporting on the government's attempt to downplay the swine flu pandemic in Belarus. Others suspect that participation of *Nasha Niva* and *Komsomolskaya Pravda v Belorussii* in a meeting with Russian President Dmitry Medvedev in Moscow may have also launched the backlash. The Ministry of Information issued a second warning to *Narodnaja Volja* in December, placing the newspaper at risk of suspension or being shut down. Overall, independent publications were remarkably more willing to write on issues they abstained from covering in the past, including internal fights within the presidential entourage, the private life of the president, and the government's inability to deal with the economic crisis. The government tried to clamp down on this reporting with low-intensity harassment and outright bans.

In February, a new Media Law came into force. While the law introduced new restrictions for independent journalists, it simultaneously improved the independent media environment by simplifying registration procedures. Some provisions of the law, including the explicit prohibition of work for unaccredited foreign media outlets, did not materialize in practice during the first half of the year. Nevertheless, according to Aleh Bastunec, chairman of the BAJ, the law fails to provide a level playing ground for state and non-state media in accreditation and access to information. By November 1, 45 percent of periodicals successfully passed

the re-registration required by the new Media Law. There were no occurrences of denial in re-registration. Two newspapers–*Pivnaja gazeta* and *Uzhorak* registered under the new law and began publication in summer 2009.

The most significant setback of the new Media Law is a ban on the work of independent journalists working for foreign broadcast media outlets without official accreditation. These outlets, such as the Polish television station, Belsat, the EU and American-funded Radio Racija, and the European Radio for Belarus, offer diverse views, unbiased information, and criticism toward the Belarusian government's repressive activities. European Radio finally obtained official accreditation in November after several denials, while the Foreign Ministry, responsible for accreditation of foreign media, denied other media outlets, including Belsat, the right to legally operate in Belarus. For several months before obtaining official accreditation, European Radio broadcast using the frequencies allocated to Avtoradio, an FM station. In October, however, the Ministry of Information ordered the program off the air.

The government continued to prosecute civic activists for distributing unauthorized media. The state fined three such activists, Viktar Ahramchuk, Sviatlana Mihalchanka, and Sergei Shevialenka, US$600 for "abusing the freedom of speech" by distributing unregistered newspapers during the September 2008 parliamentary elections. The activists appealed the charges, but the court denied the appeal in January.

Riot police obstructed independent journalists covering street protests. The BAJ issued an appeal to the Ministry of Interior against police brutality during opposition protests in September and October. In response, the ministry required that police officers be specially trained for dealing with protests without inflicting harm on journalists and bystanders, and the German embassy offered training by German police on peacefully handling protests. Nonetheless, police detained journalists covering a protest in late October. The detained journalists, who were filming protest activities, reported that police severely beat them and threatened them with reprisal.

The authorities continued to use the Law on Combating Extremism to obstruct the work of the independent press. On January 25, the Maskouski District Court in Brest upheld a KGB suit against *ARCHE* cultural magazine for 'extremist' content in its August 2008 issue. The KGB claimed that by stating that society had lost its will to resist President Lukashenka, the magazine, which was confiscated at the Belarus-Poland border, had issued a covert appeal for civil disobedience.[13] In May, the court of appeals overruled this decision, and cleared *ARCHE* of all charges of publishing extremist content.

The Belarusian authorities appeared to be more willing to debate issues related to press freedom with independent journalists in 2009. The openness toward dialogue however, was partially to showcase progress in the media sphere in the context of the ongoing negotiations with the EU. The BAJ held several meetings with top representatives of the presidential administration in the spring and autumn and discussed various aspects of how an independent press functions.

The Internet remains a largely unregulated zone and opinions are expressed freely. Official statistics cite the number of Internet users at three million.[14] The quantity and diversity of online publications and resources have grown rapidly. Tut.by, the country's main information and entertainment portal, hosts 1.5 million visitors per month. Some major news outlets, such as KP v Belorussii, BelaPAN, BelTA, and Charter-97, have 120,000–180,000 online readers per month.[15] Hence, the Internet is becoming a major source of information for Belarusians. Some sensitive information, including the scale of the swine flu pandemic, was disseminated almost exclusively through blogs and Web sites. A draft presidential decree leaked to the press in December, foresees the introduction of strict Internet controls. If enacted, the decree would require all online news outlets in Belarus to obtain registration and force providers to register and submit information on Internet users to the Operative Analytical Center of the Presidential Administration. The law would also allow the state to block access to critical Internet sites. Officials confirmed authenticity of the draft decree, and declared it would be signed after some adjustments.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.50	6.50	6.50	6.75	6.75	6.75

Belarus lacks a system of local self-governance. According to the constitution, local administrations form a single state under national bodies. The president directly appoints the heads of regional (*voblast*) and district (*raion*) administrations. Local councils primarily serve as window dressings to create a semblance of local democracy. During the January 2007 local elections, less than two dozen representatives of the opposition gained seats among more than 21,000 vacancies in local councils. Only a handful of local election campaigns are carried out on a competitive basis. Most candidates receive government approval and run unopposed. The opposition has limited resources to fund most races at the regional and district level. Hoping to mollify the EU, authorities may carry out the scheduled April 2010 local elections in a relatively relaxed atmosphere.

Local political and civic activists are weaker than their national colleagues from the capital. This is because it is easier to monitor activities in the countryside than the city, and because of the extremely limited opportunities for pursuing an independent life once relationships with state entities have been broken. Hence, many civic groups abandon political agendas and try to engage authorities on nonpolitical issues of local importance. Quite a few groups achieved limited success with this strategy in 2009. However, even focusing exclusively on nonpolitical issues does not always prevent authorities from considering local NGOs as opposition groups. For example, local authorities in Salihorsk obstructed a politically neutral campaign to open up a new polyclinic in the city by confiscating leaflets drawing residents' attention to the issue.

Individuals who make accusations against local law enforcement authorities run the risk of facing prosecution, as was the case with Jana Paliakova, a human rights defender in Salihorsk. On March 3, 2009, a court sentenced her to two and a half years of forced labor for allegedly attacking a policeman. Paliakova previously accused the same police officer of beating her as she was arrested during a protest of President Lukashenka's visit to Salihorsk in August 2008. The state media launched a defamation campaign following the sentence, and, devastated, Paliakova committed suicide on March 6.[16]

Local authorities engage with the public on key local and regional issues, but frequently use public hearings to press their views and denounce the opposition. During a public debate in October over the construction of a nuclear power plant in Astravets, authorities stigmatized opponents of the power plant and arrested one of the opponents on false charges of petty hooliganism.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	[illegible]

The judicial branch in Belarus is formally subordinated to the president by the constitution. The president appoints judges and regulates the activities of the courts by decree. In 2009, President Lukashenka introduced new regulations for the Constitutional Court of Belarus, demonstrating the authority of presidential power over the country's highest court.

In 2009, Belarusian authorities considered limited liberalization of the criminal code, such as the replacement of prison terms for first-time felons with fines and similar punishments, and the extension of out-of-court settlements. President Lukashenka, however, insisted that no leniency would be introduced for corruption-related offenses. At the same time, however, liberalization of the criminal code was accompanied by new measures to further strengthen the president's control over the court. The criminal code gives the president the right to release citizens from prison terms if they compensate the state for damages. Such presidential prerogatives, critics say, may effectively send a signal to state officials that they would be safe breaking the law provided they remain loyal to the president.

President Lukashenka directly interfered in the murder trial of four Pukhavichy villagers. The four had killed fellow villager, Mikalaj Makarevich, who allegedly had set several houses on fire. President Lukashenka demanded the minimum possible sentence for the defendants and ordered they be put under pretrial house arrest. After the court issued the minimum possible sentence, President Lukashenka pardoned the villagers. Independent journalists investigating the case expressed serious doubts that Makarevich committed the acts of arson.[17]

There was a considerable decline in the number of administrative trials against political opponents of the government and instances of arrests or fines (as seen in

Table 1). This decline was accompanied by an increase in police violence during protest rallies. Police actions against the protesters in Minsk in September and October were carried out with a brutality rarely seen since 2004–06, the worst period of political repression. The police beat dozens of protesters and journalists on the streets.

Table 1
Instances of Trials, Arrests, and Fines 2007–09

	2007	2008	2009
Number of occurrences of politically motivated harassments (including beatings, threats, detainments, etc.)	611	526	467
Number of administrative trials on politically motivated cases	317	327	103
Number of defendants given administrative arrest	148	146	13
Number of defendants given fines	320	262	73
Number of defendants given large fines (equivalent to more than US$100)	61	67	41
Number of persons fined for 'swearing in public'	145	47	1
Number of persons fined for violation of the rules for conducting public rallies	137	266	104
Number of prosecutions for insubordination to the lawful demands of a public official	18	17	8

Source: Database of the Spring human rights group, www.spring96.org

The authorities continued to repress reform-minded youth groups in 2009. Although the number of arrests and fines against youth activists dropped in comparison with previous years, authorities forced the dismissal of many activists from university and work, and levied heavy fines for staging unauthorized rallies and distributing antigovernment materials. Some democratic youth leaders, including Franak Viachorka of the youth faction of the Belarusian Front and Zmicier Khvedaruk of the Young Front, were arbitrarily expelled from their universities, thereby, losing their exemption from military service, and subsequently were drafted into the army. During the last two months of 2009, five youth activists, including Artur Finkevich of Young Belarus and Zmicier Dashkevich of Young Front, were kidnapped and taken from Minsk. Kidnappers intimidated the detained activists in police wagons, reminiscent of the death squads that executed opposition leaders in 1999. There is no direct proof of the authorities' involvement in these kidnappings, however, the state has refused to launch an investigation into these cases.

The government continued to use economic crimes as a pretext to neutralize political opponents. In 2009, Alexei Bandarenka, an entrepreneur from Babruisk, was sentenced to seven years in jail for accounting fraud. As Bandarenka was a candidate for the 2008 parliamentary elections, many observers considered his sentence an act of political reprisal. Bandarenka went on a hunger strike in jail to

demand his release. Though the court nullified Bandarenka's sentence and sent the case for review, he remained in prison at the end of the year.

Repression against private entrepreneurs intensified in February in Vaukavysk, where authorities arrested protest organizers Yuriy Liavonau, Mikalai Autukhovich, and Uladzimir Asipenka on charges of arson and conspiracy to murder state officials. The case fell under Article 359 of the criminal code, which punishes acts of terrorism with a sentence of death. Autukhovich went on hunger strike in April and continued it for several months. Authorities released Liavonau in August and dropped all charges against him. Human rights defenders argue that the authorities failed to put forward any evidence against Autukhovich and Asipenka.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010[1]
5.25	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00

Belarus ranked 139 in the 2009 Transparency International Corruption Perception Index, an improvement from the previous year's ranking of 151. This reflects efforts toward reduced bureaucratization and making government operations more transparent and less subject to abuse by civil servants.

Belarusian legislation contains many laws regulating corruption and conflict of interest. The state has also issued a mandatory anticorruption action plan for all government bodies. Draft laws to be considered by the Parliament have to pass a so-called criminology test by the Office of Prosecutor General that submits expert assessment on whether new regulations would create or diminish opportunities for corruption. At the same time, however, the system of unlimited presidential rule blurs the line between the public and private domain of the president, who is entitled to allocate extra budgetary funds without parliamentary oversight, and whose decrees and regulations have legal precedence over the laws made by Parliament. Presidential interference in the legislative process compromises the enforcement of corruption; the president keeps a list of officials who can only be prosecuted upon his consent, and retains the right to release an official from serving criminal punishment if the latter agrees to compensate the state for any damages incurred. As a result, the practice of holding officials accountable for corruption is typically arbitrary and determined by presidential judgment.

In November, the Office of the Prosecutor General reported that it prosecuted 20 percent more corruption cases in the first nine months of 2009 as compared with the same period of 2008. Bribery, fraud, and abuse of office continue to be the most widespread acts of corruption exposed by authorities.[18] Nevertheless, critics insist that the lack of oversight by Parliament and civil society creates a sense of impunity among public officials. Mechuslau Hryb, a former parliamentary speaker and police general, noted that the level of corruption within the country's law enforcement bodies may exceed that of the Soviet era and the early 1990s.[19]

State officials recognize that the current fight fails to address the systemic roots of corruption, and leads to a situation in which one corrupt bureaucrat is replaced by another.

According to the Office of the Prosecutor General, the most corrupt official bodies are the Ministries of Transportation, Architecture and Construction, Education, and Agriculture and Foodstuffs. These ministries are heavily engaged in licensing economic activities and have extensive discretionary powers. A similar situation exists in large state-owned industrial conglomerates. In 2009, a corruption scandal broke out at the Belaruskali salt mining and potassium fertilizer firm, the country's principal hard currency earner; the management was caught rewarding friendly business interests through closed tenders.

On a positive note, the government removed some roots of petty corruption by simplifying procedures for registering and running private businesses. Belarus jumped from 85 in 2008 to 58 in 2009 in the World Bank's Doing Business survey. At the same time, Belarus's tax laws remain excessively complex and bureaucratic, nurturing a culture of tax evasion and bribery.

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Bosnia-Herzegovina

by Jasna Jelisić

Capital: Sarajevo
Population: 3.8 million
GNI/capita: US$8,360

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.75	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.25
Civil Society	4.50	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50
Independent Media	4.50	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50	4.50
Governance*	6.00	5.50	5.25	5.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	4.75	4.75	4.75	5.00	5.00	5.25
Local Democratic Governance	n/a	n/a	n/a	n/a	4.75	4.75	4.75	4.75	4.75	4.75
Judicial Framework and Independence	5.50	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00	4.00
Corruption	5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	4.50
Democracy Score	5.17	4.83	4.54	4.29	4.18	4.07	4.04	4.11	4.18	4.25

** 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

The overall events of 2009 revealed in greater focus the deep-seated issues of postwar Bosnia and Herzegovina (BiH) under the 1995 Dayton Peace Agreement (DPA). The agreement created a loose, federal state with two highly autonomous entities: the Serb-dominated Republika Srpska (RS) and the Bosniak and Croat-dominated Federation of Bosnia and Herzegovina. Bosnia and Herzegovina was a multi-ethnic republic of Socialist Federal Republic Yugoslavia (SFRY) that declared independence in March 1992 with the dissolution of the SFRY. In 1991, the population consisted of 44 percent Muslims, 31 percent Serbs, and 17 percent Croats. The three largest nationalist parties in the country won the first multiparty election in November 1990, and divided power along ethnic lines before entering the war in the first half of 1992. The war was ended by the DPA, which also defined the Constitution. Ethnic power sharing and the division of the country into two entities was established as a solution to the conflict.

In 2009, BiH continued to struggle with a cumbersome state-level government coalition, making very limited progress in its strategic objective to join Euro-Atlantic structures. Some progress was made in fulfilling the requirements of the European Commission Road Map for Visa Liberalization, but efforts toward European Union (EU) membership stalled, and the RS leadership began to question the previously undisputed goal of joining NATO. Despite the overwhelming support of BiH citizens for joining the EU, political representatives made no serious attempts to address the remaining issues from the European Partnership with BiH, a preliminary reform process conducted under EU guidance. At the same time, the implementation of the Interim Agreement related to the Stabilization and Association Agreement with the EU was satisfactory.

The transition from the Office of the High Representative (OHR) to a reinforced EU presence in the country did not advance smoothly in 2009. Reforms that would further the postwar democratization process and allow for economic and social development, as well as reach the objectives and conditions for the closure of the OHR and its transition to the Office of the EU Special Representative (EUSR) were put on the backburner. Instead, the state-level ruling coalition spent the year in constant disagreement on major issues, including constitutional reform, human rights, and functionality and decision-making at the state level. The coalition engaged in harsh nationalistic rhetoric and openly threatened the dissolution of the state and the repetition of conflict. The RS Prime Minister, Milorad Dodik, spoke of a referendum on RS secession from BiH, while Sulejman Tihić, president of the largest Bosniak party, Party of Democratic Action (SDA), warned that in the case of an RS secession attempt, BiH might resort to violence.[1] Amid the general lack of progress in the nation, what was lacking most was a shared vision among BiH

ethnic leadership for the overall direction of the country, and political will to meet any of the objectives aiming to improve stability and functionality of the state.

National Democratic Governance. Lack of agreement on any substantial issue advancing BiH toward EU membership, and destructive, mutually exclusive, ethnic politics prevented the ruling collation from making progress in the democratic governance of the country and providing the conditions for full sovereignty, stability, and functionality of the state without international supervision. *Owing to these factors, BiH's national democratic governance rating worsens from 5.00 to 5.25.*

Electoral Process. There was no progress in 2009 toward changing the discriminatory electoral rules preventing some members of BiH society (primarily those not belonging to one of the three constituent ethnic communities) from exercising their full political rights. No firm indication of willingness to address the European Court of Human Rights ruling in the case of electoral discrimination was observable. Additionally, there was a continued lack of enforcement of the decisions on conflict of interest. *Serious attempts to weaken the current legislation caused a general lack of improvement in the country's electoral system, thus BiH's electoral process rating worsens from 3.00 to 3.25.*

Civil Society. In BiH in 2009, there was a significant lack of constructive dialogue between civil society and government structures that would serve to speed up democratization and secure better representation of citizen interests. Society remained polarized along ethnic and religious lines, and still largely left out of the policy-making process. The education system, overwhelmed by political influence and religious propaganda, did not provide the preconditions for positive long-term development. *BiH's civil society rating remains at 3.50.*

Independent Media. Negative trends of intimidation and attempts to limit the freedom of media continued in 2009, as well as strong alliances between political, business, and media elites. The media largely continued to follow ethnic divisions in the political sphere, backing one of the three political options rather then securing real pluralism of views. *BiH's independent media rating remains at 4.50.*

Local Democratic Governance. In 2009, there was little pressure on higher-level government to change its policies regarding local self-governance. The competencies of local-government units do not follow the subsidiarity principle; competencies, as well as revenues, remain at the higher levels of authority without significant participation of local communities in the policy-making process. *Owing to a lack of improvement, BiH's local democratic governance rating remains at 4.75.*

Judicial Framework and Independence. The existence of 14 different Ministries of Justice, each preparing separate budgets, continues to negatively affect judicial independence in BiH. Delays and backlogs in the courts did not substantially

improve in 2009, and political interference remained a concern. However, the War Crimes Chamber of the BiH Court and the Prosecutor's Office of BiH Special Department for War Crimes operated efficiently. Local authorities failed to extend the mandates of foreign judges and prosecutors working on organized crime and corruption, which may seriously undermine the capacity of the State Court and affect current proceedings. *Owing to the continued lack of effort or will to reform and improve the judiciary in 2009, BiH's judicial framework and independence rating remains at 4.00.*

Corruption. The perception of corruption in BiH is high, and the general public seems accustomed to it. There was no serious indication of government readiness to deal with the issue, despite the adoption of an anticorruption strategy and a new state-level law on an anticorruption body, both of which were adopted as a condition for visa liberalization with the EU. *Owing to the authorities' lack of genuine readiness to halt rampant corruption, and their intensified pressure on non-state actors focused on anticorruption activities, BiH's corruption rating remains at 4.50.*

Outlook for 2010. The Bosnian Serb parties continued to reject substantial changes to the constitution based on the 1995 DPA, while proposals for change coming from Bosniaks and Bosnian Croats remained significantly divided. This may have a negative effect on developments in 2010, particularly, the general elections in October. If the current trajectory of poor state parliamentary performance continues, as well as the general blocking of state-level institutions, the domestic political climate will seriously deteriorate, challenging proper state functioning and its overall stability. It is expected that most political leaders will continue to obstruct anything that undercuts their source of power; ethnic politics. If the EU remains without a clear strategy toward each country in the region, especially Serbia, BiH might easily end up on the road to slow dissolution, isolation, and further economic disarray, with a latent potential for the repetition of violence.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	4.75	4.75	4.75	5.00	5.00	5.25

The rotating Presidency of Bosnia and Herzegovina (BiH) consists of one Serb, one Bosniak and one Croat. The Parliamentary Assembly of BiH is composed of two chambers: the House of Peoples, which consists of 15 delegates (5 from each constituent group) and the House of Representatives, which consists of 42 members, of whom two-thirds come from the Federation of BiH (FBiH) and one-third from the Republika Srpska (RS), representing both entities of BiH. FBiH is further divided into 10 cantons, with significant competencies. In addition, there is a self-governing, administrative unit, Brčko, which is formally under the sovereignty of BiH though it remained under international supervision through the end of the year.

In 2009, the Parliament of BiH remained hampered by a lack of political will, as well as inadequate technical and human resources. The number of European integration-related laws adopted was low, with Parliament displaying little policy-making capacity or a habit of regular public hearings. Government institutions, at all levels, continued to be affected by internal political tensions and uncoordinated policy-making.

Since its formation in 2006, the government has been comprised of mutually exclusive, post-conflict interests and has seemed united in disregarding the interests of the public. The authorities have often proven unable to efficiently appoint high-level officials when needed. The work of the Directorate for European Integration has been hindered by the overall political climate and the absence of a director for most of the reporting period. Preparatory steps toward a census in 2011 have been carried out, but a state-level census law, which is crucial to the European integration process, was not adopted by the end of the year. Public exasperation at government ineffectiveness increased throughout 2009, but remained muted in seeming respect for ethnic leaders' preoccupation with ethnic politics.

Numerous analyses indicated that, while supporting an eventual full transition, the high representative was still needed to complete Office of the High Representative (OHR) closure objectives, respond to threats against the Dayton Peace Agreement (DPA), and "to act in place of the national government if it is temporarily prevented from acting."[2] The very survival of the state was frequently questioned in 2009, which led to the increased interest of the international community.

The entity governments were additionally burdened by the global economic crisis in 2009, with BiH on the brink of economic collapse. The authorities were forced to take out a US$1.6 billion emergency loan from the International Monetary Fund (IMF) under conditions that BiH make adjustments to speed up

the privatization process, cut wages, and make reductions in social and war-related benefits, which caused great public discomfort and threatened social stability. Public demonstrations by schoolteachers, police officers, pensioners, and war veterans were frequent in 2009.

The IMF delegation to BiH confirmed that the impact of the economic crisis and poor policy decisions were becoming increasingly evident throughout the year. The RS rode out the crisis partly due to funds saved from energy and telecom privatizations, while the FBiH, already on the verge of bankruptcy before the global downturn, continued paying unsustainable benefits to numerous war veterans and victims in spite of IMF demands for "fiscal belt-tightening." FBiH did not comply fully, and the second IMF loan installment was postponed until the beginning of 2010.

The inability of the governing coalition to act swiftly and competently became obvious at the beginning of 2009, during the region's hard winter when Sarajevo reported temperatures of –15° Celsius. Despite not having any gas reserves of its own, BiH was the only country in the region absent from the meeting between European countries to resolve the gas crisis held in Brussels on January 9. When criticized, BiH Minister of Foreign Trade and Economic Relations, Mladen Zirojević, stated that the invitation to the meeting read that BiH's presence was not obligatory. Neighboring Serbia proved more capable in assisting with the crisis than the domestic authorities, lending gas supplies to BiH, which showed potential for improving neighborly relations between the two countries.

Despite these conditions, the ruling coalition made no progress in the field of energy, as noted in the 2009 European Commission Progress Report. Similarly, the State Property Commission appointed by the BiH Council of Ministers failed to complete its work by the deadline, prompting High Representative Valentin Inzko to establish the OHR Inventory Team in September, which would fulfill the technical prerequisite to a sustainable apportionment of state property through a later intergovernmental agreement. The OHR Inventory Team collected the data by November 20, despite being prevented from entering land registry offices in the RS on several occasions.

While the DPA allows for improvements, BiH has already managed to define state functions in some critical areas, such as defense, customs and border management, indirect taxation, and the formation of state judicial bodies. However, this trend slowed down with the formation of the new government after the 2006 election, and came to a full halt in 2009 in a serious attempt to reverse what was achieved in the postwar period. As a result, the country continues to be weighed down by its large and nonfunctioning government, having had 3 presidents, 13 prime ministers, and 180 other ministers since its creation in 1995.

Attempts to reform the Dayton Constitution, even as a minimal package which would only address the harmonization of the constitutional provisions with the European Convention for Human Rights (already part of the BiH constitution), failed in 2009. The European Commission (EC) has clearly stated that BiH would need to reform its constitutional framework to permit its institutions to function

effectively before the Commission could recommend granting BiH EU candidate status. In its October 2009 Progress Report, the EC called upon BiH to proceed with the necessary constitutional amendments without further delay.

The year was marked by a growing sense of urgency among political analysts that BiH is running out of time to resolve its institutional and social paralysis. The situation prompted the United States and the EU, led by the Swedish presidency, to attempt to intervene directly in what has frequently been called the worst political crisis since the war. Consequently, the Butmir Talks, held in October at a military base on the outskirts of Sarajevo, brought together BiH politicians from all sides in order to break the country's political deadlock. Yet, the leaders of the three ethnic communities rejected the proposed package and continued with their maximalist demands, with the exception of the leader of the dominant Bosniak party, the Party of Democratic Action (SDA), Sulejman Tihić, who seemed the most ready to speak constructively about the proposed constitutional amendments. However, RS Prime Minister Milorad Dodik repeatedly pointed to the inability of BiH ethnic groups to live together, stating that in BiH there are clear boundaries between the national groups, which only mix in the economic sector, and that the integration of the peoples of BiH is impossible.[3]

RS Prime Minister Dodik stated, after the first round of the Butmir Talks, that the RS is not interested in constitutional changes, nor did he see a reason for international mediation in BiH on this issue, thereby rejecting the proposed constitutional reform package.[4] While the RS rejected the changes to the BiH constitution, the National Assembly of the RS (RSNA) adopted amendments to the RS Constitution in March including: the declaration of Banja Luka as the capital of the RS, establishing the right of the RS to sign special parallel relations with neighboring countries, abolishing the death penalty, and other amendments related to the harmonization of the RS constitution with the European Convention on Human Rights and the European Charter on Local Self-Government.

BiH formally applied to join NATO's Membership Action Plan (MAP), which is an essential stepping stone toward full membership in the organization. In December, the North Atlantic Council decided not to allow BiH to join MAP, "urging its political leaders to continue to work together to pursue national integration and improve the efficiency and self-reliance of state-level institutions." While issuing a positive decision in the case of Montenegro's application, the Council decided that "BiH will join MAP once it achieves the necessary progress in its reform efforts."[5]

The Steering Board of the Peace Implementation Council (PIC) adopted the OHR–European Union Special Representative's Transition Strategy, which includes five objectives—Resolution of State Property, Resolution of Defense Property, Completion of the Brčko Final Award, Fiscal Sustainability of the State, and Entrenchment of the Rule of Law—as well as two conditions. One of the conditions has been fulfilled (BiH signed the Stabilization and Association Agreement [SAA] with the EU in June 2008), while the second condition ("a positive assessment of the situation in BiH by the PIC") remains unfulfilled.[6]

During 2009, BiH citizens continued to show deep distrust in local politicians, and trust in public institutions continued to deteriorate. Instability increased with inflammatory political rhetoric and provocative calls for secession from the RS. The heated political atmosphere continued with RS Prime Minister Dodik supporting the idea of establishing a third, Croat entity in BiH, an idea promoted by the ruling Croat political elite since the BiH war started. The ruling politicians repeated warnings of growing instability, while the legislature proved to be largely ineffective and unaccountable. In its 2009 report on BiH, the EC found "particularly worrying" the statements by the RS political leadership, which challenged the veracity of wartime massacres involving civilian population.[7]

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
4.75	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.25

Due to a lack of consensus on constitutional changes that would harmonize the BiH Constitution with the European Convention for Human Rights (ECHR), a discriminatory election law remained in force, barring anyone who does not belong to the three constituent ethnic groups of BiH—Bosniaks, Serbs, and Croats—from running for the presidency or House of Peoples of BiH. In the December 2009 case of *Sejdić and Finci v. Bosnia and Herzegovina* (filed by Bosnian nationals of Roma and Jewish ethnicity), the Grand Chamber of the European Court of Human Rights concluded that this ineligibility "lacks an objective and reasonable justification and has therefore breached Article 14 taken in conjunction with Article 3 of Protocol No. 1" of the ECHR.[8] The incompatibilities between the BiH constitution and the ECHR were slated to be addressed prior to the 2010 elections and the implementation of the SAA. However, that still had not happened by the end of 2009.

Despite regular elections, there is no genuine rotation of power among political parties representing competing views within the three dominant ethnic constituencies. As the DPA defines each constituency in ethnic or national terms, the result is a political and electoral system with a self-reinforcing cycle. The country's political psychology starts and ends with fear and blame and is based on mistrust. The population of BiH still feels the wounds of war, and feelings of grievance and fear have usually been expressed through elections.

Ethnic-based parties continue to articulate these sentiments with strong backing from major religious institutions of the Islamic, Orthodox, and Catholic communities in BiH. Dominant media are affiliated with the three, ethnic political orientations and have influenced election results, contributing to the disregard for "bread and butter" issues by giving greater priority to war grievances and divisions. Naša Stranka (NS), a multiethnic political party formed in April 2008 by Bosnian film director Danis Tanović, has tried to build its electoral platform on non-ethnic,

issue-based politics. The party is poorly financed but set to test its political appeal in the October 2010 general elections.

Another new party that appeared on the BiH political scene in the second half of 2009—Alliance for a Better Future of BiH (SBB–BiH)—was formed by media mogul Fahrudin Radončić, with strong ties to the epicenter of Bosniak ethnic politics. SBB-BiH built its image and recruitment strategy on a policy of homogenizing Bosniaks around a leader who would defend their ethnic interests.

There are strong arguments that it is "the very structure of government and legislative decision-making, created through Dayton, which has created this default to ethnic-only politics" in BiH.[9] As a result, the electoral system is not prone to the formation of political forces that would cut across ethnic lines or open the public space for their promotion.

The general public remained largely outside of political life with a deep feeling of helplessness and lack of potential to affect change through the election process. Minority groups continued to lack sufficient openings to actively participate in the political process. Most people remain outside the political process, and believe that none of the political parties represent their interests. Additionally, the most prominent political options are influenced by economic oligarchies and their related interests.

In 2009, the Central Election Commission of BiH (CEC) sought funding for a project to create a "Unified Election Information System of BiH." This was intended to continue the interrupted Passive Voter Registration project. The CEC developed a valuable database related to the implementation of the Election Law, Law on Conflict of Interest, and Law on Political Party Financing. However, there have been serious problems with the compatibility of these various laws in the run-up to the 2010 elections.

Conflict of interest, in general, was one of the most controversial fields of the CEC's work in 2009. After a complaint by Transparency International BiH, the Court of BiH twice ordered the CEC to act on their request and establish the existence of conflicts of interest in the case of Nedžad Branković, then prime minister of FBiH. While in office, Branković was also a shareholder in the fund management company ABDS, and his private interests may have influenced his public role. Branković resigned in May at the request of SDA party leader Sulejman Tihić, after a Sarajevo court charged the prime minister with abuse of power over a property deal.

Additionally, the Court of BiH confirmed the decision of the CEC that found the BiH Minister of Foreign Affairs, Sven Alkalaj, in conflict of interest.[10] The minister served on the supervisory board of a company that had contracts with the ministry for several thousand dollars. Despite the ruling, Alkalaj remained in office and no procedures for dismissing individuals found in conflict of interest were initiated, though the media frequently covered these cases. The CEC also received a report alleging RS President Rajko Kuzmanović to be in conflict of interest because he served as both RS president and president of the RS Academy of Arts and Sciences, financed by the RS budget. The CEC concluded that the case should

be handled by the RS Commission for Establishing Conflict of Interest, which was still not operational nine months after the RS Law on Conflict of Interest was adopted by the RS National Assembly. This left the RS as the only jurisdiction in BiH with no operational mechanism for investigating potential conflicts of interest of public officials.

After this series of rulings of the Court of BiH, the parliamentary majority seemed eager to weaken provisions of the Conflict of Interest Law. The Intergovernmental Working Group's legislative proposal, presented in October, significantly watered down the existing legislation on conflict of interest as assessed by Transparency International BiH, which warned that the new legislation would "make conflict of interest in BiH impossible to prove."[11] The BiH Council of Ministers adopted the Law on Prevention of Conflict of Interest in BiH Institutions by the end of 2009, despite TI protests and without requesting Venice Commission opinion on the law before putting it into adoption procedure, as suggested by the OHR, the Organization for Security and Cooperation in Europe, the Council of Europe, and supported by the EU Delegation to BiH. Regardless, the law entered parliamentary procedure on December 24.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	

During, and immediately after the war, government officials were largely uninformed about civil society and the functions of nongovernmental organizations (NGOs). Some cautiously accepted their existence, while others were openly hostile toward nongovernmental structures. Those attitudes have continued to a great extent, particularly with regard to NGOs dealing with corruption issues.

The most prominent is Transparency International (TI) BiH, which has positioned itself as the country's leading think thank and advocacy group in the anti-corruption field. TI BiH has been called to provide expert input in designing legislation and strategy, as well as briefing parliamentarians and other relevant institutions responsible for fighting corruption. However, it continued to work under pressure and was viewed as an organization hostile to the ruling, ethnic, nationalist elite on all sides, filing reports on the prime ministers of the RS and the FBiH.

Another postwar problem in the civic sector has been the excessive and opportunistic growth of NGOs, with some receiving funding far beyond their capacity for good management. By 2009, the most capable NGOs had survived to become credible partners in addressing the real concerns and needs of society rather than being merely donor driven. The Center for Civic Initiatives (CCI), TI BiH, Association of Old Foreign Currency Savers, as well as war veterans' and pensioners' associations were among the best examples of credible partners.

The government is still not fully receptive to policy advocacy by interest groups unless they come from the leading business and religious circles. At the same time, the media is growing more receptive to civil society groups as independent and reliable sources of information and commentary.

Locally led efforts to increase philanthropy and volunteerism are rare, as is the public's active participation in private voluntary activity. Organizations fighting for the rights of women and their participation in the country's social and political life have yet to improve the position of women, especially in decision-making processes. Consequently, out of 17 ministries in the BiH government, there is not a single woman in a ministerial post. There is only 1 female minister in the FBiH and 2 in the RS from a combined total of 34 ministers in both of the entity governments.

Religious groups remain the most influential segment of the civic sector but are so in a rather divisive manner. There are indications that the lines between church and state have become increasingly blurred over the past two decades. Specialists argue that instead of making universal appeals, the activities of religious communities are restricted to ethnic and political aspects, which "continue to divide rather than aid in recovery efforts of former war zones."[12]

In July, a mass brawl broke out in Mostar between a group of local Bosniak (Bosnian Muslim) residents and members of a local, radical Muslim Wahhabi sect leaving a mosque after evening prayers. Several people were seriously injured in the scuffle. One Wahhabi member, 35-year-old Magdi Dizdarević, died from severe head injuries suffered in the brawl. The incident underlined growing tensions between Bosnia's historically moderate Muslims and a small, but visible and increasingly assertive Wahhabi sect. The Islamic community of BiH condemned the incident, blaming it on "islamophobic media."

Additionally, religious institutions continued to lead in articulating public intolerance against sexual minorities. A comprehensive, state-level antidiscrimination law was adopted in 2009 as a requirement for EU visa liberalization, but its scope is limited. The original draft neither prevented nor allowed same-sex marriage and adoption of children in same sex-unions. However, amendments suggested by the Inter-Religious Council of BiH barred same-sex marriage in the BiH Antidiscrimination Law.

The education system at all levels remains problematic. Religious teaching continued at public kindergartens in the BiH capital, Sarajevo, creating divisions among children. Young people continued to be educated within their own ethnic groups, precluding the development of cross-ethnic ties. Postwar BiH is not as multiethnic at the local level as it was before the war, except, to a considerable extent, in the Brčko District. Consequently, children mainly attend schools dominated by one ethnic group. In areas where there is no clear ethnic dominance, schools are divided under one roof, with pupils attending classes in shifts in order to not meet in the school hallways. Ethnic-oriented curricula are present in public schools, as well as organized religious teaching, resulting in explicit separation and exclusion.

Violations of returnees' religious freedoms, such as desecration of cemeteries and religious sites, as well as attacks on religious officials, were reported by BiH

Ombudsman Ljubomir Sandić in 2009. Meanwhile, there was evidence of greater protection for women against all forms of violence. BiH ratified the revised European Social Charter, but as noted in the EC Progress Report on BiH, the implementation of the Charter did not improve during the year.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50	4.50

The wave of harassment and physical attacks on journalists that began in 2008 increased in 2009, culminating in a police investigation into the alleged murder plot on Bakir Hadžiomerović, editor of the Federal Television (FTV) political program, *60 Minutes*, which regularly reports on corruption among the government elite.

During the year, the Islamic community was generally quick to label as "Islamophobic" any media outlet that criticized the activities of the Islamic community or its head, Reis Mustafa Cerić, who was viewed as exerting pressure on the freedom of expression and media freedom. Such accusations started openly in November 2008, when Cerić publicly accused the editor-in-chief of the daily *Oslobođenje* of Islamophobia and anti-Islamic behavior. This label was most frequently used against FTV—the FBiH public broadcaster—and characterized as an attempt to silence their reporting. The Islamic community in BiH was frequently criticized in the BiH media for protecting imams accused and sentenced for sexual abuse of underage girls; for making alliances with political, media and financial moguls; and for dictating political developments in the country.

The ethnic orientation of the media, especially print media, has been increasing. Likewise, the Sarajevo-based public broadcasters struggled to secure their independence from ethnic politics. The RS government earmarked BAM 5 million (US$ 3.1 million) for the RS media, which in a year of economic crisis was largely understood as an attempt to buy their loyalty during the election campaign. The PIC Steering Board noted negative developments in the area of media freedom, underlining "the importance of freedom of expression including a free and independent media, with special regard to the forthcoming elections."[13]

The implementation of public broadcasting reform, a key European Partnership priority, was further delayed by insufficient harmonization and slow implementation of the legal framework, in particular in the FBiH. There have also been accusations from the Croat community that FTV is Bosniak-dominated and that Croats need their own channel in their own language. Meanwhile Radio and Television of Bosnia and Herzegovina (BHRT), the state level public broadcaster, is floundering.

In general, public broadcasters continued to fight for editorial independence, while privately owned media struggled to protect editorial independence and information-gathering functions from partisan owners. Harmonization of the legal

framework for public broadcasting in BiH has not been fully achieved, and reform of the public broadcasting system has been delayed. The independence of the Communications Regulatory Agency remained seriously weakened by the absence of a properly appointed general director and council.

The public enjoys a range of print and electronic sources of information, at both the national and local level, but these do not represent a range of political viewpoints. Citizens also have free access and use of the Internet as the government makes no attempt to control its use. Reportedly, though, only 27 percent of the population uses the Internet.[14]

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	4.75	4.75	4.75	4.75	4.75	4.75

Citizens of BiH have the opportunity to choose their local leaders in free and fair elections. The legislation provides for local elections on the basis of universal, equal, and direct suffrage by secret ballot. Multiple candidates, representing mainly dominant ethnic political forces in BiH, participate in local elections and in local government bodies. However, local winners who are not affiliated with the political factions ruling at the higher level usually encounter obstacles in exercising their authority in local self-governance or in securing financial resources from higher levels of government, in addition to obstacles during election campaigns.

Functional and fiscal decentralization in BiH in accordance with the principles of the European Charter of Local Self-Governance has not been established, except for some progress in the RS. It is a rarity to find competent and motivated staff members at the local level who could improve the quality and cost-effectiveness of services. Local authorities operate with a similar lack of transparency and accountability found at the higher levels of government. The right to local self-governance remains unregulated by the BiH constitution; instead, it relies on the separate legal frameworks of the two entities, with each refusing to implement substantial decentralization.

Some mayors go even further, stating that self-governance in practice does not exist as the higher levels of government keep the competencies and the revenues, leaving local communities dependent on party bosses. Municipalities claim to be deprived of funds if the political option ruling at the local level differs from that of the higher level of government.

Local authorities argue that they are not free to design and adjust institutions and processes of governance to better reflect local needs, nor do the central authorities regularly consult local governments in planning and decision-making that directly affects the local level. The most vocal in this regard was Mayor of Foča, Zdravko Krsmanović, who registered the New Socialist Party in December in Banja Luka in order to "fight crime, support decentralization, and work for EU integration by 2014."[15]

Citizens of BiH are not fully engaged in local electoral processes. Voter turnout at the 2008 municipal elections indicated a significant level of political apathy, especially in cities. Overall turnout at local elections in 2008 was 55 percent, with voters in major cities largely abstaining. The turnout in the capital, Sarajevo, was less than 40 percent, with a similar trend in Tuzla, Zenica, and Banja Luka.[16]

Democratically elected local authorities claim not to have the resources and capacity to fulfill their responsibilities, as the collection of taxes, administrative fees, and other revenues are not commensurate with a decentralized system. Analyses of local self-governance in BiH show that municipalities must widen their fiscal base in order to strengthen the quality of services provided. Yet, in 2009, transparent and predictable financial transfers from the entity and cantonal level to the municipal level remained unsecured.

Inter-ethnic relations on the local level are stable. However, some places, such as Mostar, Stolac, and Jajce, remain ethnically divided. For instance, in Mostar, the Croat majority lives in the western part of the city and the Bosniak population in the eastern part. Of the 24,000 Serbs that lived in Mostar before the war, only a handful remain.

The administration of Mostar was in the process of collapsing in 2009. The local Croat and Bosniak parties ruling the city were unable to elect a new mayor (since the elections in October 2008) due to irreconcilable positions on whether the post should be held by a Bosniak or a Croat. Consequently, city workers were not paid for months, affecting more than 500 staff in 42 city institutions; schoolrooms went without heat, fireman went on strike for 150 days, and the national theater was shuttered for lack of financing. Media reported, "The city of Mostar [is] being killed."[17]

In October, the High Representative (HR), Valentin Inzko, instructed the Mostar City Council to elect a mayor by secret ballot within the next 30 days, which was in line with the Statute of the City.[18] The HR stated in November that he would take the initiative in Mostar as citizens' appeals had fallen on deaf ears. The HR extended the Decision on Temporary Financing to give the councillors time to do their job. Subsequently, the Mostar City Council elected Bosnian Croat Ljubo Bešlić (Croat Democratic Union, HDZ BiH) as mayor on December 18. This was facilitated by the HR's decision to allow the Council to elect a mayor via a simple majority rather than the stipulated two-thirds majority, which had kept the mayoral post vacant for more than 14 months.

A decision on terminating international supervision of the Brčko District was expected by mid-November 2009. However, preparations for a celebration were halted as not all obligations from the Final Award for Brčko were respected.[19] The RS failed to accept a decision by the HR and passed a plan by which it would establish jurisdiction over the transfer of electricity through the District, which was viewed as a form of serious disrespect toward the Final Award.

According to the Brčko supervisor, American diplomat Raffi Gregorian, the process of ending the supervision could continue only if and when the RS accepts its obligations in line with the Final Award, which is mandatory for all sides. The

entities did not resolve the issues of settling mutual debts, citizenship of district residents, and allocation of succession funds (though issues related to succession funds and mutual debts had initially been resolved in mid-September). The state and local entities only had the obligation to publish the High Representative's decisions in the official gazettes (concerning a set of laws imposed in September by the HR related to citizenship of district residents, electricity supply, and distribution of succession funds). The RS refused to officially publish these decisions during 2009, and in so doing, it effectively refused to implement them, thus international supervision of Brčko continued.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.50	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00	4.00

The constitutional order of BiH, as implemented, does not protect the fundamental political rights of citizens and populations not belonging to the three constituent ethnic communities defined under the Dayton Constitution; thus, to a great extent, they remain outside of government and administrative structures. In this respect, BiH is in violation of its own constitution, considering that "The rights and freedoms set forth in the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols shall apply directly in Bosnia and Herzegovina. These shall have priority over all other law."[20]

The EC emphasized in its Progress Report on BiH that the enforcement of the decisions of the Human Rights Commission of the BiH Constitutional Court remained an issue in 2009. The backlog of cases concerning human rights violations persisted in 2009 with incomplete enforcement of decisions.

Extradition agreements covering war crimes remained problematic as authorities of BiH and its neighbors failed to address the regional impunity gap created by signing agreements in these cases. The Justice Ministry insisted that the implementation of the state strategy for prosecuting war crimes committed within BiH was proceeding according to plan. However, critics noted the lack of a centralized judicial database that would allow the state authorities to know how many war crimes cases went through the lower courts. A much needed central registery of war crimes has not been created despite the strategy's clear instructions for collection of data, while it was reported that the entity, cantonal, and regional prosecutions had not followed instructions on submitting data. The President of the Helsinki Committee for Human Rights in RS, Branko Todorović, warned that politicians want to slow down the process of prosecuting war crimes, as they themselves might be potential suspects. The PIC urged BiH authorities in November 2009 to speed up the implementation of the National Strategy for Dealing with War Crimes and the National Justice Sector Reform Strategy.

The state appeared to continue to develop separate jurisdictions without a Supreme Court, which would unify the country's legal system. Additionally, the

lack of a State Supreme Court has increased the burden on the Constitutional Court. Its establishment would at least help in harmonizing the different criminal and civil codes in the entities and the Brčko District, as well as provide a needed hierarchy for the country's judicial system.

Access to justice in civil and criminal trials did not improve in 2009. Rather, the justice system remained slow and the perception of the population reflected a general distrust of domestic courts. The judiciary was still not fully free of political control and influence. The problem of ill treatment of detainees continued, while the planned construction of a state-level prison was seriously delayed.

In the same period, action was taken to remove foreign judges and prosecutors from two chambers of the State Court: the War Crimes Chamber and Organized Crime Chamber. RS parliamentarians in the BiH Parliamentary Assembly blocked the Law on Courts, Law on Prosecutor, and the criminal code, which were needed to extend the mandate of the foreign judges and prosecutors in BiH. The leadership of the RS explicitly opposed any extension of these mandates, while parliamentarians from the FBiH mainly supported international staff remaining at appellate levels.

This was the most heated judicial issue in 2009, as few expected Parliament to extend the mandates of international judges and prosecutors. On December 14, the HR, invoking executive powers, extended the mandate of foreign judges and prosecutors working on war crimes cases in BiH until December 31, 2012. Additionally, HR Inzko decided that international judges and prosecutors dealing with organized crime and corruption would also remain in BiH, but only as advisors. The main Bosniak party, SDA, claimed that RS opposition to the mandate extensions was based on the fear of eventual trials against them, in particular before the Organized Crime and Corruption Section. Others, including the media, claimed that RS Prime Minister Dodik wanted to weaken the State Court and prosecutor's office to prevent his own corruption case from being tried.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	[illegible]

BiH did not achieve any significant progress in implementing anticorruption reforms in 2009. Activities in this field, according to TI BiH, were carried out without true political will or a systematic approach. Observers, including TI, reported that anticorruption activities were still uncoordinated, while prosecuting corruption in the courts remained difficult and ineffectual, since those convicted went unpunished or received probation. Still, in March 2009, the BiH State Information and Protection Agency (SIPA) filed a criminal report against RS Prime Minister Dodik and 11 RS politicians and businessmen accused of fraud costing the state budget BAM 145 million (US$90 million).

While the RS government made some improvements in removing bureaucratic obstacles to business development, the FBiH government made no serious attempt

to do the same and preserved excessive bureaucratic regulations and registration requirements that increased opportunities for corruption.

Abuse of office and criminal allegations were frequent in BiH during 2009, but high-level cases were often left without final verdict. RS Prime Minister Dodik emphasized procedural irregularities, accusing SIPA Deputy Director Dragan Lukač of carrying out a conspiracy against him. The attacks on the state prosecutor started in April; meanwhile, the only outcome of the SIPA Report and state prosecutor's investigation was the removal of inspector Lukač from SIPA.

In the FBiH in 2009, the Bosniak daily *Avaz* published a "map" of an alleged criminal network of major figures in Bosniak politics including the owner of *Avaz*, Fahrudin Radončić; the head of the Islamic community in BiH, Reis Mustafa Cerić; and Bakir Izetbegović, son of late president Alija Izetbegović. The "map" was attributed to the OHR. While the press in Sarajevo not connected to the ruling parties saw nothing new in the "Bosniak criminal map," Radončić and Cerić entered a campaign against the OHR and HR's principal deputy Raffi Gregorian, characterizing the situation as an "American attempt to put Bosnian Muslims in some sort of Guantánamo."[21]

Both of the entity government-controlled development banks were accused of illegal activities. The Federation Financial Police inspected the FBiH Development Bank following a warrant served on the bank's director, Ramiz Džaferović, with no judicial outcome in 2009. The RS Investment-Development Bank (IRB) was investigated by the Center for Investigative Reporting (CIN), revealing that the IRB's largest loans were given—with personal approval from RS Prime Minister Dodik—to foreign-backed companies with offshore bank accounts and questionable assets. Many of the loans went to companies with apparent ties to Prime Minister Dodik (for example, a company run by his son Igor and a Banja Luka newspaper giving Dodik favourable coverage) or his government.

Opposition politicians were also under criminal investigation in 2009. The BiH Prosecution ordered the FBiH police to widen its probe into the attempted extortion of BAM 2.5 million (US$1.5 million) from the director of ASA Holding, Nihad Imamović. In October, the FBiH police filed charges against Social Democratic Party of BiH (SDP) officials—Head of the Sarajevo Municipality of Novi Grad, Damir Hadžić, and his business associate, Husein Hasibović—for blackmailing prominent businessmen in BiH.

Allegations of corruption in BiH received wide coverage in the media. Yet, due to the lack of judicial outcomes, trust in public institutions continued to deteriorate. Auditing was done on a regular basis, according to international auditing standards, but there was no action taken in regard to negative audit reports. In fact, the parliamentary majority of Alliance of Independent Social Democrats, led by RS Prime Minister Dodik, voted against the report of the RS Supreme Auditor Office in 2008 and requested an external audit, provoking fierce reactions from the opposition.

In 2009, the Council of Ministers adopted laws on the anticorruption agency and an anticorruption strategy, with subsequent adoption in the BiH Parliamentary

Assembly by the end of the year. However, there were no serious indicators that these measures would be met with swift implementation.

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Bulgaria

by Daniel Smilov and Georgy Ganev

Capital: Sofia
Population: 7.6 million
GNI/capita: US$11,370

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Civil Society	3.50	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50
Independent Media	3.25	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75	3.75
Governance*	3.50	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.25	3.25
Local Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	3.50	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00	3.00
Corruption	4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00
Democracy Score	3.42	3.33	3.38	3.25	3.18	2.93	2.89	2.86	3.04	3.04

** 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

In the 21 years since the collapse of communism in 1989, Bulgaria has taken a number of steps to create a consolidated democratic governance system with a stable Parliament, sound government structures, active civil society, and free media. In 2004, Bulgaria became a member of NATO, and three years later entered the European Union (EU). Since 2007, however, the Bulgarian government has come under strong criticism for backsliding on its reform efforts. As a result of several scandals, some payments under EU funding programs were suspended in 2008. Furthermore, events during 2009 showed that efforts are still needed to ensure the vitality and continued progress of Bulgarian democracy. Many essential issues remain to be addressed, including reform of the judiciary, fighting corruption and organized crime, improvements in the treatment of underprivileged groups, and measures to restore public trust in democracy and reengage citizens in politics.

National Democratic Governance. The Bulgarian government faced serious problems in several policy spheres in 2009. It came under strong criticism from the European Commission (EC) for failing to effectively counteract high-level organized crime and corruption and for lack of significant progress on judicial reform. Despite the efforts of the previous government (a coalition of the Bulgarian Socialist Party, Movement for Rights and Freedoms, and the National Movement for Stability and Prosperity), considerable portions of EC funding for Bulgaria remained frozen during most of 2009. In July, the political party Citizens for European Development of Bulgaria (GERB), led by Sofia mayor Boyko Borisov, won 116 out of the 240 seats in the National Assembly, and Borisov became prime minister. For the first time since 1991, a minority government was formed: GERB proceeded to create a parliamentary majority and a single-party cabinet with support from diverse parties such as the nationalist-populist Ataka, the center-right Blue Coalition, and the newly emerged party Order, Law, and Justice. *Owing to ineffective management of EU funds, weak progress in judicial reform and the fight against high-level organized crime, and the rather heterogeneous parliamentary majority, Bulgaria's national democratic governance rating remains at 3.25.*

Electoral Process. The busy electoral cycle of 2009—featuring elections for the European Parliament, National Assembly, and mayor of Sofia—confirmed that Bulgaria is capable of organizing free and fair elections. The problems that transpired, although significant (especially allegations of vote-buying and isolated manipulations of results), did not affect the election results overall in the country.

Moreover, the 2009 parliamentary elections reversed the trend of falling electoral turnouts, which was indicative of general trust in the democratic process. The attempts of the governing parties to amend the electoral laws in their favor just prior to elections were partially overturned by the Constitutional Court, and as a whole, backfired by enhancing the electoral performance of the opposition. *Owing to no considerable changes in the conduct, performance, or quality of national polls, Bulgaria's electoral process rating remains at 1.75.*

Civil Society. Since 1989, the Bulgarian civic sector has developed significant experience and capacity. However, its ability to raise funds domestically is very limited. The situation has not changed with the country's EU membership, since the withdrawal of previous donors was substituted by funds from EU programs. This dependence continues to impede the emergence of feedback and grassroots links between nongovernmental organizations and local communities. These structural issues aside, the civic sector in Bulgaria is well regulated, free to develop its activities, and well established as a partner to the state and the media. *Owing to no major changes in the status or activities of the third sector in 2009, Bulgaria's civil society rating remains at 2.50.*

Independent Media. Media freedom is legally protected in Bulgaria. Print media are free from specific regulations, while electronic media are regulated by law and by a specialized regulatory body. Citizens have wide access to diverse and free media sources. After years of serious cases of violence and law enforcement harassment against journalists, 2009 was relatively calm. Some local media were subject to influence by local business interests, and nationally the government is able to exert influence through its heavy subsidization of publicly owned television and radio. Reports by international media-monitoring organizations in 2009 indicated important improvements but noted that the relative standing of the country's media sphere is worsening. *Bulgaria's independent media rating remains at 3.75.*

Local Democratic Governance. The factors that promise future improvements in local governance—such as setting local tax rates, better coordination of local government responsibilities under centrally financed activities, and access to EU funds—continued to work in 2009 but have not yet produced observable results. Throughout the year there were several mayoral by-elections, especially in the capital, Sofia, which were characterized by relatively low turnout and scattered reports of vote-buying or exercise of undue influence. *The institutional setup and potential of local governance continues to improve, thus Bulgaria's local democratic governance rating holds steady at 3.00.*

Judicial Framework and Independence. There were no major developments in the legal framework of the justice system in Bulgaria in 2009. The most important changes during the year came to the Supreme Judicial Council's procedures for appointing senior magistrates. Serious scandals, however, marred this entire process.

Owing to the judiciary's inadequate reaction to scandals within the justice system in 2009, Bulgaria's judicial framework and independence rating remains at 3.00.

Corruption. Despite a scandal-ridden 2008, the institutional structure for fighting corruption in Bulgaria did not undergo substantive changes in 2009. The new Bulgarian government launched investigations into the activities of its predecessor, with indictments against one former minister, yet many of those under investigation are members of the opposition and political motives cannot be ruled out *a priori*. Some of the frozen EU funds were released by the European Commission following corruption-related reforms. However, Bulgaria continued to lack coordination between the various anticorruption units. International measurements of economic freedom and bureaucratic burdens on business, as well as some measures of corruption, improved in 2009, but the procurement procedure remained marred by corruption and abuse. *While a number of positive steps were taken to regain the momentum leading up to 2008, the fight against corruption is still inconsistent, thus Bulgaria's corruption rating remains at 4.00.*

Outlook for 2010. The central issue for the Bulgarian government in 2010 will be to balance the consequences of the global financial and economic crisis with implementation of long-overdue reforms in sectors such as healthcare, higher education, and the judiciary. The biggest challenges remain the social effectiveness of public spending, the potential for rising popular demands for higher spending, and how best to address the problems of organized crime and corruption.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.25	3.25

The Constitution of Bulgaria, adopted in 1991, provides for a parliamentary system with checks and balances guaranteed by the legislative, executive, and judicial branches. Citizens may participate in the political process through elections, via consultations during the legislative process, civil society organizations, and the media. Bulgaria's political system enjoyed considerable stability over the last decade. Three consecutive governments have served full constitutional terms without major political disturbances, and democracy has firmly taken root in society. While the public voices dissatisfaction with the performance of Bulgarian democracy, no alternative non-democratic projects exist or seem viable.

Over the last several years, however, the judiciary has strongly asserted its independence vis-à-vis the other branches, which has raised some concerns about the accountability of judges and prosecutors. As a response, annual reports from the judicial branch to the Parliament on the state of the judiciary were introduced in 2007, and the Law on the Judicial System was amended to make the Supreme Judicial Council a permanent body whose members no longer engage in everyday work as judges, prosecutors, or investigators. In 2008, the Inspectorate of the Supreme Judicial Council was established to investigate procedural deficiencies and disciplinary cases in the judiciary. Despite these changes, judicial performance has not improved significantly. This is especially true for juridical proceedings against organized crime and corruption in the civil service. The Bulgarian justice system remains under review by the European Commission, whose July 2009 evaluation marked some progress but noted further needed improvements. The Commission reported: "Although indications of fraud and corruption (including collusion with organized crime) are abundant in the public domain, law enforcement agencies seem reluctant to take the initiative and seem to wait until some other administration formally reports irregularities before starting an investigation."[1]

Under the Law on Access to Public Information, in force since 2000, Bulgarian citizens and the media may initiate proceedings when these rights are violated, which citizens and civil society organizations have actively done in recent years. Nevertheless, the 2007 report of the Access to Information Program emphasizes weaknesses in the system. The state administration is frequently unwilling to publish much of the public information covered by the law. Motives such as commercial secrets and third-party interests are often used by state institutions to refuse or limit access without sufficient grounds. In 2008–09, lack of information on international energy agreements between Russia and Bulgaria became the focus of intense public

debate when large portions of these agreements turned out to be classified. In a postive development, after the 2009 general elections the new government started to publish the minutes from Council of Ministers meetings.

Bulgaria has a unicameral National Assembly—a 240-member legislature directly elected for a four-year term. Until 2001, the country's political system was dominated by two parties: on the left, the Bulgarian Socialist Party (BSP), successor to the former Communist Party; and on the right, the Union of Democratic Forces (UDF). This bipolar episode ended with the victory of the National Movement Simeon II (NDSV) in the 2001 general elections, increasing the political importance of the National Assembly. This trend was reinforced after the June 2005 general elections when none of the major political parties won a majority. In 2009, the political party Citizens for European Development of Bulgaria (GERB), led by Sofia mayor Boyko Borisov, won 116 out of the 240 seats in the National Assembly and Borisov became prime minister. For the first time since 1991, a minority government was formed: GERB created a parliamentary majority and a single-party cabinet with diverse support from the nationalist-populist Ataka, the center-right Blue Coalition, and the newly emerged "conservative values" party Order, Law, and Justice (RZS) (which subsequently withdrew its support).

The National Assembly receives sufficient resources to meet its constitutional responsibilities and has established strong committees and subcommittees. It also consults with many experts and nongovernmental organizations (NGOs). Committee hearings and legislative sessions are open to the media and the public (subject to prior registration), and most bills are posted on the Parliament's Web site.

In 2009, corruption scandals continued to mar the relationship between Bulgaria and the EU with an ongoing freeze on payments to Bulgaria under several EU programs. The Bulgarian government came under strong criticism from the European Commission for failing to counteract high-level organized crime and corruption. The 2008 appointment of a separate minister responsible for the management of EU funds, despite some positive changes, did not yield results in 2009. After the formation of a new cabinet in July, payments for a significant portion of the funds resumed toward the end of the year. However, Bulgaria is still at risk of losing EU financial assistance owing to missed program deadlines and doubts about the country's administrative and institutional capacity to absorb the funding.

The military and security services went through reforms during Bulgaria's candidacy for NATO and the government established a system of democratic control with clear structures, responsibilities, and more accountability. As a result, more information is currently available to the public, especially about the activities of the Ministry of Defense. However, insufficient progress in combating corruption and organized crime led, in 2008, to the creation of a new structure in the internal security system—the State Agency for National Security (SANS)—charged with guarding national security and investigating grand corruption and organized crime. So far, the Agency has been ineffective and was even involved in several scandals that raised questions about the democratic oversight of its activities.

In response, a parliamentary committee was introduced to monitor and control SANS, but it was not operational before the 2009 elections. Afterward, the new government and parliamentary majority initiated an in-depth review of SANS activities, and the agency head and many of his closest advisers resigned. The general assessment was negative, with serious suspicions that SANS had been used against inconvenient political opponents, and that it even tacitly supported the formation of a new political party by leaking sensitive information to its leader. Toward the end of 2009, secret reports were leaked to the press indicating that there were different camps in the agency that collected intelligence on each other. The leak further discredited SANS and raised questions on its role in the political process. Amendments to legislation reduced the investigating prerogatives of the agency, turning it into a purely intelligence-gathering body.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.00	2.00	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 legislative, presidential, and municipal elections. However, the local elections in October 2007, as well as some local interim elections in 2008, demonstrated the increasing commercialization of politics in the country. There were suspicions among political parties, the media, and the general public that numerous candidates for mayoral positions and municipal councils had attempted to buy votes.

These suspicions were strengthened in 2009 amid elections for the European Parliament (EP), the National Assembly, and several interim mayoral elections. There were allegations that some parties resorted to direct vote-buying, especially in Roma-populated areas. After the parliamentary elections, several parties challenged the validity of the electoral results in the polling sections abroad, especially in neighboring Turkey. The Movement for Rights and Freedoms (the party representing ethnic Turks in Bulgaria) allegedly manipulated voters and rigged the results in these sections in the absence of independent observers. The controversy reached the Constitutional Court, whose decision on the issue was pending at year's end. The Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe (CoE) observed the National Assembly elections in July and reported in its Statement of Preliminary Findings and Conclusions that the elections "were generally in accordance with OSCE commitments and CoE standards; however, further efforts are necessary to ensure the integrity of the election process and increase public confidence."

According to the Bulgarian constitution, all citizens over 18 have the right to vote by secret ballot. Until 2009, Bulgaria had a pure, proportional electoral system for parliamentary elections. In presidential and mayoral elections, it uses a majoritarian system with two rounds. Until 2005, the law provided all parties,

coalitions, and candidates with equal campaigning opportunities. However, amendments adopted in 2005 in order to reduce the number of registered parties and coalitions participating in elections, established a deposit to register parliamentary candidates. The number of registered parties and coalitions decreased from 65 in 2001 to 22 in 2005, and 20 in 2009.

The National Assembly elections of June–July 2009 were carried out under revised electoral laws. Under pressure from President Georgi Parvanov, and a number of civil society actors, the ruling coalition of the Bulgarian Socialist Party (BSP), the National Movement for Stability and Prosperity (NDSV), and the Movement for Rights and Freedoms (MRF) introduced a "majoritarian element" in parliamentary elections. Due to disagreements in the coalition, this happened barely two months before the elections, with 31 out of the 240 deputies to be elected in single-member districts, while the rest were to be elected following the purely proportional system. The changes produced a number of unintended consequences. For instance, the BSP—the main sponsor of the majoritarian element reform—won none of the single-member district seats.

Another contentious reform concerned increasing the electoral threshold for coalitions from 4 to 8 percent of the vote. Just as with the majoritarian element, this measure was meant to strengthen the chances of the BSP and to negatively affect some of its opponents, namely, the Blue Coalition, which comprised successor parties from the once mighty Union of Democratic Forces (UDF). This measure was pronounced unconstitutional by the Constitutional Court before the elections. The Court, however, refused to invalidate the majoritarian element provision, although the 31 electoral districts featured grossly unequal numbers of voters, which raised the issue of malapportionment and possible violation of the one-person-one-vote principle.

In December 2006, a new political party, GERB, was established by the incumbent mayor of Sofia, Boyko Borisov. GERB achieved good results at the 2007 European Parliament and local elections. The electoral cycle of 2009 confirmed GERB as the biggest and most influential party in the country. The BSP lost a significant part of its support, and NDSV could not clear the 4 percent electoral threshold for the National Assembly; the Blue Coalition passed the threshold but its results were also disappointing. In total, GERB won 116 out of the 240 seats (39.72 percent of the vote) in the National Assembly and Borisov became Prime Minister. Second was BSP and coalition with 17.7 percent of the vote and 40 seats, less than half of the seats it had in the previous Parliament. The MRF secured 14.45 percent of the vote, which made it the only party from the previous ruling coalition to stabilize and even slightly better its performance. The nationalist-populist Ataka received 9.36 percent of the vote, the center-right Blue Coalition 6.76 percent, and the new party, Order, Law, and Justice, made it just over the 4 percent threshold.

These results roughly confirmed trends that were obvious from the results of the European Parliament elections: GERB—24.48 percent of the vote and 5 seats; BSP—18.59 percent and 4 seats; MRF—14.21 percent and 3 seats; Ataka—21.01 percent and 2 seats; NDSV and the Blue Coalition—8 percent and 2 seats each.

Compared to the European elections, GERB mobilized more successfully for the national elections and managed to widen the gap with the BSP. The electoral system amendments contributed to this outcome as well. At the same time, NDSV did relatively well at the European elections, it won two seats, due mainly to the appeal of EU Commissioner Meglena Kuneva who headed the party list, but the party failed to clear the national electoral threshold. By contrast, Order, Law, and Justice performed better at the National Assembly elections but failed to elect a parlamentarian.

The 2009 elections confirmed the trend of relative weakening of the "traditional" programmatic parties of the left and right in Bulgaria: the BSP and the Blue Coalition. They also confirmed the rise of populist players and parties formed around charismatic personalities, campaigning on the issues of anticorruption, personal integrity, and moderate nationalism. Especially telling were the 2009 local by-elections in which GERB took important mayoral races, including the mayor of Sofia post, vacated when Boyko Borisov became prime minister.

GERB is a typical "leader's party," following the model of the National Movement Simeon II, formed around the Bulgarian King Simeon Saxe-Coburg Gotha, which won the 2001 elections only months after emerging on the political scene. Prime Minister Borisov, the leader of GERB, owes his impressive political career to Simeon Saxe-Coburg Gotha: initially the prime minister's bodyguard who was later appointed chief secretary of the Ministry of Interior. After the 2005 general elections, Borisov left the party of the former Bulgarian king and won the mayoral elections in Sofia. GERB has no established ideological and programmatic profile but was accepted as a full member of the European People's Party. At present, the party is actively building an image as the main center-right force in the country and uses strong anticorruption language, especially against its predecessors from the BSP and MRF. It is unclear whether GERB will manage to establish itself as a lasting, programmatic formation or suffer a fate similar to NDSV.

The Bulgarian constitution guarantees all citizens the right to organize parties, movements, or other political entities. It bans the establishment of political organizations that act against national integrity and state sovereignty; that call for ethnic, national, or religious hostility; that create secret military structures; or that pursue their goals through violence. The Ataka (Attack) coalition was the first to use anti-minority statements in the 2005 campaign. It is a typical antiestablishment political formation benefiting from the traditional protest vote in Bulgaria, and its support is an effect of transitory social disaffections as well as deeper public perceptions about the unfairness of the country's transition process. The 2009 elections showed that the party had stabilized its support at around 10 percent.

In Bulgaria, political party registration is liberal and uncomplicated and requires a minimum of 5,000 members. The large number of parties participating in local elections indicates that local interests usually work through independent participation, a strategy that is less likely to succeed at the national level. The 2009 elections partially reversed the downward trend in turnout: for the National Assembly elections, turnout reached 60.2 percent (55.76 percent in 2005, 67.03 percent in 2001), while the EP elections drew 37.49 percent (28.60 percent in 2007).

The law provides all minority groups with essential political rights and participation in the political process. Although MRF bylaws state that members are welcome regardless of their ethnicity or religion, the party essentially represents the interests of Bulgarian Turks. As part of the governing coalitions in 2001–09, MRF was well represented at all levels. However, the MRF has created a strict hierarchical, clientelistic structure that controls the lives of Bulgarian Turks not only politically, but economically, leaving them no other political options. During the 2009 elections, most of the parties campaigned against MRF, alleging corrupt practices and manipulation of voters. The general atmosphere was one of resurgent nationalism and criminalization of the ethnic minority. Passions calmed considerably after the parliamentary elections, but the MRF is still not considered an acceptable political partner; in fact, if there is one thing that unites the current parliamentary majority, it is its anti-MRF stance.

By contrast, the Roma minority is not represented by a single ethnic party and remains politically disorganized. It is still poorly represented in government structures, with some exceptions at the municipal level. Observers agree that the political system discriminates against the Roma minority and impedes its political expression. Equally important, however, is the minority's lack of organization, arguably due to its internal fragmentation.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50	[illegible]

An independent civic sector in Bulgaria is guaranteed by the constitution under the freedom of association, and by the Law on Non–Economic Purpose Legal Entities. 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.

After a major reform in the registration process in 2007–08, there has been a lack of clear statistics for non-economic purpose legal entities for private benefit, but a central registry of such entities for public benefit exists. As of December 2009, there were 7,459 registered organizations in Bulgaria, of which 84 percent were associations, 15 percent foundations, and 1 percent branches of foreign legal entities. Relative to the end of 2008 this represents a 14 percent increase in the number of civic organizations for public benefit. It is unclear how many are active, but they cover a variety of civic activities: human rights, minority and gender issues, health care, education, charity work, public policy, the environment, culture, science, social services, information technology, religion, sports, and business development. There are no clear statistics on volunteerism in Bulgaria.

There are registered NGOs focusing on the issues of most ethnic and religious groups in Bulgaria. Anti-liberal and extremist nonprofit institutions are constitutionally banned, and none are officially registered. Several informal organizations could be considered as such, but their activities are sporadic and have weak public influence.

Many NGOs in Bulgaria have been active since 1989, which has enabled them to develop sustainable and effective management practices. While the law specifies the permissible governance structures, it leaves a significant degree of freedom as to how these legal forms are used in practice. At present, Bulgarian NGOs either have significant management experience or access to assistance. Yet, access to resources are not balanced, and the initial formation of the country's civic sector was driven by external donor demands. While this helped to develop NGOs' organizational and network capacities, it did not enhance their genuine embeddedness in local communities. Consequently, the domestic funding base of NGOs is underdeveloped. This is a challenge since many foreign donors concluded that civic activity should be financed domestically after the country's EU membership.

Public benefit NGOs are not obliged to pay direct taxes and are allowed to carry out for-profit activities if they do not clash with the NGOs' stated aims, are registered separately, and taxes are paid. Involvement of the civic sector in legislative and executive work in Bulgaria is not specifically regulated, but such engagement exists in practice. While official testimony by civic actors in policy formulation or legislation drafting is not common, consulting and invitations for comments are gaining ground. With respect to Parliament, invitations to advocacy groups or policy research institutes have become standard practice. In the executive, such practices vary between ministries.

The major formal link between government and NGOs is the Tripartite Commission, a medium for negotiations between government, trade unions, and business organizations. The freedom to form trade unions and business organizations is guaranteed, and there are three trade unions and several business associations recognized as nationally representative. The commission works regularly and has an effect on policy formulation and legislation. The link between Bulgarian civil society and the media is reliable and stable. The media regularly refer to the views of civic organizations and rely on experts from policy institutes for opinions and commentaries on news and policy proposals.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.25	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75	3.75

Media freedom in Bulgaria is protected by the constitution and several laws. 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. Inasmuch

as such protection exists, it is due to the general laws protecting citizens and to the reputation of the journalistic profession and individual journalists and media.

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 few.

Print media in Bulgaria are free from regulation. Electronic media are subject to the Law on Radio and Television, enforced by the regulatory Council for Electronic Media (CEM). CEM has the dual role of governing the state-owned radio and television and regulating other broadcasters through licensing and registration. CEM is not under government orders, but Parliament approves its budget. Throughout its existence, the council has had a reputation of political dependence and has been criticized for its regulatory actions. The manner in which Parliament has regulated and the CEM has implemented Bulgaria's switch to digital broadcasting has raised suspicions of political and special interest influence on the country's electronic media.

There were 438 newspapers in publication in Bulgaria in 2008, including 64 dailies. Total circulation increased for a fourth year in a row.[2] Except for a few local newspapers and the official *State Gazette*, all print media in Bulgaria are privately owned. Even the dailies and weeklies with the highest circulation do not enjoy large market shares and cannot exercise monopoly influence. Competition among different publications is relatively high, which guarantees readers a broad selection of information sources and points of view.

Due to changes in legal requirements adopted in 2008, the CEM reregistered a number of electronic broadcasters in 2009, with a total of 311 radio and 136 television programs in December.[3] In addition, Bulgarian citizens have access through air, cable, and satellite to foreign programs. Despite the large number of registered programs, the national electronic media market is relatively concentrated, with national broadcasting licenses (three each for radio and television) enjoying significant influence. In recent years, data on advertising revenues indicate that these dominant media are facing increasing competition from cable and satellite sources. A significant obstacle to free competition, however, is the sizeable annual government subsidy for state-owned radio and television, which greatly distorts the market.

Internet use in Bulgarian households continues to steadily increase, and the Internet space is relatively free of interference. The Ministry of the Interior has proposed significantly increasing police and investigators' access to servers and data without court permission. All such proposals have been blocked in Parliament thus far.

Professional organizations and NGOs have played an important role in the development of Bulgarian media, in particular the journalistic associations Media Coalition and Free Speech Civil Forum Association. The publishers of leading newspapers are also organized, with groups such as the Union of Newspaper Publishers. Of the few NGOs focusing on media issues, the most important is the Media Development Center, providing journalists with training and legal advice.

The Bulgarian media code of ethics, a self-regulation signed in 2004, includes standards for the use of information by unidentified sources, preliminary nondisclosure of a source's identity, respect of personal information, and the publication of children's personal pictures. Two media ethics bodies (Ethics Commision for Print Media and Ethics Commission for Electronic Media, both operating under the rules of the National Council for Journalistic Ethics) have developed into respected self-regulatory mechanisms. Their functions include promoting adherence to the code, resolving arguments between media and audiences, and encouraging public debate on journalistic ethics.

The Bulgarian media space is monitored by foreign observers. The 2009 Media Sustainability Index concluded that Bulgaria's media sphere is approaching "actual and irrevocable" sustainability, but this stage has not yet been reached.[4] The most important problem areas are violence against journalists, the work of professional journalist organizations, and the transparency of media ownership. Over the past five years, Reporters Without Borders' Press Freedom Index has reported an uneven path for Bulgaria, with relatively sharp improvements and setbacks each year, but a constant deterioration of ranking relative to other countries.[5] Yet, in 2009, there were no major reported cases of violence or undue procedures against journalists.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.00	3.00

The municipality, with an elected council and mayor, is the basic unit of local governance in Bulgaria. The municipality has constitutional powers to formulate, implement, and regulate policies; own property; prepare budgets; and execute financial transactions. The right to local referendums and citizen assemblies is also envisaged by the constitution. Municipal elections in Bulgaria have been free and fair over the last several electoral cycles. The last nationwide local elections were held in 2007.

Several mayoral by-elections took place in 2009. The most important was the November election in the capital city, Sofia, whose former mayor, Boyko Borisov, became prime minister earlier in the year. The turnout in Sofia and Vratsa, the other district center holding by-elections, was 23 percent, about one-third less compared to a similar by-election in Sofia in 2005. One explanation for the lower turnout was the fact that in both cities there were clear and relatively unchallenged leaders. An indirect confirmation of this hypothesis could be found in Razlog, the only town where there was serious competition between two candidates, with turnout close to 60 percent and the voting going to a second round.

Under the constitution, Bulgarian municipalities have independent budgets and the right to set local tax rates within limits defined by Parliament. As a result, there are a variety of rates on local taxes in addition to the existing variety of local fees. The second source of local revenues is property, which municipalities are free

to govern independently. A third source is the issuing of municipal bonds or loans from banks or the central government, which is regulated by the Municipal Debt Act and allows municipalities to plan revenues and expenditures more independently. A fourth resource is EU structural funds, of which local governments are major beneficiaries. This resource is expected to grow due to planned increases and the improved capacity of municipalities to absorb them.

However, data from 2008 indicate that Bulgarian municipalities are still dependent on transfers from the central budget, both as subsidies and as delegated budgets, for more than 60 percent of their resources (mostly for education, which is financed nationally but administered locally). This allows the national government to influence local politics and favor some municipalities over others, although it is not clear to what extent this occurs. This potential for favoritism makes the coordination and negotiation between local communities and the Ministry of Finance very important, and municipalities are represented in this process by the National Association of Municipalities in the Republic of Bulgaria (NAMRB). While its objections and proposals are regularly made public, it is unclear how much NAMRB influences the final national budget. Thus, despite recent improvements and with some exceptions, Bulgarian municipalities do not yet have sufficient security and control over the resources necessary for performing their responsibilities.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00	[illegible]

The basic rights of Bulgarians, such as freedom of expression, association, and religious beliefs, as well as the rights to privacy, property, inheritance, and economic initiative and enterprise, are enshrined in the constitution. These rights are further defined and regulated in national legislation and generally protected in practice. Traditionally, the country's major problem areas, with regard to basic rights, involve discrimination against the Roma minority and certain religious beliefs, cases of abuse of the rights of suspects, and significant delays in judicial decisions on specific issues.

While many problems remain, the Bulgarian judiciary provides an effective check on both the legislature and the executive. Its governing body is the Supreme Judicial Council (SJC). The independence of the SJC is guaranteed by the mandates of its members, who are appointed for 5-year terms following a complex procedure: 11 are elected by parliament, 11 by the judiciary, and 3 *ex officio* members. At present, the members of the SJC are required to leave any other positions once appointed.

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. The Court has co-determined public policy and has often opposed government decisions and acts of Parliament in areas such as restitution, privatization, regulation of public electronic media, and reform of the judiciary. Over the last several years, the number of Court decisions has fallen to around ten per year, suggesting that more open access to the Court may improve protection of constitutional rights and principles. The two supreme courts have also made decisions in favor of citizens against government bodies on numerous occasions.

Judges in Bulgaria are appointed and dismissed by the SJC. All appointments follow legally envisaged competitive procedures. In 2009, the SJC continued sanctioning judges for unsatisfactory performance, but during the year the Council was involved in its own scandal over candidates with apparent links to a certain businessperson and promises to secure votes in favor of business interests. It was revealed that the businessperson had regular telephone contact with at least three members of the SJC. The ensuing investigation did not reveal the contents of the conversations, but the scandal undermined the authority of the SJC in a crucial moment for judicial reform in Bulgaria. Due to the scandal, two of the implicated SJC members resigned, as well as some of the candidates connected to the business interest. The response of the SJC to the scandal seemed unsatisfactory to much of the public, and there were even calls for the resignation of the entire body. These attitudes were only strengthened by the decision of the SJC to grant substantial financial bonuses for all magistrates at the end of the year, at a time of serious cuts and austerity measures by the government.

The authority of the courts is recognized, and judicial decisions are enforced effectively in Bulgaria by both the traditional state enforcement judges and organs, and by an established sector of private judicial enforcement entities (baliffs). Yet, after numerous reforms in preceding years, there were few practical results observed in 2008–09, a problem reflected in the latest report of the European Commission, which noted particular concern over the incapacity of law enforcement bodies to tackle contract killings and high-level corruption. There are few verdicts and sentences in cases of alleged organized crime activities. The rights of prisoners and detained persons remain a major problem of the Bulgarian judicial system. Over the last 20 years, little progress has been recorded in this respect. The most recent, in-depth study concludes that under current conditions, the standards of human rights during arrest and imprisonment are not fully observed in Bulgaria and are far from reaching international standards.[6]

In 2008, the judicial system was monitored by the newly established, independent Inspectorate of the Judicial System as well as by numerous civil society organizations, the media, and various EU bodies. However, the expectation that this additional pressure will lead to actual changes and results should be tempered by the Bulgarian judiciary's record of internal opposition to reform. This opposition was clearly visible in the official and unofficial reaction of the SJC and representatives of the judicial branch to the findings and recommendations of both the European Commission and the Bulgarian judicial inspectorate.

Two specific problems of the judiciary emerged during 2009. The appointment of magistrates by the SJC proved to be inefficient and non-transparent, which threatens to undermine their legitimacy. Part of the problem is the flawed system of assessing the performance of magistrates. In the absence of reasonable performance criteria, appointment decisions remain prone to subjectivity and undue influence. Also, the 2009 electoral cycle demonstrated that despite the good guarantees for independence of the judiciary, parts of it could be mobilized for political goals. For example, the refusals by courts to register the UDF before the June–July elections threatened the participation of the Blue Coalition. No satisfactory reasons were given for the delays, and the public impression was that they aimed to impede the opponents of the then-ruling coalition. These impressions were confirmed when superior courts ultimately overturned the refusals only after the formal registration deadline had passed. The damage to the electoral process was minor, since the Blue Coalition ultimately ran on the basis of informal agreements between its main constituent parties; however, the diminished authority of the judiciary caused by such maneuvers is likely to be more lasting.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00

The institutional structure for fighting corruption in Bulgaria did not experience substantive changes in 2009. Each branch of power has a specialized anticorruption body, and there are inspectorates for dealing with allegations of corruption, conflicts of interest, and abuse of power. In 2009, for the second year, the judicial system inspectorate published its reports, followed by respective disciplinary decisions. Also during the year, important corruption-related reforms in the agencies disbursing EU pre-accession and structural funds in the country were completed. In recognition of this, the European Commission restored most of Bulgaria's financing toward the end of 2009. Still, the country's fight against corruption lacks coordination between different units, and clearly defined responsibilities and expectations are needed.

The Bulgarian economy is relatively free from excessive state involvement. The private sector dominates production and employment with few exceptions, such as railways and tobacco products. After the emergence of a serious budget deficit in mid-2009, the newly elected government managed to stabilize revenues and curb expenditures, finishing the year with a small deficit. A similarly small deficit is envisaged for 2010. Government expenditures approached 40 percent of GDP in 2009, worsening relative to the pre-crisis period, and are expected to exceed that level in 2010. In 2009, the Heritage Foundation's Index of Economic Freedom, following an improving upward revision for Bulgaria over the previous several years, recorded another increase from 63.7 to 64.6 points (on a scale of 0 to 100, with 100 indicating most free). The Economic Freedom of the World Index for Bulgaria

also improved, increasing from 6.67 in 2008 to 6.74 in 2009 (on a scale of 0 to 10 with 10 indicating most free).

Reform results were seen following the transfer of the company register from the courts to an executive agency in 2008, including a drop in administrative barriers and the possibility to register online. Transitional problems were overcome, and by the end of 2009 the registration process operated smoothly. As a result, in the World Bank's *Doing Business* survey, Bulgaria recorded a 31-point improvement in the "starting a business" category for 2009. Bulgaria's ranking will likely continue to improve owing to Parliament's decrease in the requirement for registered capital of limited liability companies to the negligible BGN 2 (approximately US$1.50 at the time of adoption) in October 2009. While business entry has improved significantly, the same cannot be said about procurement procedures, where allegations of corruption and abuse still stand in the way of substantive reforms. The new government vowed to implement such reforms, but as of the end of 2009 no actions had been taken.

Bulgaria has a requirement for financial disclosure in place. The declarations of high-ranking officials, politicians, and parties are publicly available and are cross-checked by the National Audit Office. The level of direct involvement of government officials in economic activities is limited by conflict of interest legislation, and any such involvement constitutes a crime. However, the media regularly report on alleged illicit connections between bureaucrats, politicians, and businesses. Only one such allegation, concerning the head of the road agency, has so far led to a court case (pending). Attempts to change party financing legislation have been less successful. While party finances have become more transparent, the rules governing their funding and spending are still unreformed.

Bulgaria's new government, elected in July 2009, began investigating the potentially illegal acts of the preceding government. Numerous allegations were publicized, mostly related to accusations of embezzlement, signing of contracts in breach of legal requirements and procedures, and illegal land swaps; as a result, several ex-ministers were put under investigation and immunity for the former prime minister, Sergei Stanishev was lifted by Parliament. One indictment of a former minister (Nikolay Tsonev, Minister of Defense April 2008–July 2009) was introduced in court in 2009. On one hand, this indicates a visible increase in corruption-revealing procedures launched against the highest levels of power. On the other hand, the former high-level officials now being investigated are also today's opposition, so a political motive cannot be excluded a priori. Bulgarian media are active in reporting corruption allegations, and the public shows an unfailing concern with the country's level of corruption. Implementation of institutional changes, pressure from the public, and demands by Bulgaria's European partners have led to visible actions in curbing corruption.

Possibly due to the change in government and its ensuing actions, the latest measurement of corruption in the country indicates a significant decrease from August 2008 to October 2009.[7] Most notable are the reported improvements in corruption pressure (individuals being asked for bribes) and in perceptions about the practical effectiveness of corrupt acts.

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Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GNI/capita: US$17,050

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75
Independent Media	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00
Governance*	3.50	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25
Corruption	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50
Democracy Score	3.54	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71	3.71

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

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

Executive Summary

Croatia continues to build a democratic system of governance while facing the challenges and growing pains of a newly transitioning, post-conflict state. Throughout the 1990s, political power was centralized in the hands of former president Franjo Tuđjman and his party, the Croatian Democratic Union (HDZ). Numerous accusations of human rights and liberties abuses during Tuđjman's rule saw Croatia isolated and left outside the scope of the European integration processes. Following Tuđjman's death in 1999, the center-left Social Democratic Party (SDP) came to power and launched a series of reforms, including reducing the president's powers and introducing a parliamentary system of governance. In 2003, under the leadership of Prime Minister Ivo Sanader, HDZ regained power with a new, pro-European profile. Croatia began cooperation with the Hague-based International Criminal Tribunal for the Former Yugoslavia (ICTY), and, in 2005, began European Union (EU) membership negotiations. In 2007, Croatia was elected a non-permanent UN Security Council member, and the Organization for Security and Cooperation in Europe mission came to an end, marking a high point in terms of both foreign policy and domestic democratization.

In 2009, Croatia became a member of NATO, and Slovenia lifted its objection to Croatia's EU membership following the resolution of a sea border dispute between the two countries. With Croatia formally continuing its EU negotiation process in the autumn, it was again faced with long-standing problems of prosecuting and reducing corruption, a still less-than-reformed judicial system, and a somewhat continued standoff with The Hague over unclear war crimes cooperation. However, the government was distracted from addressing its various challenges by political intrigues over the surprising resignation of Prime Minister Sanader midyear, and the demands of a deepening global and domestic financial crisis.

National Democratic Governance. The center-right (HDZ) continued to oversee a pro-European transitional policy despite the surprise departure of Prime Minister Ivo Sanader, the central figure in the HDZ for the last five years, who resigned without explanation midyear. His deputy, current Prime Minister Jadranka Kosor, stabilized the government and continued its slow reform process. *The government showed resilience in retaining its power in the wake of Prime Minister Sanader's surprise resignation but consequently paid less attention than needed to pushing the reform agenda. Accordingly, Croatia's national democratic governance rating remains at 3.50.*

Electoral Process. In May 2009, Croatia held its first direct vote in countrywide local elections without mishap. These polls brought a new trend of independent candidates, which was harkened as an opening up of the political system, but also

raised concerns that this would introduce private entrepreneurs to the political space who could more easily finance campaigns as well as gain voter sympathies through populist statements. Later, in the December presidential elections, a higher number of candidates were seen in the first round, with several key figures in mainstream parties running as independents. Furthermore, the political party financing regulations adopted a few years earlier did not visibly improve the transparency of electoral campaign finances. Problems with voter registers were also not resolved, and the practice of registering more voters than citizens continued with what appeared to be less interest from the opposition in tackling the issue. *While the increased number of candidates from various party backgrounds denoted increased democratic pluralism, this was offset by an ongoing lack of transparency in campaign financing and voter registries, leaving Croatia's electoral process rating at 3.25.*

Civil Society. Croatia's relatively large civil society continues to evolve in two directions—both toward encouraging democratic values and, problematically, toward promoting nationalism and extremism. The Catholic Church remains a strong influence in the country, along with Homeland War veterans' groups, which became more moderate regarding state institutional policies in 2009. Union activity and Internet-based organizing increased over the year, but with only minimal impact on overall policy making. *Croatia's civil society rating remains at 2.75.*

Independent Media. In 2009, Croatia's mass media delivered less investigative journalism, less diversity of opinion, and less overall quality journalism than should be expected of a consolidating democracy. The state broadcaster, Hrvatski Radio Televizija (HRT), brought a suit against member of Parliament Damir Rajin for suggesting that the network accepts payment to invite certain guests to its talk shows. The suit highlighted public concerns over HRT's influence on the government (and vice versa), high state funding for HRT, and the allegedly autocratic editorial policy of the HRT news program. Court cases concerning the murders of media owner Ivo Pukanić and his associate Niko Franjić, and the public beating of journalist Dušan Miljuš were ongoing at the end of 2009. *Croatia's independent media rating remains at 4.00.*

Local Democratic Governance. Croatia's local democratic governance got a boost in 2009 with the first ever direct mayoral and county prefect elections in May. The overall logic of the country's local government administration system—with its 20 *zupanijas* (counties), 120 cities, and 420 municipalities—was increasingly questioned given the financial crisis; however, neither a clear set of solutions nor the political will were present for substantial change to the current system. *Croatia's local democratic governance rating remains at 3.75.*

Judicial Framework and Independence. Croatia's judicial reform persisted in 2009 but without significant success. The judicial system remains one of the biggest challenges for Croatia's acceptance to the EU, and these unaddressed areas were

highlighted by growing domestic concerns over corruption and the poor economy. Politics and ethnicity still played a role in the courts, and the justice system only marginally improved its mechanisms to fight and prosecute corruption. *Croatia's judicial framework and independence rating remains at 4.25.*

Corruption. Despite widely publicized governmental and institutional attempts to stop corruption, there were few clear results in 2009 to demonstrate a strong political resolve. Corruption scandals in the public sector mushroomed, while the police, prosecution, and courts still exhibited a hands-off approach with top-ranking officials. All investigations and court cases undertaken to date have delivered little. The opening of several high-level cases suggests a heightened government awareness of the need to fight corruption, but it is far from certain that such cases will be followed through. *Owing to the still limited effort and impact of anticorruption steps, Croatia's corruption rating remains at 4.50.*

Outlook 2010. Croatia began to re-examine institutional budgets and reduce expenditures when faced with the global financial crisis in 2009. Criticism of government expenditures, lines in the sand from unions and pensioners, and calls for a more streamlined and transparent government are perhaps due to the economic situation but are likely to also affect the governance system. This has provided a new avenue of reckoning with the public that the government must now manage if it wishes to continue to claim political legitimacy. The EU accession process appears to again have a green light after the agreement with Slovenia over the sea border dispute. This will allow both external and internal actors who wish to see a democratic reform process to ramp up their efforts, but political will and the vulnerability of those at the top will ultimately determine their success in the coming year and beyond.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50	3.50

Croatia's emergence as an independent state in 1991 took place in the context of a country and region embroiled in violent conflict. The early years of the government, accordingly, were dominated by war concerns that did little to build a democratic governance system or to establish a strong base for future growth. In 2000, the change of regime that followed the death of President Franjo Tuđjman allowed some level of stocktaking and reform to take hold. The country embarked upon a clear strategy of Euro-Atlantic engagement, allowing Croatia to become both a NATO member and a serious European Union (EU) accession candidate country in 2009.

Yet the practices of the war years and their legacies have been only partially resolved. Some of the most egregious war crimes have been addressed, but the official ideology of the ruling party and government institutions in general has only partially shifted from strong nationalist tendencies to one that expresses and practices European democratic values and collective responsibility. For example, the parliamentary declaration of the "Homeland War" that proclaimed Croatia's role as defender rather than aggressor has, years later, still not been seriously challenged by the Croatian public. The recent and ongoing court cases of Croatian Generals Gotovina, Markač, and Cermak at the International Criminal Tribunal for the former Yugoslavia (ICTY) could change this statement since The Hague's prosecution has insisted on using the term "joint criminal act," which puts blame on the former Croatian leadership for ethnic cleansing of the Serb population.

Similarly, the political and economic systems established during the 1990s are far from fully examined or systematically reformed. Crony privatizations were a feature of this period in Croatia, yet few, if any, serious investigations have been made despite hopes that 2009 would be a time of increased judicial and government interest in these long-standing problems. Another factor worth noting is that many government institutions in the country were originally designed with a political, rather than a democratic, sense of strategy. Significant redresses to the balance of power were made immediately after 2000, including perhaps the most significant act of curbing presidential power in favor of a prime minister. Unfortunately, other institutions have been much slower in their reform process. This has contributed to a bloated government as well as the ever-present public perception that officials are an exclusive class unto themselves.

Croatia was hit hard by the 2009 global financial crisis, yet public support for the second term of Prime Minister Ivo Sanader's center-right, ruling coalition remained stable, if not overwhelming. Then, without clear reasons, Sanader resigned in July, casting a long shadow over both his government and the actual progress

the institutions had managed to achieve. With small personnel changes among the ministries, the new prime minister, Jadranka Kosor, survived the opposition's weak call for extraordinary parliamentary elections. While many critics suggested that she was not up to the task, six months later her government was found to be relatively stable and even able to resist a surprising attempt by former prime minister Sanader to return to power within his party. He stated that the poor showing of the Croatian Democratic Union (HDZ) in the first round of the presidential elections on December 27 suggested that HDZ needed him back. Others speculated that he was planning to reopen his parliamentary representative status in order to be under legal protection in case of corruption charges. Yet, the year-end drama surrounding the former prime minister's announced return to political life fell flat, and both government and opposition leaders showed their public support for Prime Minister Kosor's government and for proper institutional procedures. The Croatian political and governance system weathered the shake-up caused by Sanader's resignation and showed a certain resiliency in its commitment to democratic procedures.

The economic and political crises of 2009 left little time to tackle the long list of reforms still remaining on the agenda. While the October 2009 EU Progress Report stated evident progress in many sectors, it contained the same criticisms from the previous year: insufficient results in the fight against corruption and lower than expected progress in the reform of the judicial system.[1] Prime Minister Kosor's decision in late October to force the resignation of Vice President and Minister of Economy, Damir Polančec, due to his role in a number of corruption scandals was seen as a move to partly address this point. Similarly, the opening of a number of other high-level corruption investigations at year's end was seen as an attempt by the government to get serious about corruption within its ranks, yet the extent to which the government will purge its own remains to be seen.

These shakeups also highlighted the weakening role of the two dominant political parties, the center-right HDZ and its main opposition, the center-left Social Democratic Party (SDP). Specifically, the HDZ, previously led by former Prime Minister Sanader, has experienced particular turbulence. Most analysts would describe Sanader's cabinet as one that was structured on loyalty to the prime minister. Accordingly, political party cohesiveness appeared to have been partially affected by the resignation. Within the HDZ, Sanader's flight from the top spot both confused and inspired in-party opposition. On the one hand, there were signs during the autumn of 2009 that he was still calling many of the shots despite having resigned his official posts. On the other hand, the official loss of the party's leader coupled with the upcoming presidential elections made the HDZ more similar to its main opposition, the SDP—a party of competing interests.

These competing interests came out clearly in the run-up to the December 27 presidential elections, with relatively important public personalities leaving both the HDZ and SDP to run as independent candidates. The resulting slate of multiple candidates from major parties along with independents was partly a reflection of the wide interest in this post as well as evidence of the lessening power the two dominant parties had over their members and the general public.

Before his resignation, Prime Minister Sanader was the most powerful politician in Croatia and was expected to campaign for (and win) the presidential position. The HDZ candidate, Andrija Hebrang, did not make it into the second round; rather, Milan Bandić (previously SDP), running as an independent, made the second round along with the SDP candidate, Ivo Josipovic. Accordingly, the power of the main parties to bring together and dominate policy issues appeared to be in transition and seems likely to remain so for some time if no extraordinary parliamentary elections are called to hasten the process.

It is generally perceived that harassment against Serb returnees in the Northern Dalmatia (City of Zadar) and the Lika regions has decreased somewhat. In previous years, these incidents were frequent, including physical and verbal attacks, as well as destruction of property. The mid-November visit of President Mesić to the homes of two Serb returnee families in the Lika region suggested some cause for optimism that the government might proactively address minority issues.

Though compliance has increased, Croatia is still having problems cooperating with the ICTY. Documents relating to the ongoing cases of Croatian Generals Ante Gotovina, Milan Markać, and Ivan Cermak are believed to be in the country, but government authorities claim otherwise. The missing documents are so-called artillery reports that describe the number of shells used during Operation Storm. The ICTY prosecution claims that the Croatian army was not selective in its targets and used indiscriminate shelling to push civilians of Serb ethnicity out of Croatian territory. The defense denies this and claims that only military facilities were targeted with minimal use of artillery. The Croatian authorities have stated that all necessary documents were given to the tribunal and others either do not exist or could not be found.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25

Croatia's electoral system has developed toward European and international standards. All recent elections have been judged free and fair by international and domestic monitors, including the May 2009 local elections and the first round of presidential elections in December 2009. However, both civil society and the international community noted a number of electoral practices that still needed work as part of electoral reform, including voter list verification and party financing reform.

According to an official survey, there were 4.4 million citizens living in Croatia during 2008, and 3.5 million of them were adults with voting rights.[2] However, voting lists showed that in the same year there were 4.08 million voters registered. Croatia's election code grants voting rights to around half a million Croatian citizens who live mostly in Bosnia and Herzegovina (BiH) but have legal addresses in Croatia. In fact, some small Croatian towns near the Bosnian border have more

voters than citizens. Phantom voters are an especially big problem in the coastal region of Dalmatia whose northern border touches Croatian majority communities from BiH.

According to many public statements (since official data are hidden from public access), in the last 12 months alone there have been nearly 50,000 "new voters" registered although no comparably large settlement wave was reported.[3] The voter registration problem has been noted by a number of domestic critics, but it appears that only an EU-related requirement will push the political parties to address citizenship and voting standards. For example, it is unclear whether Croatia could hold a referendum on joining the EU involving the participation of voters from outside the country. In October, the ruling parties and the opposition both agreed that this problem should be resolved in a package with several other suggested constitutional changes. The changes had not occurred by year's end, but it marked the first time that the government and major opposition had agreed in principle to change the voting rights and procedures, primarily due to their joint interest in EU membership.

The issue of Croatian citizens voting in Croatia but living in BiH has been a point of contention for years. This group of voters was seen to be supportive of the center-right, and, unsurprisingly, the HDZ governments have been reluctant to give up this constituency. During the 2007 parliamentary elections, the SDP particularly made it an issue of public debate, refusing to campaign on BiH territory. Yet in 2009, even the main SDP presidential candidate Ivo Josipović went to Mostar to solicit votes from the other side of the border.

In 2009, Croatia held the first elections at the local level with direct voting for city mayors and *zupans* (county prefects), who were previously appointed through majority vote of local parliaments (city and county level representatives). In general, the local elections did not change the political ratio between the two major parties, HDZ and SDP, nor did they significantly change the situation among other, smaller parties or previously-formed coalitions.

However, the local elections did see the beginning of a trend toward independent candidates, which accelerated in the presidential elections. In the city of Zagreb, Josip Kregar, a law professor and civil society figure, went up against the incumbent SDP mayor, as well as the HDZ candidate, and came in second. In the second largest city, Split, both the HDZ and SDP lost to Željko Kerum, a businessman who ran as an independent candidate. While the ability of individuals to go up against established political parties was harkened as opening up the political system, others cautioned that private entrepreneurs were occupying the space for political representations, could more easily finance campaigns (in the case of Kerum), lacked transparency, and could gain voter sympathy through populist statements. By year's end, Kerum, the new mayor of Split, had already found himself in situations that civil society organizations described as clear conflicts of political and business interests.

The ineffectual party finance regulations adopted during the past two years had no significant impact on the local elections in 2009, even though all parties

and candidates had submitted their financial reports. According to election experts at the Croatian nongovernmental organization, Građani organizirano nadgledajo glasovanje (GONG), Croatia needs either a single law covering all electoral campaign financing or control mechanisms within the present laws.

At the end of 2009, Croatia held presidential elections. The first round took place on December 27, and the second round was scheduled for January 10, 2010. Twelve candidates ran in the first round with the following results: Ivo Josipović (SDP) 32.42 percent, Milan Bandić (independent) 14.83 percent, Andrija Hebrang (HDZ) 12.02 percent, Nadan Vidosević (independent) 11.33 percent, Vesna Pusić (HNS) 7.25 percent, Dragan Primorac (independent) 5.93 percent, Miroslav Tuđjman (independent) 4.09 percent, Damir Kajin (IDS) 3.87 percent, Josip Jurčević (independent) 2.74 percent, Boris Mikšić (independent) 2.10 percent, Vesna Škare Ožbolt (independent) 1.89 percent, and Slavko Vukšić (SR) 0.42 percent.[4] Both the HDZ and SDP had more than one candidate requesting party support for their campaign. Milan Bandić was, up until the day before the campaign, a member of SDP and still current mayor of Zagreb; Nadan Vidosević and Dragan Primorac were recent members of the HDZ and prominent political figures.[5]

With no candidate receiving 50 percent of the votes, the results of the first round pitted Ivo Josipović and Milan Bandić against each other in the second round, and each sought the support of the other candidates. HDZ as the ruling party did not support either, while the majority of center-left and left parties, and related social groups sided with Ivo Josipović, the majority of center-right and right parties, and related social groups supported Milan Bandić.

The process and results of the presidential elections suggest that the two main parties—HDZ and SDP—are less and less able to manipulate their members. This in itself is not a bad thing, as a more diverse offering of personalities and ideas might invigorate the political scene. However, in terms of party institutionalization it represents a weakening of a still-maturing system. It also highlighted the manner in which the presidential position is selected. The number of candidates and the cost of the campaigns caused some to question whether direct election of the president—which has become a more ceremonial role—might need to be reconsidered.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	

Croatia's civil society is diverse and strong. However, many of the most influential organizations promote a civic sector vision that, at least until recently, has been somewhat at odds with the Western understanding of an open and democratic society. During 2009, the Roman Catholic Church did not alter significantly from its entrenched role in society, while moderation was detected in the positions of veterans' groups. Unions took on a bit more importance in relation to the financial

crisis and internal policy decisions. In addition, the National Foundation for Civil Society Development has been in place now for a number of years and continues to increase its manner of support for civil society organizations. However, overall, only a handful of national-level organizations have had enough clout to galvanize the public and encourage the government toward particular policy changes.

As a legacy from the Soviet era, Croatia gained two strong groups of civil society organizations: workers' unions and Catholic organizations, both of which remain quite strong today. More recently, two other types of groups have developed—those related to Homeland War veterans and human rights protectors. Besides these, there are hundreds of other nongovernmental organizations (NGOs), including gender, animal rights, and environmental groups, that continue to grow in terms of programs and support. A number were successful in raising single-issue concerns among the general population. Campaigns focused on government support for reproductive rights (after the government considered denying funding for fertility treatments), ecology initiatives, and humanitarian campaigns for serious medical conditions. These all seemed to suggest a Croatian society that was more engaged with the civic sector and in possession of the tools to do so.

Civil society has a strong influence on Croatian official policy, as well as on the country's democratic development, but in a manner that does not fit the standard perception of civic group values. By far, the most influential civic entity is the Roman Catholic Church, representing both itself and numerous church-oriented groups. This is followed in terms of influence by the Homeland War organizations such as the Croatian Military Veterans (HVIDRA), and by workers' unions.

With few exceptions, the Roman Catholic Church in Croatia supports a broad and widely dispersed program of conservative values, from gender-oriented to political issues; in many ways, this could be viewed in contrast with the Western concept of a civil and open society. The influence of the Roman Catholic Church on Croatian political and civil society is vast, not only for cultural and historical reasons, but because of certain bilateral agreements with the Vatican (over church administration, relative role of the church in society, and so on) that were signed during the past two decades. Many critics and opposition leaders have called on the government to rewrite its contracts with the Vatican, but no public statements about moves in that direction have been noted.

Numerous veterans' organizations and networks, such as the HVIDRA, tend to promote and defend the social rights of former soldiers, but also represent far-right political positions. Many of these groups are government-organized NGOs and were formed as reserve positions for specific political issues, such as opposing state cooperation with Serbia, Montenegro, or Muslim and Serbian officials in BiH. Using inflammatory language, some of these organizations have publicly opposed officials regarding cooperation with the ICTY. These groups are also quite vocal in criticizing Serbian entertainers performing in Croatia. In the last decade, however, there has been some diversification even amongst the more extremist organizations. Some have developed into state supported service providers for communities,

managing heating, parking, towing services, and more. In general, veterans' groups in Croatia appear to be growing more moderate regarding state institutional politics, and this trend is expected to continue.

There are three large workers' unions in Croatia: Union of Autonomous Trade Unions of Croatia, Independent Trade Union (secondary education), Croatian Trade Union Association, and many smaller unions. In general, these groups are mostly involved in negotiating worker and pension rights. As 2009 quickly became a year of economic recession with numerous job cuts, unions were busier than in previous years. However, no single union or coalition had enough force to significantly sway business interests or government decisions on the budget. In fact, Croatian unions are competitive, and it is not unusual for groups of workers to switch from one union umbrella to another.

NGO groups involved in human rights are not as strong as they were in the previous decade, mostly because after 2000, the country's internal politics changed significantly so that cases of human rights violations decreased. A number of human rights organizations evolved to focus on specific cases as they made their way through the court system. Among the most active and influential NGOs are Transparency International and GONG, which are active in promoting anticorruption programs and educating voters on the election process. In many cases, these groups are doing work that should arguably be done by state institutions but for which comprehensive intra-governmental monitoring abilities are still lacking. Some regional NGOs focus their activities on specific problems, such as the Dalmatian Committee for Human Rights in Split (working on war crimes cases related to the Lora prison). This group collects evidence from witnesses and pressures the domestic judicial system to try the cases in a timelier manner. Other human rights groups have become more clearly political, such as the Croatian Helsinki Committee (HHO), which has come under criticism for taking up overtly partisan and even sensationalistic issues involving celebrities rather than focusing on minority groups, religious freedoms, and other rights issues traditionally linked to the Helsinki Charter.

In the United States State Department's Report on religious freedom, Croatia's domestic entertainment industry is charged with some nationalist and religious provocations, particularly noting incidents involving Croatian singer Marko Perković Thompson. The same report states that although general religious freedoms exist in Croatia, Orthodox and Jewish communities express some concerns. The report underlined the empathy of state institutions in investigating and prosecuting religious-based incidents.[6]

A relatively new trend in Croatia is Internet-based NGO activities, mostly conducted through social-networking Web sites like Facebook and Twitter. These groups mushroom overnight and disappear just as fast, but some have attracted the attention of the general public. For example, the massive university student protests that spread across Europe in April and May 2009 took place in Croatia as well. Most Croatian students coordinated their activities and protests online to demand better, or continued free, university opportunities.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00

For much of the past decade, Croatian media, both electronic and print, have taken a turn toward so-called yellow journalism, with entertainment-oriented coverage predominating over informative, cultural, and especially educational subjects. The reasons for this trend are complex: corporatization, media monopolies, as well as the growing interconnectedness among politicians, big business, and media interests have created a mainstream media that delivers less investigative journalism, less diversity of opinion, and less overall quality. For example, a content analysis of the major dailies *Vecernji List* and *Jutarnji List* or regional papers like *Slobodna Dalmacija* reveal very little difference in either the quality of reporting or diversity of opinions. Only a few dailies, such as *Novi List* from the Istrian region, are considered high quality and independent, and to have a country-wide readership. Weeklies like *Globus* and *Nacional* continue to move towards sensationalism rather than the more investigative pieces of their past; *Feral Tribune*, which had won many journalistic awards, closed in 2008.

For many, this current state of the media comes as a surprise, keeping in mind that during President Tuđjman's rule, the media environment was restrictive but nevertheless featured several open-minded, opposition weeklies and some daily newspapers and journals that kept relatively high professional standards and an independent status. Paradoxically, the post-2000 period of democratization has coincided with a media environment where independent and complex criticism has been exchanged for almost pure commercialism. Even the most prominent names, such as internationally awarded political commentators Viktor Ivančić and Marinko Čulić, are for the most part no longer writing in print media, though their sharp commentaries are published online through various Web portals. By the end of 2009, Ivančić had secured a contract with Serb-minority based, weekly paper *Novosti* from Zagreb, but his reappearance in print will be a small exception to the current general trend. By contrast, the Internet has opened a space for a growing number of high quality news and commentary portals. Yet, the influence of Web journalism is still weak in comparison to print and television in Croatia, partly because digital content is dispersed across a wide array of small Web sites.

Croatia's national television network, Hrvatska Radio Televizija (HRT), remains the most influential media outlet, and it is estimated that more than half of the population uses the main evening news program as their primary source of information. The existence of two other nationally broadcast television stations, the privately owned Nova and RTL, has not significantly challenged HRT to improve its content; rather, these new stations have competed with HRT in terms of commercialization. HRT is funded by obligatory fees for all households with television sets as well as through the broadcast of commercial advertisements.

HRT's internal standards and practices still raise questions, as does the influence of the station on the government and vice versa. For example, opposition

MP Damir Kajin was sued by the national television in November 2009 for suggesting that individuals from the network take money in order to invite specific guests to various talk shows. It is unlikely that the parliament would remove Kajin's immunity, but the fact that HRT brought the suit at all demonstrates its relative power. During the year, there were several quiet and not so quiet journalist standoffs against the allegedly autocratic editorial policies at HRT of the news program's chief editor, Hloverka Novak-Srzić.

There were few reported attacks on journalists and other media figures in Croatia in 2009. This was a marked contrast with the previous year, which witnessed the assassinations of *Nacional* weekly owner Ivo Pukanić and his associate Niko Franjić, and the public beating of journalist Dušan Miljuš—cases that were still ongoing at year's end. However, if 2008 was a "bad" year, the media environment in 2009 was still not particularly conducive to quality journalism and independent reporting. For example, one prominent journalist, Hrvoje Applet, raised public attention regarding his 2009 dismissal from *Jutarnji List*, claiming that he lost his job for investigating issues of the illegal economy and the political ties of former Prime Minister Sanader. Applet worked for the Europa Press Holding (EPH), which holds nearly 50 percent of the print media market in Croatia, including the second bestselling daily *Jutarnji List*, bestselling weekly *Globus*, and bestselling magazine *Gloria*. During the last several years, EPH had suffered under the global trend of weak profits in print journalism; in response, it reduced its investigative journalism and steadily lowered its standards to capitalize on more trivial print materials.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.75

Local democratic governance in Croatia got a boost from the implementation of direct local elections in 2009. For the first time, a system of direct voting was used in the May local elections, which were generally hailed as an improvement in local governance. However, this voting process also brought a new trend of private entrepreneurs entering political competition, most notably businessman Željko Kerum as the newly elected mayor of Split. Soon after his victory, Mayor Kerum staffed the local administration with individuals connected to his family and previous business partners, including his sister Nevenka Bečić who was installed as Split city council head despite public questioning of her suitability for the position.

Croatia, a country of 4.4 million people, utilizes a regional-administrative system comprised of 20 *zupanijas* (counties), 120 cities, and 420 municipalities. This system was established in the early 1990s and has been criticized domestically and internationally since its induction, as it is complicated and expensive. The system of *zupanijas* has no historical basis but rather was a political calculation by former President Tuđjman to secure electoral success during Croatia's "Homeland War." [7]

As time has passed since the war, more and more domestic criticism of the territorial division has come out. In 2009, the financial crisis brought its costs into stark view, yet even significant budget constraints and threats of cutting pensions had little effect on changing the system. During the year, neither the state-level nor local budgets could afford the administrative system, and many of the 420 municipalities were not able to finance their own work, even when all revenues collected in their areas were kept in local budgets. Some in Croatia have proposed the establishment of only three regions—Northern, Southern, and Eastern—since this kind of territorial division is already used in submitting projects for EU Structural Funds.

The current system's drawbacks could be seen in the funding for state and local level building projects. For example, the central government's decision to host a world handball championship in 2008 required the state to spend significant amounts on constructing several large sports arenas that, one year later, stood mostly unused, as was the case in the second largest city of Split. Meanwhile, Croatia lacks small sports facilities for elementary and high schools; the large arenas cannot be used for everyday educational activities even though they were constructed using funds from the local level.

Others point to the fact that, regardless of their cost, the *zupanijas* have been slowly sapped of power and represent merely a kind of political patronage rather than decentralization. Ever since their formation, the political and administrative power of *zupanijas* has been slowly shifting toward cities (municipal level), and has been further reduced by establishing a network of local *Drzavni ureds* (state offices) that are usually based within *zupanija* buildings, but are directly connected with state-level authorities. This is a kind of partial solution that has improved the speed of administrative work but still keeps the country centralized and continues the duplication of administrative functions.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25

Croatia's attempt to reform its judicial system closed another year with only mediocre results. Improvements were noted in basic functions, but the quality of legal investigations and processes had not improved enough to suggest a significant difference in the overall quality and independence of the judicial system.

Croatia has had significant judicial problems since the former president Tuđjman made a countrywide change of judges and prosecutor office personnel, firing professionals that served during the Soviet era and bringing in replacements based mostly on political recommendations. Since the country did not have a history of democratic standards, the judicial personnel changes, combined with the war context and wave of privatizations, served through the 1990s to build a judicial framework with one basic purpose—to keep the Tuđjman regime in power.

Democratic changes in Croatia from 2000 hardly touched the courts. Many laws were amended and some control mechanisms were established, but the most significant reform began roughly three years ago with the start of the EU accession process. Even given this relatively short period of time for such reforms to play out, the results have been disappointing to both domestic and international observers.

The October 2009 European Commission Progress Report noted a general dissatisfaction with Croatia's record on judicial reform, criticized the high number of open cases (despite the fact that Croatia now has one of the highest numbers of judges per capita in Europe) as well as the strong tendency for judges to be politically influenced. The report also notes a trend of domestic war crimes cases with almost exclusively ethnic Croatian victims and ethnic Serb perpetrators. Additionally, the report highlights the fact that overall reform of the system has not progressed to the point where it can positively influence the fight against corruption that permeates the governance system.

Domestic dissatisfaction with judicial reform has also become increasingly critical. The 2009 official report of the State Prosecutor's Office (*Drzavno odvjetnistvo*), submitted by Chief Prosecutor Mladen Bajić to the Parliament in October, did not receive opposition approval and was only barely approved by the ruling coalition MPs.

Although the ministers of justice and internal affairs, as well as the chief of police, were replaced in 2008 following the high-profile murders of Ivana Hodak and Ivo Pukanić, only questionable results in these investigations and court cases were seen by the end of 2009. In the case of Hodak, it appears that only the prosecution believe that the real killer has been arrested; others suggest that given the political pressure to "do something" the police and State prosecution (Drzavno odvjetnistvo) found a homeless person from Zagreb who admitted to the killing but is widely suspected of having nothing to do with the crime.

The heavily publicized case of war crimes in the Croatian region of Slavonia —in which former high-ranking official, Mayor, *Zupan*, and Parliamentarian Branimir Glavas was accused—has temporarily concluded. Despite a guilty verdict (with subsequent appeals), Glavas managed to leave Croatia and settle in BiH as a result of his dual citizenship and the lack of a legal framework between the two countries that would allow for his extradition. Some suggest that Glavas' run from Croatian jurisdiction was predictable and that state institutions did not do enough to prevent it.

Political control over the prosecution of many corruption cases, as well as cases of war crimes committed by domestic soldiers, is documented in many foreign monitoring reports and noted by several domestic NGOs, such as Dalmatian Committee for Human Rights and Documentation. At the same time, local courts respond that NGOs and the media are pressuring them and thus, actually preventing their normal work.[8]

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	[illegible]

Among the Croatian population, there is the widespread belief that corruption is an obstacle to the country's democratic transition and EU accession. Yet, despite this general understanding and a significant number of official statements that fighting corruption is a government priority, Croatia has little to show as a result of its anticorruption efforts. For instance, in the education system several university professors, students, and "fixers" were arrested and even charged under the so-called Action Index, taken in order to stop corruption at state universities. The impact of these moves is still hardly visible.

The 2009 European Commission Progress Report highlights Croatia's slow fight against corruption. It notes the beginning of some higher-level prosecutions by the Office for Combating Corruption and Organized Crime, however the many laws now passed have either yet to be fully implemented or it is still too early to see their full impact.

To some extent, legal changes in the anticorruption fight made in 2009, such as the confiscation of property of the convicted, open a better judicial framework for implementing the proclaimed anticorruption policy. Transparency International Croatia, among others, has suggested that improved mechanisms for civil society consultation on such legislation and monitoring of the processes have contributed to a system that is more transparent than in years past.

Yet others argue that even with better legislation and consultation, the political will for serious anticorruption practices and investigations is still not as strong as it needs to be in Croatia. For example, in October 2009 the state prosecutor's office submitted its yearly report to the Parliament, which was barely accepted by the ruling coalition and strongly rejected by the opposition. The SDP and other opposition parties stated that the report used statistical data in a manner that was designed to hide the paths of crime and corruption; they also argued that almost all investigations were stopped at the gates of state institutions.

These opposition MPs reflected the wider public opinion that only the smallest actors are prosecuted, while "big fish" remain free and often even retain high-level positions. The report suggests that the overall number of crimes decreased during the year. According to public surveys, most citizens believe that the worst corruption occurs in public companies, government administration, and courts at all levels.[9]

This belief is based partly on fact and partly on perception. In Croatia, the print and electronic media publish many articles about corruption scandals, but few scandals (even those with clear evidence) result in state investigations or convictions. For example, the current "*Kamioni*" (trucks) scandal and investigation involves the Ministry of Defense, which is accused of buying trucks from one foreign company rather than another because the first offer included a bribe to cover higher prices for lower-end military technology. There was public outcry over the transaction, and

even President Mesić criticized the legality of the purchase. However, it took five years to officially open this investigation, and many believe the main reason for the delay was to allow the previous minister of defense, Berislav Rončević, a quiet exit.

In 2009, the opening of an investigation against Rončević, and another against Vice President Damir Polančeć in the Podravka "Spice" embezzlement case, and the investigation and arrest of many officials involved in corrupt highway construction projects, have all sent a positive message to the public. Croatia, however, has a poor record of opening investigations that lead to tangible results, and therefore, it would be premature to claim these as anticorruption victories for the state.

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Czech Republic

by Jeremy Druker

Capital: Prague
Population: 10.4 million
GNI/capita: US$22,890

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50
Civil Society	1.50	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75
Independent Media	2.00	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50
Governance*	2.00	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.50	2.50	3.00	2.75	2.75	2.75
Local Democratic Governance	n/a	n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75	1.75
Judicial Framework and Independence	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00
Corruption	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25
Democracy Score	2.25	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18	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 2009, the Czech Republic became the first former Soviet bloc nation to helm the European Union's rotating presidency; it also commemorated the twentieth anniversary of the Velvet Revolution that ushered in the end of the Communist regime. Despite these causes for national celebration during the year, an opposition-initiated vote of no confidence brought down the government halfway through the presidency, only the latest, albeit most dramatic, instance of the country's leadership placing narrow party and political interests above the nation's well-being. To their credit, however, the main parties cobbled together a competent and popular caretaker government, approved an austerity package, and then respected a controversial ruling by the Constitutional Court that canceled early elections. But those developments did not spare the political elite from widespread derision during the retrospectives that dominated the anniversary observances, with a large majority of Czechs expressing disgust at the political situation while remaining personally content with their lives.

National Democratic Governance. In 2009, the ruling coalition struggled to pass any major legislation before losing an ill-timed vote of no confidence during the European Union (EU) presidency. Although the Czech Republic displays many aspects of a fully functioning democracy, with appropriate checks and balances in place, the lack of political maturity and the inability to reach a consensus across party lines, as well as President Václav Klaus's overreaching interference in both domestic and foreign affairs, have long sidelined reform. *The national democratic governance rating for the Czech Republic remains at 2.75.*

Electoral Process. Elections to the European Parliament took place in June without any serious violations or complaints. However, the Czech system still allows too little room for new faces in politics, and civic participation remains stunted. *Although several new parties entered the fray, electoral reform faltered and no progress was made on political inclusion of the substantial Roma minority. The electoral process rating for the Czech Republic thus remains at 1.50.*

Civil Society. The reputation of nongovernmental organizations (NGOs) continues to grow in the Czech Republic, as has the level of funding from individuals and companies. Yet many politicians consider the more advocacy-oriented organizations, especially those attempting to change public policy, as unnecessarily interfering in and complicating their work. Although finally facing more pressure from the state and police, extremist groups still represent a major threat to interethnic relations.

Continued growth in the reputation and activities of NGOs is offset by an increase in extremist activity, and mandates that the civil society rating worsen from 1.50 to 1.75.

Independent Media. Czech media are independent and diverse, but critics continue to speculate about behind-the-scenes political and financial interference. *New amendments to the criminal code that ban the publication of information gained from police wiretaps, even in the public interest, lower the Czech Republic rating for independent media from 2.25 to 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. *With vibrant political competition intact and the power of local officials growing, the local democratic governance rating holds steady at 1.75.*

Judicial Framework and Independence. The fallout from alleged high-profile interference in a corruption case and subsequent fall in credibility of the state attorney's office continued to be felt in 2009, as did recent attempts by the executive to exert greater control over the judiciary. *However, the Constitutional Court's ability to withstand political pressure over a ruling on early elections restored a good deal of faith in judicial independence, and mandate an improvement in the country's judicial framework and independence rating from 2.25 to 2.00.*

Corruption. The government that fell in March 2009 failed to deliver on most of the items included in its ambitious anticorruption plan, further worsening the already alarming intersection of political and business interests in the Czech Republic. *The lack of progress in passing anticorruption measures, including restrictions on lobbying, holds the country's corruption rating at 3.25.*

Outlook for 2010. Long-awaited parliamentary elections will finally take place in the spring of 2010, ending the relative peace brought on by the current caretaker government (a group of technocrats that have been popular and largely competent). With the two biggest parties running neck and neck in opinion polls, the results are hard to predict but will dramatically affect the country's economic fortunes. If, for example, the Social Democrats win and form a minority government with Communist support, it is hard to imagine that necessary austerity measures and reforms, such as to the health and pension systems, will be implemented.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.50	2.50	3.00	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 was again the case in 2006, as parliamentary elections in June of that year ended in a tie between the two main left- and right-wing orientated camps. Only many months later, after a series of false starts and a short-lived minority government, did the leaders of the Civic Democrats (ODS), the Christian Democrats (KDU-ČSL), and the Green Party (SZ) manage to form a coalition that survived a vote of no confidence—but only after two rebels-turned-independents from the Social Democrats (ČSSD) agreed to abstain.

For the next two years, until its fall in March 2009, the government spoke often of reforms but was hard-pressed to pass the major legislation needed for real change, in part because of the coalition's dependency on the same ČSSD outcasts, as well as Prime Minister Mirek Topolánek's inability to put down a rebellion within his own party. Some reforms squeezed through Parliament, but most analysts deemed them ineffective in reducing the country's massive deficit.

The lack of significant progress was also closely tied to the failure of the country's leaders to seek consensus across party lines; the animosity between Prime Minister Topolánek and Jiří Paroubek, the ČSSD head, has excluded 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, which could have included a promise by the opposition not to attempt to bring down the government during the presidency.

That lack of agreement proved fateful when on March 24 the Czech parliament passed a no confidence vote regarding the center-right government, effectively ending its term in office. Also crucial to the government's downfall were the votes of three rebel ODS deputies, led by Vlastimil Tlustý, the finance minister, in a short-lived government led by Prime Minister Topolánek after the 2006 elections. Tlustý—formerly head of ODS's parliamentary club—was subsequently not

offered the job in the following cabinet, a move that apparently enraged him to such a degree that he openly criticized Prime Minister Topolánek and opposed the government's reform agenda.

While Tlustý's naked bitterness was not difficult to read, Czech commentators were at a loss to explain Paroubek's motivations other than his intense dislike of Prime Minister Topolánek and his wish to embarrass his rival during the EU presidency. Though ČSSD defeated ODS in regional and Senate elections in the fall of 2008, the party had been losing ground in opinion polls and at the time remained only single digits ahead of ODS, despite the government's implementation of a series of unpopular reforms in the health sector and elsewhere.

Many thought Paroubek had not really expected to gather the necessary votes among coalition rebels, and that Euroskeptic President Václav Klaus had maneuvered to derail the government in order to delay the ratification of the Lisbon Treaty (he met with Tlustý and his cohorts shortly before the vote). Whatever its genesis, many observers saw the move as yet another example of Czech politicians' placing party or personal interests above the interests of the country at large, or even Europe in this case.

The aftermath of the government's downfall was similarly distressing, as the parties could not cobble together a new majority government and instead agreed that a caretaker cabinet of ministers, that they would nominate, would run the country until early elections. To circumvent the normal and drawn-out system for calling an early election (which involves dissolving Parliament after three unsuccessful attempts to form a government), the main parties agreed to pass a constitutional law bringing forward the elections to October 2009 instead of spring 2010.

However, Miloš Melčák, an independent deputy, foiled those plans by turning to the country's Constitutional Court with a complaint that the law to shorten the lower house's term in office was unconstitutional, arguing that the law had deprived him of the right to serve his full term. To the chagrin of the parties that had already invested millions of crowns in their pre-election campaigns, the court concurred in September by a vote of thirteen to two against the holding of early elections.

The decision immediately increased the prominence of the caretaker government led by the non-partisan Jan Fischer, who had been the head of the country's statistical office. Until that time, most had low expectations for the government, viewing its short mandate and dependency on the political parties as obstacles toward any significant policy changes. With the elections postponed, many started to take the government more seriously, especially after Fischer and Finance Minister Eduard Janota convinced Parliament to pass an austerity package designed to cut the country's large deficit. In general, Czechs have applauded Fischer's balancing act among the parties, appreciating his businesslike approach instead of the usual political invective, and his popularity soared to record rates of over 80 percent during the year. Fischer earned additional points by refusing the parties' attempts to kick him off to Brussels, as the country's highly paid European commissioner, instead preferring to complete his mandate.

With growing far-right extremism increasingly evident, including a gruesome firebombing of a Romani family's house in April 2009 (in which a two-year-old girl was severely burned), the interim Fischer government came into power highlighting the fight against extremism as one of its main priorities. Parliament approved the creation of a special anti-extremism team under the Interior Ministry and a change to the law that would make it more difficult for extremists to gain official permission for public demonstrations. The police also carried out raids in June that saw the arrest of 10 neo-Nazis and eventually charged 4 extremists for the firebombing. Fischer's government said it would attempt to outlaw the far-right Workers' Party, which the media has shown includes supporters from the neo-Nazi movement.

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. That view was buttressed by revelations that top politicians from the country's two largest parties had spent part of their summer holidays in Tuscany, vacationing with influential businessmen and lobbyists. A modest attempt in 2009 by two Social Democrats to push forward their own version of a law to regulate lobbying did not go far, with some critics complaining that the proposal was too strict and others too lax.

In 2009, the local media also criticized the practice of financially compensating parliamentary deputies for sitting on the boards of companies owned either fully or partially by the state, saying such functions should be part of their normal work and that the payoffs violate the country's law on conflict-of-interest.

In the past, leaks from high-profile investigations have suggested that one part of the Czech police serves the government and the other favors the opposition. It is also widely assumed that ODS and ČSSD made a deal when they put together the caretaker government that the Interior Ministry would not push for the investigation of any politically sensitive cases in the time leading up to the 2010 parliamentary elections.

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. The legislative process is further complicated by the ability of parliamentary deputies to make an unrestricted number of proposed amendments during the second reading of bills. 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. Attempts in 2009 to require a group of deputies, rather than a single deputy, to propose an amendment, and to mandate a longer period of time than the current 24 hours to study the changes, looked unlikely to pass through Parliament anytime soon. As a result of these deficiencies, Parliament sometimes passes error-ridden laws requiring repeated revisions as well as numerous amendments that serve only to complicate the interpretation of laws.

The position of the president is chiefly ceremonial yet retains some important powers, such as forming a government. President 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 most prominently, the Lisbon Treaty.

Throughout the latter part of 2009, the president refused to sign the Lisbon Treaty, which was approved by the lower house of Parliament in February and the Senate in May, prompting a discussion over whether his powers could be stripped if he defied the decisions of the country's highest institutions. However, in November, hours after the Constitutional Court ruled in favor of the treaty's compatibility with the Constitution, President Klaus finally signed the agreement, though he called the judges' decision "politically motivated." He had also pushed for, and received, the promise of an opt-out from the EU's Charter of Fundamental Rights. While the president claimed that the opt-out would prevent ethnic Germans expelled from Czechoslovakia after World War II from reclaiming their property, others worried that the Czechs would lose protections that the charter had hitherto provided them. The entire saga over the Lisbon Treaty alarmed those who found it troubling that the country's president could ignore the decision of both houses of Parliament and set his own agenda for ratification.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50	1.50

Political organizations in the Czech Republic have no problems in registering or campaigning. Although shaky coalition governments have been the norm in recent years, the system itself is solidly multiparty with a strong opposition, and diversity at all levels of government.

Despite the lack of intimidation, fraud, or any other type of manipulation on the part of the authorities, the deadlock following the 2006 parliamentary elections led to increased calls for changes to the electoral legislation that would foster stronger, more stable governments and eliminate the need to rely on rebels and outcasts from other parties to pass legislation. However, the left-wing parties joined together in June 2009 to sink a proposal put forward by the center-right that would have provided bonuses for an election victor and supposedly made the system fairer for smaller parties.

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.

After an election-filled 2008, only one poll took place in 2009: the elections to the European Parliament (EP) in June, which proved to be a major lift to the ODS. The party had been trounced by the ČSSD in regional and Senate elections in the fall of 2008, but got a boost by winning 31.5 percent of the vote in the EP elections, grabbing 9 of the 22 seats that were contested. ČSSD gained 22.4 percent and 7 seats, the KCM 14.2 percent and the Christian Democrats 7.6 percent. Given that the country was still heading the EU's rotating presidency, the turnout—28 percent, compared with the EU average of 43 percent—was particularly disappointing. Unlike in some other, post-Communist countries, the Czech extreme-right did not gain enough votes to send a deputy to Strasbourg, but the xenophobic Workers Party, which has ties to far-right extremists, managed to top the one-percent threshold, qualifying it to collect state funds.

Political party membership remains low. The KSČM is the largest party (nearly 71,823 members), followed by the KDU-ČSL (38,000), the ODS (32,000), the ČSSD (around 22,000), and the SZ (2,400). 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 a new, pro-European, conservative party founded in 2009, Tradition Responsibility Prosperity 09 (TOP 09), 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. The party, with 3,000 members, did well in early opinion polls, and analysts expect it to gather enough votes in the 2010 elections to enter Parliament and possibly form a coalition with centrist and conservative parties.

The low number of party members has also contributed to a phenomenon known as "whale hunting," whereby wealthy businesspeople, usually in regions outside of the capital, allegedly "buy" new party members who then help them gain greater influence in parties' regional or local structures before party congresses. ODS Chairman Mirek Topolánek even warned at a party congress that some regional structures of his party have fallen under the influence of local godfathers.

Women have historically been underrepresented in post-1989 Czech politics, and the current figure of around 17 percent in Parliament is well under the European average. Human Rights Minister Michal Kocáb pledged to introduce changes to the election law that would mandate a quota of 30 percent on parties' candidate lists. According to the Center for Research of Public Opinion, 9 out of 10 Czechs consider the participation of women in public positions as beneficial, and almost half would agree with the introduction of quotas.[1]

In addition, 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

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.50	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50	1.75

Nongovernmental organizations (NGOs) have fully recovered from several scandals that tarnished their early post-Communist existence, and most Czechs now see NGOs as influential organizations that help solve social problems and as essential to a well-functioning democracy. Consequently, there has been an increase in donations to nonprofits from individuals and the business sector.

NGOs in the Czech Republic fall into four main categories: civic associations, public benefit organizations, foundations, and foundation funds. The civic association—a legal entity comprising groups of individuals in pursuit of a common interest—is the most common. By December 2009, the Czech Statistical Office reported 68,631 civic associations, ranging from political think tanks to hobby groups and sports clubs—a growth of over 3,200 from the past year. The office also reported 18 new foundations, bringing their total to 429. These numbers, however, could radically shift if a Finance Ministry proposal to change the status of many NGOs to public benefit organizations comes to pass. The discussion around the proposal intensified in 2009 as many in the nonprofit sector worried that corresponding new requirements could endanger small groups.

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. However, the NGO community generally does not look highly upon the council. NGO representatives also sit on advisory bodies of various ministries. On the other hand, many politicians—most prominently President Klaus—believe NGOs attempt to influence public policy and interfere unnecessarily in their 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 since the 2004 passage of a new Law on Value-Added Tax. The law lowered the limit above which organizations must pay a value-added tax to 1 million crowns (US$52,000); made no distinction between for-profit and nonprofit organizations, thus disadvantaging NGOs that earn funds through their activities; and generally muddled the picture by making NGOs value-added tax payers for some of their services (so-called side activities) but not others (so-called main activities). But amendments to the law in early 2006 removed the tax from donations made through mobile telephone text messages, a popular form of giving in the Czech Republic.

The state has largely failed to secure sufficient EU structural funds to replace resources once donated by a plethora of foreign foundations and governments before the country joined the EU. But rising donations from locally based individuals and companies have relieved some of the burden. The Czech Donors Forum reported in 2007 on the growing importance of the concept of corporate responsibility in the business sphere, with leading companies now donating 2 percent of their gross profit—on a par with donors in Western Europe and far ahead of Slovakia and Hungary.[2]

Grassroots initiatives are still not commonplace, with the exception of several high-profile causes such as the protest against the plan to station a radar base for the United States on Czech territory as part of a missile defense system (eventually shelved in September 2009 by the Obama administration). Such public movements, however, are usually dependent on a core group of activists.

Conversely, in recent years, far-right extremist organizations have increased their membership lists and presence in society. Although fewer candidates from far-right extremist parties have triumphed in recent local elections, Czech observers have noted a steady rise in public activity by extremist groups and attempts to make alliances with established parties, such as the far-right Workers' Party. The most high-profile case took place in November 2008 when a running battle between far-right protesters and police broke out in the northern Bohemian town of Litvínov after marchers attempted to advance on a housing estate populated mainly by Roma. The government subsequently appealed to the Supreme Administrative Court to outlaw the Workers' Party, which had helped to organize the march. But the court rejected the case in March 2009, arguing that the ministry had not presented convincing evidence that the party represented a threat to the democratic order.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25	2.50

Press freedom has long been secure in the Czech Republic, and no major media are state owned. Publications may favor one side of the political spectrum, but they are generally not viewed as political propaganda favoring one party or another. The national print 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 advertisers (an allegation already heard over the years). Foreign corporations own a number of these publications, including nearly all Czech dailies. Media-related legislation includes minimal ownership restrictions and none on foreign ownership.

Several controversial amendments to the criminal code that took effect on April 1, 2009 led to a rare show of unity among media outlets, which argued 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. According to a "Press Freedom Audit Report" conducted by the Vienna-based International Press Institute, "the overwhelming consensus was that the new law would lead news outlets to self-censor stories that clearly fall within the public interest."[3] In August, the cabinet approved changes to the law that would include exceptions for information deemed in the public interest, while journalists continued to hope that the Constitutional Court would scrap the legislation altogether. Laws criminalizing defamation remain on the books.

With improved news and current affairs coverage over the past few years, the public television and radio stations, Czech TV and Czech Radio, serve as largely effective counterweights to the more biased press. In 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 lately to a more staid lineup of programs featuring little investigative journalism and few hard-hitting discussion shows.

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. It has long been assumed that the private stations' powerful lobbying has had an undue influence on parliamentary deputies, resulting in laws favoring commercial stations over public broadcasters.

In the summer of 2009, the Czech Radio Board came under fire for changing its governing statute to allow it to both remove the director of the station and immediately implement that decision. The abrupt removal of the director, however, seemed to be the result of power games within the station and the council rather than political pressure. In general, however, politically compromised members are thought to sit on the boards of both public radio and television, though these institutions are meant to be apolitical.

Shortly before the June elections to the European Parliament, Czech TV found itself in the middle of a controversy after airing an election spot from the far-right Národní strana (National Party) that spoke of a "final solution" and called Roma "parasites." While Czech TV's director, Jiří Janeček, claimed that the station was only following the law that mandated non-interference in parties' political spots, critics said that other legislation banning racist speech should have overridden those concerns.

After a long-delayed process of licensing digital television—including political haggling over regulation, alleged attempts by politicians to increase their control, and lawsuits filed by failed license bidders—several stations began broadcasting in 2008. While one year of broadcasting is too short to draw conclusions, the stations have made little impact so far, and several already have serious financial problems.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75	[illegible]

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).[4]

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 that 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.

In 2007, almost 1,400 mayors across the country signed on to an initiative entitled "A Contract of Municipalities and Cities Against Tax Discrimination." Under pressure from these local officials (including a threat to file a suit at the European Court of Human Rights [ECHR]), the cabinet allocated an additional 1 percent of tax income for 2008 to local municipalities—in total around 4.5 billion crowns (US$233 million). This was one of the first times the municipalities teamed up to make their combined strength felt, and at least 1,000 smaller cities and towns again protested in 2009 by hanging up signs that read "tax-discriminated community."

The influence of local officials might increase dramatically after the spring 2010 parliamentary elections. A new party, TOP 09, will run with the Mayors and

Independents Movement (STAN) in a joint election campaign, and representatives of the movement will appear on TOP 09 candidate lists in the regions. TOP 09 has a good chance of entering the next Parliament and forming part of the governing coalition.

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. An article in the investigative weekly *Respekt* described a system where public tenders are only a formality: the same construction firms repeatedly win in their respective spheres of influence throughout the country, with local politicians preselecting the winning companies.[5] The lack of oversight on such dealings is a major part of the problem, as the Supreme Audit Office (NKU) currently has no legal authority to examine the financial management of regional governments or municipalities.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25	2.00

The Czech Republic's four-tiered judicial system consists of 86 district courts, 8 regional courts, 2 high courts, 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 that made headlines over the past two years involved the deputy chairman of the Supreme Court, the chief state attorney, and a former minister of justice who attempted to get a corruption case against Deputy Prime Minister Jiří Čunek shelved for fear that an indictment could shatter the 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. 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.

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 2008, for example, a television station secretly recorded a judge accepting a bribe to release confidential information; a review board previously found that the same judge had falsified case documents, but then left him in his position with only a light punishment. In October 2008, a law came into effect mandating that half of the review board will 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 important, the law dramatically increases 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 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 when the Constitutional Court, resisting clear political pressure from the biggest political parties and especially the president, ruled in favor of the complaint 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 influence of judges in the future, those threats proved empty.

In the last decade, the Czech Republic has lost numerous cases at the ECHR over the length of Czech court proceedings. While some areas continue to have significant backlogs, partially as a result of unresolved cases from the 1990s, the overall situation is improving slowly, partly because recent reforms have meant less administrative work for judges. Still, a predominantly negative view of the performance of the country's judges persists, with 72 percent of those polled by the Centre for Empirical Research (STEM) in August 2008 expressing doubts that the courts function well, and almost the same number questioning their objectivity and impartiality.[6]

Until 2009, the Czech Republic was the only EU country without antidiscrimination, International Criminal Court (ICC), and civil service legislation. In April 2008, the country passed an antidiscrimination bill in line with the UN Convention and EU standards, but it was vetoed a few weeks later by President Klaus, who called the bill "useless, counterproductive, and of low quality."[7] Finally, in June 2009, the lower house of Parliament overrode the president's veto. The law took effect in September, likely helping the country avert 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 seven years ago; its starting date has been repeatedly delayed owing to political disputes.

Implementation is also lagging on the 2001 amendment to the labor code mandating equal treatment for all employees, and women remain underrepresented in senior positions and are paid less than men for similar jobs. Overall, few women hold seats in the Parliament or attain other positions of political power. Only 15 percent of the representatives in both houses of Parliament are women.[8] In 2008, former health minister Milada Emmerová became the first female regional governor.

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 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).[9] Yet, in a recent filing before the Council of Europe, the Open Society Justice Initiative and the European Roma Rights Centre argued that the Czech Republic has made progress but must achieve more to counter the still widespread practice of shunting Roma into separate schools. The organizations asserted that the Czech government's own data reveal that in some parts of the country Roma children are still 26–27 times more likely than non-Roma to be enrolled in practical schools for children with mental disabilities. The Fischer government did make one important move, apologizing for the past forced sterilization of Roma women, but Human Rights Minister Michal Kocáb admitted to hearing reports that the practice still continues.

A new criminal code took effect on January 1, 2010, replacing an antiquated version from 1961. The new code includes the division of punishable acts into crimes and misdemeanors, the institution of tougher sentences for violent crimes, the recognition of new crimes such as stalking, the specification of alternative forms of punishment, and a differentiation between soft and hard drugs.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25	[illegible]

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. In a Transparency International survey published in June 2009, 11 percent of the respondents said that they or a member of their household had paid a bribe in the last 12 months.[10]

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.

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 NKU, 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 NKU to impose sanctions. Furthermore, in 2009, the NKU's reputation was significantly damaged after its head, Frantisek Dohnal, became the subject of an investigation into financial mismanagement at the NKU. He also faced criticism over his use of a luxury apartment and three office cars.

Journalists often do not invoke their rights under the Law on Freedom of Information, and officials frequently refuse to provide the requested information.

In the 2009 Transparency International Corruption Perceptions Index, the Czech Republic ranked 52 out of 180 countries, with a rating of 4.9 (10 indicates a country without corruption). The figures had worsened from the previous year, when the country ranked 45 and had a rating of 5.2. In a press release, the Czech branch of Transparency International (TIC) pointed to the gradual "cartelization" of the political space, the politicization of the public administration, and the increasingly close connection between politics and business as reasons for the decline. TIC also noted the nontransparent financing of election campaigns, the growing influence of financial groups, and instability in the judicial and prosecution sectors, leading to the long-time inability to adequately solve more serious cases of economic crime and corruption. The cabinet of former prime minister Topolánek failed to deliver on its promise to make the fight against corruption a priority and instead allowed business interests to play an even greater role in setting policy, TIC reported. Not helping matters, the Czech Republic remains one of only three EU states that have not ratified the UN Convention against Corruption.[11]

In October 2009, TIC and Oživení, another prominent organization dealing with corruption, released an open letter to the government outlining six anticorruption measures they claimed were not only important but realizable in the

run up to the 2010 elections. These included: to implement "electronic auctions" for public tenders to increase transparency and competitiveness; to push for the passage of amendments to the laws on public supply contracts and concessions; to create a database of all funds granted by the state administration, including EU funds, to reduce clientelism; to depoliticize and professionalize the state administration; to amend laws concerned with local governments to improve their enforceability and increase the efficiency of the use of public funds on the local level; and to end the practice of anonymous shareholding, which has contributed to opaque ownership structures and the suspicion of corruption in awarding public tenders.[12]

The country's most high-profile corruption case in 2009 concerned the Plzeň-based law faculty of West Bohemian University, where it emerged that some prominent students, including several politicians, had allegedly received degrees in as short as weeks or without submitting proper dissertations. In response, the Education Ministry ordered a review of all alumni of Czech universities who graduated after 2000, beginning with the law faculties of public universities—in total, more than 315,000 graduates, according to Radio Praha—to see if other students had also been mysteriously fast-tracked.

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Estonia

by Vello Pettai and Martin Mölder

Capital: Tallinn
Population: 1.3 million
GNI/capita: US$19,320

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.75
Civil Society	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75
Independent Media	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Governance*	2.25	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.25	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	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	1.50	1.50	1.50	1.50	1.50
Corruption	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Democracy Score	2.13	2.00	2.00	1.92	1.96	1.96	1.96	1.93	1.93	1.96

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

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

Executive Summary

Since emerging in the 1990s as one of the most economically and politically successful transition countries in post-communist Europe, Estonia hit a rough patch in 2009 with a severe contraction of its economy that precipitated a number of important ripple effects throughout its political system. While democracy itself was not threatened, electoral processes did weaken with parties employing some questionable tactics amid the European Parliament and local elections. Likewise, local governance was undermined by the failure to pass long-discussed plans for administrative reform. Thirdly, the center-right coalition of Prime Minister Andrus Ansip underwent a rift that reduced it to mere minority status in Parliament. Still, the cabinet continued to work and there was no danger of government collapse.

National Democratic Governance. By far the most significant political issue in Estonia during 2009 was how to maintain the financial viability of the state. The national budget, originally passed at the end of 2008, quickly proved to be unrealistic, as the slowdown in economic growth caused tax revenues to fall precipitously. This obliged the government to pass a revised budget in Parliament at the beginning of the fiscal year, followed by another adjustment in the middle of 2009. By the end of the year, the cabinet was trying to avoid a third wave of budget cuts by asking ministries to make voluntary reductions. Disagreements about how to deal with the economic situation eventually led Prime Minister Ansip to dismiss the Social Democratic Party as one of the three partners in his coalition government and to continue as a minority cabinet with tacit support from the Estonian Green Party. This left his administration weakened but still viable. *Although the Ansip government succeeded in taking a number of steps to confront the economic crisis in Estonia, it also suffered from ad hoc and temperamental decision-making; thus the national democratic governance rating remains at 2.25.*

Electoral Process. In 2009, two elections took place in Estonia. In June, the country held its second election to the European Parliament, won by an independent candidate, Indrek Tarand, who campaigned against political parties and without a substantial political platform. He received almost as many votes as the largest party winner, the Center Party (CP). In October, municipal elections took place in which the CP, the main opposition party in the Parliament, again performed remarkably well, securing (among other victories) an unprecedented absolute majority of the vote in the capital, Tallinn. While turnout was relatively high for both polls, they also stood out for practices that undermined their democratic function. The election campaigns were noteworthy for their use of empty slogans,

negative campaigning, and overall lack of substance. Also, a recurring practice of nominating more prominent politicians as candidates who had no intention of filling their post if elected was widespread. There were and are ongoing problems with the transparency of party financing. *Given these persistent flaws and problematic practices Estonia's electoral process rating worsened from 1.50 to 1.75.*

Civil Society. There were no major civil society developments in Estonia in 2009. According to international comparative studies, Estonia's civil society was still the most developed among the Central and Eastern European countries. There were also indications of increasing charitable activity and relatively widespread cooperation between nongovernmental organizations (NGOs) and the government at the local level. Among the most noteworthy national initiatives during the year was the organization of a brainstorming session throughout the country that engaged over 11,000 people in the discussion of many issues of public concern. Likewise, a major NGO umbrella organization compiled a set of election principles for political parties to which the major parties agreed, although in practice their compliance with this code during the local elections was minimal. *Estonia's civil society rating remains at 1.75.*

Independent Media. Although the harsh economic crisis that hit Estonia in 2008 and deepened through 2009 also influenced the media, the country continued to have a free and functional media landscape. The recently established media company, Kalev Media, went bankrupt early in the year and two Russian-language newspapers also stopped publishing. But, overall the main media outlets, both electronic and print-based, managed to survive the crisis and falling advertising revenues. Overall, the media remained free of political influence, although in some instances the CP used its position as the governing party in Tallinn to finance public information media that often contained explicitly biased political messages. *Avoiding any major deterioration in diversity and capacity during the economic crisis, Estonia's independent media rating remains at 1.50.*

Local Democratic Governance. The local government system remains fragmented and in need of restructuring. During 2009, the minister of regional affairs came up with yet another proposal for drastic reform that would have reduced the number of local governments from 226 to just 20. The plan was criticized as "hasty" and torpedoed by the coalition partners, who cited the well-worn argument for more consultation. While the economic crisis offered a rationale for finally pushing through reform, with a large number of local government units facing financial difficulty, even this proved to be an insufficient incentive for overcoming political deadlock. *Failing once again to move forward with reform, Estonia's local democratic governance rating remains stagnant at 2.50.*

Judicial Framework and Independence. Although an independent court system has consolidated in Estonia with the establishment of a democratic state,

there are still some reforms needed to ensure its independence and functionality. For example, discussions that started in 2008 on establishing greater administrative autonomy for the courts continued in 2009 with a new Courts Act, which is being developed with some involvement from the judiciary itself. At the same time, there were a number of judgeships still unfilled, hampering the day-to-day judicial process. *Estonia's justice system saw no major changes in 2009, thus its judicial framework and independence rating remains at 1.50.*

Corruption. Corruption continues to be an area of concern in Estonia, especially in comparison with Western European countries. In 2009, problems persisted with ensuring effective oversight of political party financing. Corruption in local government also flared, as a significant number of criminal cases were brought against local government officials. The year also saw a provisional end to one of Estonia's most significant corruption cases as the former leader of the People's Union, Villu Reiljan, was convicted of bribery alleged to have taken place when he served as environment minister in the early 2000s. The ruling was appealed and the case continued through the Circuit Court of Tallinn to the Supreme Court. *In light of these events, Estonia's corruption rating remains at 2.50.*

Outlook for 2010. Economic hardships in Estonia are likely to increase in 2010 as the economic downturn is predicted to reach its peak. This will also set the tone for political developments. With over a year until the next parliamentary elections, it remains to be seen whether the current minority government will be able retain its hold on power. This would be exceptional, especially given the economic crisis, as no government headed by the same prime minister has yet been able to stand for an entire electoral period. Solving the country's economic problems will determine how Estonia will function democratically within the established institutional framework. The upcoming parliamentary elections in 2011 will most likely shape the political landscape of the second half of 2010, putting further strain on the smooth functioning of the political system.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.25	2.25

Estonia established a reasonably well functioning parliamentary democracy and a free-market economy within a few years of regaining independence in 1991. A democratic constitution was adopted in a national referendum held in June 1992. The constitution established, in turn, a parliamentary democracy with proportional representation in a unitary state. The first parliamentary elections were held the same year, which yielded a center-right, coalition government. Since then, right-leaning coalition governments have been the norm in Estonian national politics.

In 2007, the country reached another governance milestone when then prime minister, Andrus Ansip of the market-liberal Reform Party (RP), was returned to power in parliamentary elections. Having previously governed in an uneasy coalition with the left-leaning Center Party (CP), Prime Minister Ansip used his reappointment to shift his government back to the well-known center-right triumvirate of his own RP, the conservative Pro Patria and Res Publica Union (PPRPU), and the centrist Social Democratic Party (SDP). Yet, while this constellation was in line with Estonia's earlier right-leaning cabinets, the formula soon showed signs of wear as the SDP increasingly turned to profiling itself as a center-left party and grew less compliant with the policies of the other coalition partners.

The first tensions surfaced in 2008, when the RP sought to push through labor market reforms that would restructure unemployment benefits. At the time, the SDP was able to salvage a compromise. However, in May 2009, disagreement over whether to raise excise and other taxes as part of the government's many rounds of austerity measures ultimately led to the coalition's collapse. In fact, Prime Minister Ansip took the unprecedented step of throwing the SDP out of the coalition by asking President Toomas Hendrik Ilves to relieve the SDP's three cabinet ministers of their duties. As a former Social Democrat himself, Ilves was caught in an awkward position, compelled constitutionally as the president to stand above party politics and honor the request.

Now overseeing a two-party coalition with just 50 seats in the 101-member Parliament, Prime Minister Ansip turned to the agrarian People's Union (PU) and its 6 members to safeguard a new majority. However, fearing that it would be drawn into a government faced with only hard economic decisions, the PU somewhat surprisingly turned down the prime minister's coalition offer despite several rounds of talks. Ultimately, the RP and the PPRPU secured an agreement with the Greens (also with 6 seats) for their support, although the party was not formally added to the coalition. In the end, Prime Minister Ansip continued with his former cabinet (after filling the SDP's vacant ministerial posts with other RP and PPRPU

members) and did not seek formal re-investiture. However, in practical terms, he was reduced to a minority coalition.

Prime Minister Ansip attempted to deflect criticism of his weakened administration by claiming the shake-up was necessary to keep Estonia on the road toward potentially adopting the euro as the country's currency in 2011. In order to do this, Estonia would need to keep its budget deficit below 3 percent of GDP, which, in the prime minister's words, meant greater austerity, not higher taxes. Yet, for many observers his dogged pursuit of the euro seemed more like a search for a panacea rather than balanced economics. With a negative economic growth of as much as 15 percent in 2009 and unemployment topping 14 percent, the single act of changing the currency was not likely to revive business nor solve the country's long-term structural weaknesses.[1]

Throughout the year, Prime Minister Ansip made cost-cutting concessions by agreeing, for example, to suspend the so-called second pillar within Estonia's pension system (in which the state contributed extra payments to individual retirement accounts). In May, he further consented to a sharp hike in unemployment insurance rates to cover increasing demand for jobless benefits. In June, Parliament approved an increase in Estonia's value-added tax. In August, the cabinet even agreed to an opposition proposal to scrap a planned 3 percentage-point cut in personal income tax rates by the year 2012 (a signature platform item for the prime minister's Reform Party). Still, in many cases these shifts seemed more like forced responses than proactive measures, and they often emerged from closed-door coalition talks after rosy forecasts had proven illusory. Estonia was managing the crisis somehow, but by fits and starts.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.75

In 2009, Estonia held two elections, one for the European Parliament (EP) in June and another for local government councils in October. Both transpired without major incident and were considered free and fair, although each had its own surprise outcome. In terms of democratic participation, both polls featured an unexpectedly high turnout. In the EP elections, participation was up nearly 14 points over 2004 to 44 percent, while the municipal elections also drew over 60 percent of voters to the ballot box (up from 47 percent in 2005). In part, these figures were a sign of the economic crisis and voters' desire to voice their apprehension. The EP elections, for example, yielded a kind of protest victory for unaffiliated candidate, Indrek Tarand, a one-time, high-ranking civil servant and rather controversial public figure since appearing at a sports event in 2005 wearing a T-shirt bearing the slogan "Commies into the oven!". Although Tarand was not the author of the T-shirt slogan, the association it evoked with the Holocaust generated intense media discussion and even prompted a cabinet minister to resign. For his EP campaign, Tarand continued

his rebel image and succeeded in racking up nearly 26 percent of the national vote. Meanwhile, the main opposition, CP, did well in both polls, scoring 26 percent in the EP elections and over 31 percent in the municipal ballot.

Tarand's astounding performance in the EP elections stemmed partly from a change in Estonia's electoral law. In contrast to the previous practice of elections based on open party lists with voters casting their ballot for individual candidates, this year's EU election allowed only closed lists and voters were forced into a party vote. Tarand used this perceived narrowing of choice to his benefit, running as a single, unaffiliated candidate and calling on voters to reject the partocratic system. In fact, Estonia was merely conforming its European electoral system to that of most other EU members. Yet, amidst the ongoing economic crisis as well as an overall lack of confidence in politicians, Tarand's maverick call was well received. On election night, a shocked Tarand said he himself had not expected such success, but he vowed to take the people's confidence to Brussels.

Among the political parties, the CP only slightly edged out Tarand's singular performance (with 26.1 percent), while Prime Minister Ansip's RP came in a distant third with just 15.3 percent of the vote. The PPRPU finished with 12.2 percent and the SDP with 8.7 percent. Thus, Estonia's six EU Parliament seats were split almost evenly among the main parties, with the CP getting two and the other parties each getting one alongside the upstart Tarand. Estonia's other two parliamentary parties, the Greens and the PU, scored 2.7 percent and 2.2 percent, respectively.

EU ballots have generally been seen as second-rate contests with only limited relevance for measuring national political trends. In Estonia's case, however, they presaged the results of the municipal poll to follow in October. Here the CP again triumphed with 31.5 percent of the vote across the nation. Moreover, in the capital Tallinn, where CP leader Edgar Savisaar served as mayor, the party achieved an unprecedented popular majority, capturing over 53 percent of the vote. This victory was again in part thanks to Estonian electoral law, which allows resident noncitizens to vote in municipal elections. This meant that all of Estonia's roughly 107,000 stateless persons, as well as 97,500 Russian Federation citizens also had the right to vote, and these voters leaned heavily toward the CP.[2] Yet, despite having gained an absolute majority in the city council, the CP still formed a coalition with the SDP, most likely in an attempt to gain allies for the 2011 parliamentary elections.

Success for Savisaar came despite a protracted struggle with the parties of the center-right over how to draw electoral districts in the capital. The dispute arose in 2008, when the CP charged that electoral districts in Tallinn were divided disproportionally and were therefore unconstitutional. Estonia's chancellor of justice, or ombudsman, agreed to take up the case and called on Parliament to rectify the situation. While the center-right majority in the Parliament did adopt some changes in December 2008, these did not actually redraw any of the electoral districts, and therefore Savisaar pressed on with his campaign. In February, the city submitted a petition directly to the Supreme Court calling for a review of the issue, but this was turned down on procedural grounds. Finally, the city tried simply to abolish the administrative units on which the electoral districts were based. However,

this caused the center-right parties in Parliament to again torpedo Savisaar's efforts by altering the national law to ensure that with or without municipal boroughs, the electoral districts would remain the same. When the infighting ceased, Savisaar's opponents were able to win the battle over electoral geography, but they lost the war for votes, as Savisaar and the CP ended up only strengthening their political control over the capital. For the chancellor of justice, the matter was still not satisfactorily resolved and he vowed to continue pressing for a review of the districts in 2010.

The municipal elections also struck a death knell for the agrarian PU. After long having been a powerhouse in Estonia's countryside, and despite being the second-largest party in Estonia, the PU polled just 1.9 percent of the vote in October, forcing it out of practically every local government. Shortly thereafter, party leaders announced a period of reflection on whether the party should continue or merge with another entity. Edgar Savisaar quickly issued an invitation to unite with the CP; however, many in the PU were wary of disappearing within the CP's ranks. Meanwhile, the SDP also invited the PU to talks (along with the Greens) in what promised to be a much more equitable encounter. After extensive intraparty discussions, the PU decided not to merge and continued on its own.

Estonia's failings in terms of electoral democracy became evident soon after the municipal poll, as dozens of members of Parliament, cabinet ministers, and other party leaders elected to municipal seats or even the European Parliament announced in succession that they were relinquishing their mandates in order to stay in their higher posts. In part, the politicians were obliged to do so since a law passed in 2006 forbids individuals from occupying more than one elected post. Still, this did nothing to deter parties from continuing to nominate these politicians as candidates, thus confusing voters and rendering the elections somewhat of a farce. Voters, too, were partly to blame, since they continued to give their votes to these "decoy ducks," as they became known in Estonia, thus reinforcing the parties' impression that they were doing the right thing. On the whole, the phenomenon served to gravely distort the nature of representation in the country, especially at the local level.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75

In the years immediately following renewed independence in 1991, Estonia devoted most of its attention to economic rebirth and integration with Western Europe. Civil society issues took a backseat until the end of the 1990s when a number of important initiatives began to take hold. In 2002, Parliament adopted the Civil Society Development Concept, which outlined a formal set of roles and principles for cooperation between the public and the third sector. In 2008, the National Foundation of Civil Society was established with the goal of developing a more vibrant civil society acting in the public interest, with a primary function to provide

funding for various civil society activities. Meanwhile, within the third sector the Network of Estonian Non-profit Organizations (NENO) was the main impetus for change, relying on its support base of over 100 civil society groups. NENO also publishes *Good Citizen*, a bulletin that publicizes news and developments about civil society. Thus, steps have been taken to develop a more functional and active civic sector, yet paradoxically the state is still often seen as the most important actor in civil society building.

While Estonia still works to consolidate its civil society gains, it has nonetheless stood out in comparison with other countries in Central and Eastern Europe. For years the United States Agency for International Development (USAID) has ranked Estonia among the best in the region for civil society change. In mid-2009, USAID published its NGO sustainability index for 2008, which evaluated the functioning of nongovernmental organizations via such dimensions as legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure and public image. Among these categories, civil society in Estonia placed strongest with regard to legal environment, advocacy, and infrastructure and weakest in financial viability and service provision.

Likewise, a survey carried out by TNS Emor, an Estonian market research company, showed that although Estonia has a comparatively low ranking with regard to charitable activities (in the context of other, more developed European countries), such activities have increased considerably in the last few years.[3] The biggest shortcoming in this area appears to be the lack of a clear legal framework regulating and facilitating charitable activities, as well as a lack of awareness among the population. Another research project evaluated the cooperation between NGOs and local governments in public service provision, concluding that such activities are relatively widespread and increasing.[4] The third sector, however, often is still not seen as an equal partner by local governments. With regard to NGO cooperation with other sectors of society, another report issued by NENO concluded that overall NGOs acknowledge their role as social actors and are aware of their opportunities to fulfill that role, yet their ability to cooperate with the public sector is impeded by a lack of established practices of cooperation.[5] NGOs frequently see themselves as initiating contact only to later experience efforts by the public sector to unduly influence their activities.

As for specific activities in 2009, two initiatives stand out. After an immensely successful effort in 2008 to clean up the Estonian countryside (drawing more than 50,000 volunteers), activists set their sights in 2009 on organizing a nationwide brainstorming session on issues of public importance. On May 1, more than 11,000 people from all over Estonia gathered in small groups to discuss health care, governance, safety, and culture, amongst other issues. The over 4,000 ideas generated were gathered into a databank that was made available to the public for further discussion and elaboration. The discussions were also analyzed by experts from the think tank PRAXIS. Although the project was still ongoing at year's end, it was noteworthy if only for the opportunity it provided for thousands of people to come together and discuss matters of public concern.

Meanwhile, as part of the two elections Estonia held in 2009, NENO attempted to promote an electoral and campaign ethics code. Aiming to increase the democratic substance of political campaigning, the code called on parties to limit their expenses on media campaigning, to not use public resources for campaign purposes, to only nominate candidates who intend to fill the position they are campaigning for, and to avoid negative campaigning. Although all the major parties agreed to the principles, the initiative appears to have had no substantial effect on the campaigns. On the most general level, the campaigns of the major parties still lacked substance, negative campaigning was widespread, and many prominent politicians still ran although they had no intention of actually filling the positions.

The freedom of assembly in Estonia came under question in 2009. Following the acquittal of several Russian-community activists charged with having instigated the April 2007 "Bronze Soldier" riots in Tallinn, the government coalition tried to adopt a set of legislative changes in June termed the "Bronze Night Legislation." These changes included allowing the prosecution of organizers of such protests if the actions of demonstrators turn violent. In addition, the bill proposed taking away the citizenship of naturalized persons in cases where they had been convicted of such offenses. When the amendments reached his desk for promulgation, President Ilves declared them unconstitutional and duly vetoed them. Thereafter, Parliament took up the issue again, reworking some of the controversial amendments (for example, regarding the organization of protests that might turn into riots) and leaving out others (for example, regarding citizenship issues). President Ilves then promulgated the laws, although according to some critics the legislation still curbed the right to organize protests.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50

While the current economic crisis has brought changes to Estonia's media landscape, the sector persisted as a regional leader in media freedom. At the end of 2009, the international media watchdog, Reporters Without Borders issued its yearly media evaluation, reporting once again that Estonia ranked among the top countries on the list, although its position dropped from fourth to sixth place. Estonia was still the highest-ranking post-communist country regarding freedom of the press; next was Lithuania, which ranked tenth.

Despite its small size and therefore limited market, Estonia has a vibrant media landscape, both at the national and local level. The mass media market is shaped by three national television channels (the publicly owned ETV and two commercial channels TV3 and Kanal2), four national Estonian-language daily newspapers (*Eesti Päevaleht*, *Postimees*, *Õhtuleht* and *Äripäev*), but only one Russian-language daily newspaper, *Postimees na Russkom Jazyke*. Two other daily newspapers in the Russian language—*Molodjozh Estonii* and *Vesti Dnja*—stopped publishing due to economic hardships. There are two major weekly newspapers in the Estonian-language

(*Eesti Ekspress* and *Maaleht*), but only one in Russian (*Den za Dnjom*). Thus, the diversity and long-term viability of Russian-language media in Estonia remains a concern. Estonian state radio continued to broadcast a separate Russian-language radio channel and there are a number of private stations. However, local Russian outlets found it increasingly difficult to compete with Russian Federation media, especially in the entertainment sector. Meanwhile, the traditional print media (in particular the newspapers *Postimees* and *Eesti Päevaleht*) decided to undertake their own revenue-enhancing measures by restricting the online publishing of content from their print editions with the aim of increasing circulation.

In 2009, the economic crunch brought down, once and for all, Kalev Media, the upstart conglomerate formed in 2007 by the food industry magnate Oliver Kruuda. At first the company announced that it would stop publishing a number of magazines. This was soon followed by a shutdown of the Kalev television channel, and finally an announcement of bankruptcy in June. The announcement put the Tallinn city government in a bind, since it had a contract with Kalev for the broadcast of a number of municipal information programs. These programs had already drawn criticism due to Kruuda's tight relationship with the CP, the party in power in the capital. The city government had already been disparaged for dramatically increasing its overall public relations budget since 2005 to pay for a slew of borough newspapers, which officials said served to disseminate vital municipal information but critics ridiculed as political advertising. In May 2009, Tallinn Mayor and CP Chief Edgar Savisaar went further, announcing a plan to create a separate municipal television station by 2011, when the city will take on the EU title, "Cultural Capital of Europe". Whether these different communication channels would further cement the CP's hold on power in the capital was uncertain, but they clearly factored into the party's political strategy.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50	2.50

In 2009, the key problem of local governance in Estonia—its fragmentation into myriad local government units of unequal proportions—remained unchanged. By the end of the year, there were 226 local governments in the country (33 cities and 193 rural municipalities), a decrease of just one compared to 2008. The largest local government was the capital Tallinn, with about 400,000 inhabitants and a budget of over 6 billion Estonian kroons (US$555 million), while the smallest was Piirissaare with less than a hundred inhabitants and a budget of just over a million kroons (US$93,000). There were about 40 local governments with less than 1,000 inhabitants, half of the local governments had less than 2,000 inhabitants, and two-thirds had less than 3,000 inhabitants. Meanwhile, there were only three municipalities with more than 50,000 inhabitants (the cities of Tallinn, Tartu, and Narva).[6] Not surprisingly, this stark variation in size and resources also manifested

itself in serious differences in the capacity of local administrators, as a 2009 study commissioned by the Ministry of Interior revealed.[7]

Although the need for local government reform has been acknowledged for over a decade, no meaningful action to improve administrative capacity has ever been taken. The main approach so far has been to encourage voluntary mergers between individual local governments. Between 1993 and 2009, 61 municipalities merged, reducing the total number of municipalities to 226. Still, at this pace it would take decades to pare the number down to a more reasonable figure. Over the years, successive governments and ministers for regional affairs have attempted to draw up reform proposals as well as threaten local governments with more forceful action if they fail to collaborate. Yet in each case the politicians have backed down, often unwilling to undercut their fellow party leaders in the countryside or wary of what effect radical reform would have on Estonia's presidential electoral system, where, according to the constitution, local government representatives have considerable sway in electing the head of state when election in the national Parliament fails.

There was no exception to this political merry-go-round in 2009, when in early March the Minister of Regional Affairs, Siim-Valmer Kiisler (PPRPU), came out with yet another plan to reorganize the local government system in Estonia. His proposed plan would have formed local government units on the basis of the 15 existing counties, while 5 of the biggest cities (Tallinn, Tartu, Narva, Kohta-Järve, and Pärnu) would remain separate units. The plan would have replaced the over 200 municipalities with just 20. Furthermore, Kiisler wanted to start the reform before the 2009 municipal elections, with its completion set to coincide with the 2011 parliamentary elections. While Kiisler argued that economic crisis was precisely an opportunity for action and that local government leaders would themselves see his rationale behind consolidation amidst massive budgetary retrenchment, he ultimately succumbed to the classic counter argument in politics (that is, haste) as critics deemed his plan "unrealistic" and akin to steamrolling change. After some discussion, the RP pronounced Kiisler's plan a failure, while the SDP suggested involving more experts and people from all walks of life in the debate. Kiisler himself backed down after just two weeks but vowed to revive the issue once the municipal elections were over. By year's end there was still no movement.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50

Over the course of the past 20 years, Estonia's functioning and fair judicial system has undergone several stages of reform, but judges and other officials agree that a number of crucial changes remain to be implemented. One peculiar aspect of the court system is that while the Supreme Court is a fully autonomous entity, the lower courts are, in effect, administered by the Ministry of Justice. This has raised questions about maintaining separation of powers between the executive and the judiciary, although

so far no actual conflicts have occurred. Since 2008, experts have been working on preparing a new Courts Act that would better regulate this relationship, and in early 2009 Estonia's main association of judges weighed in on the process. By the end of the year, a new bill had begun to make its way through Parliament, although its future remained uncertain as it came under increasing scrutiny by legislators.

In June, the Chief Justice of the Estonian Supreme Court, Märt Rask, delivered a report to Parliament on other problems facing the Estonian judiciary. These included significant regional disparities between courts in terms of the time needed to process cases. The court system also lacked a number of judges, with positions going unfilled for months. Lastly, Rask warned that austerity cuts could create a situation where the wages of judges were no longer competitive compared with the private sector, which in turn could undermine the overall competence of the judiciary.

Perhaps the most significant criminal case to be heard in 2009 was brought against those accused of having organized the so-called Bronze Soldier riots in Tallinn in April 2007. In early January, the Harju County Court issued a surprise ruling acquitting all four of the defendants (Dmitri Linter, Dmitri Klenski, Maksim Reva, and Mark Sirõk) due to insufficient evidence. While the court said that the four men had been present during the riots and helped organize the protests that preceded them, there was no compelling proof that their actions had resulted directly in the riots that caused considerable damage to the city center. In what was for most Estonians an open-and-shut case, the verdict came as a shock and immediately prompted a range of criticism from various Estonian politicians. The PU issued a declaration accusing the Estonian Security Police Board (ESPB) of incompetence in gathering the evidence, and the prosecutor's office of being unprofessional in trying the case. Other prominent members of the PPRPU also expressed outrage. Prime Minister Ansip and President Ilves withheld any comment, perhaps sensing the need to avoid rekindling passions about an incident that had already been so divisive between the Estonian and Russian communities. In May, the Tallinn court of appeal confirmed the acquittal, while in July the Supreme Court refused to hear the case, thus ending the saga definitively. Three out of the four defendants, meanwhile, prepared petitions demanding compensation from the Estonian state for unwarranted arrest and detention. Under Estonian law, they were eligible for up to 300,000 kroons (US$28,000). All three were compensated by the end of the year.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Indicators of corruption in Estonia were mixed during 2009. On the one hand, a growing number of reported cases and declining public confidence implied an increase in corruption. At the same time, several high-profile court convictions and heightened media scrutiny suggested that accountability in the area was rising. The disheartening crime statistics were reported in April by the Ministry of Justice

in its annual crime report.[8] The data for 2008 showed a 17 percent increase in the number of corruption cases occurring in the public sector (up from 278 to 326). Although this final number was still lower than in 2004–06, it remained worrisome as most of the new cases involved bribery. In 2008, Estonia also saw a 68 percent increase in economic crimes, including tax crimes and money laundering.

A victory in the battle against corruption was achieved in May when a Tallinn court formally convicted a veteran politician, the former head of the PU and former minister of the environment, Villu Reiljan, of bribery in a case that began in 2006. Reiljan received a suspended sentence of less than three years, whereupon he immediately appealed the verdict. The Circuit Court of Tallinn did not revise this sentence, and an appeal was sent to the Supreme Court at the end of the year. In March, Reiljan and his party colleague and former minister of agriculture, Ester Tuiksoo were charged in a second set of corruption counts, involving the solicitation of bribes from real estate developers and other businesspeople in exchange for preferential treatment while the two were in office. This trial also kicked off in the fall, but was expected to continue well into 2010.

A recurring saga involving corruption in party financing continued during the year. After the chancellor of justice failed to persuade the Supreme Court to force a tightening of Estonia's lax oversight procedures in 2008, the issue seemed moot for a while. Then scandal emerged again in 2009 as the Jüri Vilms Foundation, a private fund with close ties to the CP, declared bankruptcy in June. The organization, which published the party's weekly newspaper, as well as the Russian-language daily *Vesti Dnja*, had been accused of laundering illicit financial contributions for the party. Earlier in March, the ESPB had frozen the foundation's accounts and launched a criminal investigation against the organization's director, Elmar Sepp, for financial irregularities. The ensuing press spotlight also turned up indiscretions with the RP's Civic Education Foundation, which was said to have received millions of kroons in donations but refused to disclose the names of its contributors or how money was spent.

By year's end, the Ministry of Justice had introduced a significantly revamped version of Estonia's Anti-Corruption Act to Parliament in order to fix some of the loopholes in existing legislation. The act will reportedly redefine the notion of an official and his or her responsibilities, specify the limits of his or her actions, and make the system of declaring interests more efficient. Legislative proceedings over the bill will continue in 2010.

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1 Ministry of Finance, "2009, aasta suvine majandusprognoos," [Economic Forecast. Summer 2009], http://www.fin.ee/doc.php?101118 (accessed November 20, 2009).

2 In 1992 Estonia adopted a restrictive policy on citizenship, which accorded automatic Estonian citizenship only to those who had it before the 1940 Soviet takeover of the country or who were descendents of such people. Soviet-era immigrants to Estonia were given the option of becoming naturalized citizens but only based on a language and civics exam. As a result, an estimated 400,000 people were left stateless in the early 1990s, although Estonia agreed to provide them permanent residency. Over time, this number has declined, partly due to naturalization but also due to many people taking Russian Federation citizenship or simply moving away from Estonia. Still, from the perspective of local politics, this addition of resident non-Estonians dramatically changes the voter rolls. In Tallinn, for example, the number of eligible voters expands by some 35 percent to 326,000 people.

3 TNS Emor and Praxis, "Vabatahtlikus tegevuses osalemine Eestis," [Participation in Voluntary Activities in Estonia], http://www.ngo.ee/orb.aw/class=file/action=preview/id=27927/Vabatahtlikus+tegevuses+osalemine+Eestis.pdf.

4 Praxis, "Kohaliku omavalitsuse üksuste avalike teenuste lepinguline delegeerimine kodanikeühendustele," [The Contractual Delegation of Local Government Public Services to Civic Associations], http://www.ngo.ee/orb.aw/class=file/action=preview/id=27929/Kohaliku+omavalitsuse+%FCksuste+avalike+teenuste+lepinguline+delegeerimine+kodanike%FChendustele.pdf.

5 EMSL, "Suutlik Sektor. Uuringu aruanne," [Capable Sector Project Report], http://www.ngo.ee/orb.aw/class=file/action=preview/id=28056/Suutlik+sektor+uuringu+aruanne.pdf.

6 Ministry of the Interior, "Kohalik omavalitsus Eestis," [Local Government in Estonia], http://www.siseministeerium.ee/public/Kohalik_omavalitsus_Eestis_2008.pdf.

7 Geomedia, "Eesti kohaliku omavalitsuse üksuste võimekuse indeks," [An Index of Efficiency for Estonian Local Government Units], http://www.siseministeerium.ee/public/KOV_v_imekuse_indeks_SM_Press_22.09.pdf.

8 Ministry of Justice, "Kuritegevus Eestis 2008," [Crime in Estonia], http://www.just.ee/orb.aw/class=file/action=preview/id=42878/Kuritegevus+Eestis+2008.pdf.

Georgia

by David Aphrasidze

Capital: Tbilisi
Population: 4.3 million
GNI/capita: US$4,920

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25	5.25
Civil Society	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75	3.75
Independent Media	3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25	4.25
Governance*	4.75	5.00	5.50	5.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.75	6.00	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	6.00	5.75	5.50	5.50	5.50	5.50
Judicial Framework and Independence	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75	4.75
Corruption	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00	5.00
Democracy Score	4.33	4.58	4.83	4.83	4.96	4.86	4.68	4.79	4.93	4.93

** 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

Georgia's journey toward democracy started in the late 1980s and went through several major hurdles after the country gained independence in 1991. The civil war and ethnic conflicts shaped a Georgian "failed state" in the early 1990s. The ethnic wars in Abkhazia and South Ossetia subsequently grew into the Russian-Georgian conflict that reached its peak in August 2008. The country's relative stabilization under President Eduard Shevardnadze from the second half of the 1990s was stopped by an emerging corrupt and inefficient hybrid political system. Then, in 2003, Georgia's population seemed to "awaken" with the Rose Revolution; the new government of President Mikheil Saakashvili launched profound reforms in almost all fields of the public and private sectors. Yet the failure of the government to engage the political opposition led to street rallies during the autumn of 2007, culminating in dispersed demonstrations and closure of oppositional television stations. Followed by the early elections of the president and Parliament, the November 2007 events marked a significant setback for Georgia's democracy. The August war in 2008 further contributed to the internal political crisis.

A new political crisis unfolded in 2009; from April to late June, a handful of opposition parties organized protest rallies, picketing parliamentary buildings, the president's office, the public broadcaster's building, and closing main streets in downtown Tbilisi. The opposition demanded the resignation of the president and new national elections. With some exceptions, both the government and the opposition restrained from violence. President Saakashvili reiterated his offer from the previous year to launch a second wave of democratic reforms, creating a state commission to draft a new constitution, setting up a working group to create a new election code, and slating local elections for spring 2010. Furthermore, steps were announced to increase the independence of the media and the judiciary, though by the end of the year it remained unclear to what extent the government would be willing to implement these and other reforms.

National Democratic Governance. The year started with protest rallies organized by the opposition that signaled a political crisis in the country. Both the government and the opposition managed to overcome the crisis without excessive use of force, and several meetings took place between the president and representatives of the opposition. Although no remarkable results were achieved, there was a noticeable change in the political discourse. A state commission including the parliamentary minority and nongovernmental groups was created to draft a new constitution, and a working group with even broader political participation developed improvements to the electoral legislation. A mutiny in a battalion of the Georgian army raised questions about the effectiveness of civilian control over the military. A number of

kidnapping cases along the conflict zones kept the situation strained but without major complications. *Georgia's national democratic governance rating remains at 6.00.*

Electoral Process. There were no elections in 2009, but the legacy of the 2008 polls continued to impact national politics. In response, there were street rallies that aimed to compel early presidential and parliamentary elections. In September, Parliament adopted an amendment to the constitution allowing 10 opposition politicians (out of 12) elected by party lists to re-enter Parliament after they had refused to recognize the legitimacy of the elections in May 2008. By the end of 2009, only one politician had taken the offer. The year did, however, feature significant improvements in the electoral legislation; a working group with broad participation of opposition parties developed several rules, including the nomination of a Central Election Commission head and procedures for filing violations. The amendment was approved by Parliament in December 2009 and is significant for the upcoming local elections in the spring of 2010. *While positive developments including achieving a political consensus over the direct election of the Tbilisi mayor and amending the electoral code ahead of upcoming local elections marked positive developments in 2009, their impact will only be seen in the coming year. Georgia's electoral process rating remains at 5.25.*

Civil Society. Georgia's civic sector, which was relatively vibrant prior to the Rose Revolution, now struggles to find its niche. The main challenge is civil society's limited impact on policy formulation. Authorities are mostly reluctant to accept policy recommendations from nongovernmental organizations, considering them unprofessional and politically biased. Local funding sources are still limited in the country. The newly founded Civic Institutionalization Development Fund of Georgia aims to support civic activities by offering small grants. This is the first attempt by the state to provide funding for the civic sector on a wide scale. Several organizations and grassroots initiatives propagate anti-liberal nationalistic and religious values. *Georgia's civil society rating remains at 3.75.*

Independent Media. The Georgian media landscape is one of the most developed in the South Caucasus. There are several independent television stations with news programs, dozens of independent newspapers, and a fast-growing number of online broadcasters and news forums. The media legislation is recognized as fully compliant with international standards. In 2009, one representative of the parliamentary minority was included in the Georgian National Communication Commission (NCCG). However, media independence overall is challenged by an insufficient level of professionalism and editorial independence. The lack of information and transparency about those holding shares in television stations and the frequent rotation of ownership leave room for doubt about their independence. In 2009, two major private television stations changed owners. The Board of Trustees of the Georgian Public Broadcaster was substantially reshuffled and a new general director appointed. *Georgia's independent media rating remains at 4.25.*

Local Democratic Governance. Georgia's legislation outlines three levels of governance—national, regional, and local. Beyond the breakaway regions of Abkhazia and South Ossetia, Georgia is divided into the Autonomous Republic of Adjara and nine regions governed by presidential appointees. The president also proposes the candidacy of the head of the Adjara government to the local parliament and has the authority to dismiss both Parliament and the prime minister in several cases defined by law. Local governance comprises 64 municipalities and 5 self-governing cities including Tbilisi. In 2009, the Ministry for Regional Development and Infrastructure was established to oversee local self-governance as well as to develop a new local governance strategy. *While reform measures are foreseen with the establishment of the new ministry, the actual performance of local self-governance in 2009 did not improve, thus Georgia's local democratic governance rating remains at 5.50.*

Judicial Framework and Independence. The Georgian judiciary still struggles to emancipate itself from political pressure. A new ombudsman was elected by Parliament in September 2009 and described the human rights record in the country as "grave." The Ministry for Corrections and Legal Assistance was created to improve conditions in prisons as well as the penitentiary and probation system in general. The situation in Georgia's prisons is improving notwithstanding several reported instances of human rights violations. *Georgia's judicial framework and independence rating remains at 4.75.*

Corruption. The perception and experience of corruption appear to have decreased in Georgia since the Rose Revolution. Georgian citizens are confronted less with low-level corruption on an everyday basis. Yet several experts have questioned the potential existence of top-level corruption that may evade solid evidence. The government established a new council to update the anti-corruption strategy and action plan signed by the president in 2005. In addition, the government continued a liberal economic policy during 2009 and announced a new wave of economic liberalization measures. Some legal loopholes remain in the procurement and privatization systems regarding transparency of the process and access to information. *Georgia's corruption rating remains at 5.00.*

Outlook for 2010. The coming year will show to what extent the Georgian government is willing to implement all of the reforms pronounced by President Saakashvili. The local elections in the spring will test the president's resolve, as well as measure the ability of opposition parties to build coalitions and conduct rational dialogue with the ruling party. The effectiveness of Georgia's internal democratic institutions will be an important factor for shaping the country's international position as well. Failure to show substantial progress will likely further decrease the international community's interest and involvement in helping to solve Georgia's problems.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.75	6.00	6.00

The Georgian constitution was adopted in 1995 and has since undergone substantial changes. The most fundamental and frequent amendments took place after the Rose Revolution of 2003, with 16 amendments passed between 2004 and 2009. The most controversial among these included an increase in the power of the executive and the president vis-à-vis the Parliament in 2004 and a change to the legislative term of Parliament in 2006. The 2006 amendments also changed the dates of parliamentary and presidential elections so that they would coincide in autumn 2008, reflecting one of the major demands of the opposition during the violent street protests of November 2007. Following that political crisis and the referendum of January 2008, Parliament adopted yet another package of constitutional changes.

In September 2009, Parliament legalized two constitutional amendments. One of the amendments declared Kutaisi, the second largest city in western Georgia, as the new location for the Georgian parliament. According to the amendment, parliamentary sessions will move from the capital Tbilisi to Kutaisi after the next parliamentary elections due in 2012. The opposition and several civil society organizations accused the country's leadership of deliberately weakening the Parliament with this amendment, drawing a parallel with the Constitutional Court's move to Batumi in 2006. The government argues that these changes would support the country's decentralization process.

Frequent amendments to the constitution are often explained by the fact that the ruling United National Movement (UNM) party has monopolized Parliament and power in general since 2004. The opposition is weak and marginalized, with no effective tools to check the majority. In 2008, UNM regained the two-thirds majority necessary to change the constitution without the need for political coalitions. Likewise, the ruling party's control over Parliament undermines the role of the legislative branch to check the executive branch of government. Bills proposed by the government pass without substantial discussion, and overall political debates are rare inside Parliament. At the same time, the opposition is enabled to create factions and a formalized minority, and it currently occupies two vice-speaker positions and several deputy chairs in all committees.

Many argue that the Georgian constitution, in its current form, has lost its function of setting major rules. The divergence between formal rules enumerated in the constitution and political practice has increased over time; in fact, every new

political development in the country requires and sometimes causes constitutional changes. Many political groups and analysts agree that a new constitution based on consensus between major political players, interest groups, and broad public discussions should be written and adopted.

To this end, President Saakashvili set up the State Constitutional Commission to draft a new constitution in June 2009 and invited the opposition to participate. The parliamentary opposition welcomed the creation of the commission, while most non-parliamentary opposition figures ruled out their participation. In cooperation with several civil society organizations, an alternative public constitutional commission was thus created. Although the state commission has held regular working sessions, no general principles for the new draft have been defined as of yet. The president has voiced his preference for a strong presidential system but also stated that he would be willing to limit his power to dissolve the Parliament. According to President Saakashvili, an effective presidential system is important for Georgia, especially at a time "when a great part of the country is occupied."[1] On the contrary, the alternative commission supports the parliamentary model. Furthermore, it is still unclear whether there is a deadline for the draft, how the new constitution will be adopted (with or without a referendum), and when it will enter into effect. Many believe that the authorities are envisaging the introduction of the new constitution along with the next national elections in 2012–13.

From April to June 2009, ongoing protests paralyzed several main streets in Tbilisi and held Georgia in continuous political crisis. There were several outbreaks of violence with participation of both the government and the opposition. Opposition parties and some nongovernmental organizations reported human rights violations against street protesters, with attacks by unknown persons and police detentions. The police released video footage showing street protesters engaged in illegal activities. In general the street protests did not reach the level of violence of the November 2007 events, and both the government and opposition managed to restrain from escalating the situation. Several meetings between the president and opposition politicians took place, though it is too optimistic to conclude that cooperation was established.

The president addressed Parliament on three occasions in 2009 and participated in debates, unlike previous years when this particular demand of the opposition was systematically ignored. Beyond constitutional reform, President Saakashvili proposed to hold local elections in spring 2010, reform the electoral code, increase legal guarantees for judiciary independence, and include opposition-supported candidates in the public broadcaster's board of trustees.

Mistrustful of the president, several groups in the non-parliamentary opposition promised to continue street protests in the spring of 2010, and appeared not to seek participation in the coming local elections. Nino Burjanadze, former Speaker of the Parliament and now leader of the opposition Democratic Movement–United Georgia, claims that the European Union-backed report on the August war is sufficient argument for setting Georgia free from the Saakashvili regime.[2] The European Union report has been widely welcomed by Georgian politicians yet with

radically different interpretations. The government praised the EU commission for disclosing details about Russian aggression, while the non-parliamentary opposition slammed the president for shelling Tskinvali and triggering the war. The general public's interest in the report, however, has been rather low, and most believe it will not have a significant impact on the internal political process.

The situation along the de facto borders of the breakaway regions of Abkhazia and South Ossetia remains tense. Since August 2008 more than 10 Georgian police officers have died while patrolling the border. Although the very presence of the EU-led Monitoring Mission has considerably stabilized conditions on the ground, observers are not allowed to enter into identified conflict zones. Furthermore, the mission led by the Organization for Security and Cooperation in Europe (OSCE) in South Ossetia and UN-led Observer Mission in Abkhazia ended their operations after a Russian veto. Moscow has continued to insist on separate missions for Abkhazia, South Ossetia, and Georgia, and tensions grew during the summer of 2009. With this lack of security, an eruption of new fighting was feared, but these tensions were reduced after the talks between Russian President Dmitry Medvedev and U.S. President Barack Obama in Moscow in July.

Georgian legislation guarantees democratic civilian oversight of the military and security sector in general. A representative of the parliamentary minority is included in the Trust Group of the Parliament entitled to oversee military spending. However, the mutiny of the Mukhrovani tank battalion in May 2009 raised questions about the effectiveness of this control. Over 30 acting and former officers as well as civilians were arrested and charged with organizing the mutiny. Part of the political opposition accused the government of manipulating the mutiny in the battalion to cover the political crisis in the country. The replacement of the defense minister in late August with the newly appointed Bacho Akhalaia, a close ally of President Saakashvili, is most probably aimed at tightening control over the armed forces. Former head of the penitentiary system, Akhalaia is known as a proponent of tough measures. Many civil society and media representatives fear that his appointment will lead to diminished access to information and put an end to the recent, considerable openness in the Ministry of Defense.

Although Georgia continues to participate in international operations and pledged to send a battalion-sized unit to Afghanistan in 2010, the government continued to cut military spending. Reaching an apex of GEL 1.547 billion (US$884 million) in 2008, Georgia's military budget has been systematically reduced since the August 2008 war. In the 2010 draft budget GEL 750 million (US$429 million) are assigned to the Ministry of Defense. At the same time, the number of armed forces—37,000—remained unchanged for 2010.[3]

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25	5.25

The Georgian constitution and election code provide a solid basis for universal and equal suffrage in the conduct of free and secret ballots. The Parliament is elected for a four-year term and the president for a five-year term. However, all major political transitions in Georgia have occurred through the violation of these terms: the first non-Communist president, Zviad Gamsakhurdia, was ousted from office by a coup d'état in 1992; the next president, Eduard Shevardnadze, had to leave the office after the peaceful Rose Revolution in 2003; and in January 2008 snap presidential elections were held resulting from the November 2007 political crisis, even though the incumbent President Saakashvili remained in power.

The presidential elections of 2008 were followed by parliamentary elections, which were the most competitive since the Rose Revolution. Despite this, the ruling party succeeded in securing a two-thirds majority in Parliament: 119 seats out of 150. Both elections showed major shortcomings mostly in the incumbent party's use of administrative resources, and during the vote counting and appeal process.

Nonetheless, international observers assessed the elections as being in compliance with most international standards. Yet some opposition parties did not recognize the election results and rejected their mandates in the Parliament. From the opposition bloc United Opposition–New Rights, 12 out of 17 elected members did not take their seats, and 4 out of 6 from the Labor party did not participate in the work of the legislation. In September 2009, the Parliament adopted amendments to the constitution allowing ten opposition politicians elected through the party list to retake their mandates. Konstantine Gamsakhurdia, head of the opposition Tavisupleba party, agreed to enter the Parliament while most of the other politicians refused the offer.

Frequent changes in Georgia's election code are a major challenge; adopted in 2001, the current code has undergone essential revisions to its rules and procedures on the eve of almost every election. This puts opposition parties in an unequal position and threatens free and fair competition during the campaign. To address these problems, the country's leadership formed an election code working group in February 2009, facilitated by the National Democratic Institute, with the participation of eight political parties and the aim to devise new electoral rules prior to the 2010 local elections. Later the group was joined by the opposition Alliance for Georgia. In November the group failed to reach a consensus on the rule of electing the Tbilisi mayor. The Alliance for Georgia insisted on introducing a minimum 45 percent threshold for electing a mayor in the first round, while the ruling parties proposed a 30 percent threshold, backed by the parliamentary opposition. The group agreed on other issues, including the rule on electing the head of the Central Election Commission and procedures for filing complaints and violations, amendments which Parliament approved in late December.

The new rules are essential for the upcoming local elections, which will take place on May 30, 2010. Amidst the street rallies in the spring of 2009, President Saakashvili proposed holding the local self-governance elections in the spring of 2010 instead of the originally planned autumn of the same year. A portion of the opposition plans to participate in the elections, provided that the electoral environment has substantially changed, while some politicians are not enthusiastic about local elections at all. For instance, Nino Burdjanadze vowed to continue to pressure the authorities through all legal means to hold early national elections.[4]

Despite the vivid nature of political life in Georgia, public participation remains low and sporadic. Of the 190 political parties in 2009, most were small and not member-based. The ongoing street protests in Georgia during the year were organized by a loose alliance of a dozen political parties and groups, with the number of protestors varying widely from event to event. There are no legal obstacles to creating or joining parties, except those that are region-based. Moreover, public funding is available for political parties that succeed in elections. According to the Central Election Commission, 14 parties were eligible for public funds in 2009 with the UNM receiving GEL 2.2 million (US$1.3 million) followed by the Labor party with GEL 0.6 million (US$0.3 million). The internal democratic structure of political parties remains questionable, though several have made attempts to increase internal competition and open up career paths for party members. Typically, the leadership of most parties remains static despite their political performance, and internal party discussions often end in the splitting up of parties. In practice, the only way for new political leaders to emerge is by founding a new political party. For instance, all former Saakashvili allies—such as, Nino Burjanadze, Zurab Nogaideli, Irakli Okruashvili, and Irakli Alasania—founded their own parties.

The participation of ethnic minorities in Georgian politics is low. Although ballots and other election materials are now available in major minority languages (Armenian and Azeri), local communities from minority regions are not fully informed about ongoing national political processes. The creation of region-based political parties is prohibited by law, and national political parties do not pay much attention to regions with ethnic minority populations. As a result, minorities are underrepresented in national politics. For instance, there are only six Armenian and Azerbaijani representatives in Parliament. The Council of Europe's Advisory Committee on the Framework Convention for the Protection of National Minorities described the "linguistic rights" of persons belonging to a national minority as "still a major challenge" in Georgia and recommends the government improve facilities for learning the Georgian language.[5] The Concept on Tolerance and Civil Integration was adopted by the government to enhance the civic integration process; however, it is unclear to what extent the government will follow these recommendations.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75	[illegible]

Georgian legislation guarantees the existence of the independent civic sector, and there are no formal barriers to creating or belonging to interest groups, nonprofit organizations, civic initiatives, and so on. Currently, the taxation office registers civil society groups, and only those that perform some type of financial activity. There are no major restraints regarding funding and fundraising, and grants are exempt from most taxes.

Georgia has witnessed the development of a very active civic sector since the latter half of the 1990s. Many civil society representatives participated in peaceful protests during the Rose Revolution, and some joined politics and assumed positions in the country's leadership. Although the number of organizations has not decreased since 2003, the quality and influence of the civic sector has suffered. Still, several nongovernmental organizations (NGOs) have become increasingly professional, especially in areas of public health, the environment, and gender issues, among others. There are several NGOs working on human rights and minority issues, as well as think tanks and consultancy institutions.

The decline in the influence and visibility of the nongovernmental sector during recent years is only partially connected with the shift in priorities of international donors. Although donors allocated a significant portion of funds to government-led projects, sufficient funding was still available for civic activities. The most influential NGOs developed new strategies and succeeded in acquiring new funding sources. Liberty Institute, an organization with close ties to the country's leadership, was the only influential NGO and nearly closed after 2004.

The main challenge for most NGOs continues to be their limited impact on policy formulation. NGOs frequently organize public policy discussions and issue recommendations, but public agencies are reluctant to accept these contributions. Officials play down the importance of civil society engagement, considering their products unprofessional and politically biased. The media relies frequently on the comments of NGO representatives and academics but rarely uses their policy analyses. At the same time, media outlets tend to only selectively use experts in their news analyses or talk shows. This limits the plurality of ideas in media coverage. In 2009, major international donors started to support several projects aiming to increase the quality of public policy products, ensuring policy-oriented debates and pushing issue-based cooperation between NGOs, media, and public agencies.

Local funding sources are still limited in the country. Some Georgian business entities have set up funds, but they are charity-oriented with less interest in civic activity. The philanthropy market is monopolized by the Georgian Orthodox Church, which is the major consumer of state and private funds and provides help for social needs through charity actions. For instance, the 2010 State Budget envisages GEL 25.3 million (US$14.5 million) of direct funding for the Georgian Orthodox Church.[6]

Several organizations and grassroots initiatives (for example, Orthodox Parents Union, Union of Orthodox Parish) propagate anti-liberal, nationalistic, and religious values. These are associated with clerical circles inside the Orthodox Church but have no proven formal connections with the Georgian Patriarchate. The influence of the Georgian Orthodox Church has increased in recent years, directly threatening freedom of expression on several occasions. In January 2009, the church expressed its concerns about the public television show *Great Ten*, which led first to the show's suspension by the board of trustees of the public broadcaster and then to a substantial change of format. In October, the Tbilisi-based Kavkasia Television reported on video clips posted on the Internet that mocked the patriarch, and several political and Orthodox groups accused the Liberty Institute and "some circles" in the government of campaigning against the patriarch. While the representative of the institute received threats the president's administration condemned the clips, and the Ministry of Internal Affairs identified two teenagers as their creators. Even though the church played a positive role in overcoming the spring political crisis, the extent to which both the government and the opposition appealed to the church's involvement in political processes was viewed as dangerous for the liberalization of politics in Georgia.

The new Civic Institutionalization Development Fund (CIDF) established by the Georgian government is one of the most significant advances in funding for the country's nongovernmental sector. The CIDF provides small grants for civic activities based on open competition, and in 2009 a total of GEL 800,000 (US$457,000) were allocated for grants. Beyond established NGOs, unregistered public groups were also eligible for funding, which enabled new grassroots initiatives to emerge and develop. This is the first attempt by the state to provide funding for the civic sector on a nationwide basis.

Although the Georgian Trade Union Confederation, a successor to the Soviet trade unions, claims to have over half a million members and 26 functional unions, none of them are significant players in the public sphere. Only the Free Union of Teachers and Scholars is visible from time to time. Among the main challenges to trade unions are: Georgia's less developed culture of associations; the Soviet-based antipathy towards all unions in particular; and structural and managerial problems inside the unions.

Reform of the country's educational system remains incomplete. While there has been significant improvement in national examinations at the higher education level, this has not been accompanied by adequate improvements in public schools. After the initial state involvement in the first stage of reforms, public universities began to practice more real autonomy. Yet, the government's plans to encourage self-governance of public schools through the creation of school boards partially failed due to limited knowledge and willingness of teachers and parents to take responsibility in running schools. In some instances, this reluctance gave school directors free rein to misuse their power. This problem is more evident in the regions, while some schools in the capital Tbilisi can be regarded as success stories.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25	[illegible]

The Georgian media landscape is one of the most developed in the South Caucasus. There are several national television stations: four with their own news editions (Georgian Public Broadcaster [GPB], Rustavi 2, Imedi TV, Adjara TV); a number of regional stations and emerging online televisions; and dozens of central, regional, and local newspapers. The country's legislation guarantees freedom of the press, protects journalists from oppression by state or non-state actors, and is acknowledged as fully compliant with international standards. Electronic broadcasters are overseen by the Georgian National Communication Commission (NCCG). The commission's five members are elected by Parliament including one nominated by the parliamentary minority.

In Reporters Without Borders's 2009 Press Freedom Index, Georgia's position improved from 120 (in 2008) to 81 after being ranked 66 in 2007 and 89 in 2006. For the same period, the country has consistently fallen in position in the Media Sustainability Index of the International Research and Exchanges Board. The major ongoing challenges continue to be transparency in media ownership, editorial independence, and lack of professionalism.

Georgia's media landscape is overwhelmingly dominated by television. The majority of Georgians receive information through television, and the Caucasus Research and Resource Center (CRRC) reported that 84 percent of Georgians watch television news every day. At the same time, most respondents considered television stations as biased and "one-sided," either towards the government (Rustavi 2, Imedi and GPB) or the opposition (Kavkasia and Maestro). Newspapers play a relatively minor role in providing access to information; however, the role of radio and weekly newspapers is increasing.[7] The question of ownership of major independent television stations remains problematic, even though all legal requirements have been met and data on companies owning stations are made public. The lack of information on those holding shares in companies and their relations with political groups leaves room for doubt about the independence of these stations.[8]

Frequent changes in ownership blur the issue even further. For instance, Imedi TV owned by Badri Patarkatsishvili, a tycoon and opponent of President Saakashvili in 2007, was taken over by his relative Joseph Key through a suspicious deal in February 2008 following the death of Patarkatsishvili. The family of Patarkatsishvili accused Key of illegal appropriation of their property and acting with the government's backing. In February 2009, Key announced that RAAK Georgian Holding purchased 90 percent of Georgian Media Production Group, which owns 100 percent of Imedi Media Holding (television and radio stations). Giorgi Arveladze, a close ally of President Saakashvili and former Minister for Economic Development, later became head of Imedi Media Holding.

The other, large, private television company, Rustavi 2, also changed ownership in 2009. According to the NCCG, Degson Limited, a company registered in the British Virgin Islands, holds a 70 percent share. No additional information about the company is available. The remaining 30 percent is held by the Georgian Industrial Group owned by David Bezhuashvili, a member of Parliament from the ruling party. The former owner of that 30 percent share, ex-director of the station, Irakli Chikovani, became a member of the NCCG after this deal.

During 2009, the GPB remained at the core of political debates. Street protests organized by a handful of opposition parties between April and June picketed the public broadcaster and blocked traffic with improvised prison cells. The opposition accused the GPB of biased coverage of the protest rallies and demanded the resignation of management and the board of trustees. Five members of the nine-member board, including the chairman, resigned. These members were mostly opposition-backed candidates elected by Parliament after the deal made between the government and the opposition in spring 2008. In July 2009, four new board members were elected. However, one position remained vacant. In October, Parliament increased the number of trustees to 15 and in December, filled 7 remaining vacancies. The new board includes at least five trustees supported by the parliamentary and non-parliamentary opposition. In August, former GPB deputy general director Ghia Chanturia was elected the new general director by the board, replacing Levan Kubaneishvili, who resigned in April after only one year in the position.

In 2008, Parliament amended the Law on Broadcasting, obliging the GPB to air regular political talk shows and also to spend no less than 25 percent of its programming budget on minority language and ethnic conflict-related programs. Many experts believe this is an issue of editorial independence that should be determined by the GPB itself and not regulated through the law. In December 2009, Parliament restored the old scheme of funding so that the GPB will be financed with a sum "no less than" 0.12 percent of the country's GDP.[9]

Regional and local stations were most vulnerable to the country's economic crises during the year. Television stations in ethnic minority regions could not maintain regular news editions and frequently interrupted programming with rebroadcasts of the central news programs with accompanying translations. In Batumi, capital city of the Autonomous Republic of Adjara, Channel 25 was engaged in tax disputes with local authorities that threatened its very existence, according to its owners. Later, the Ministry of Finance agreed to restructure the debt after mediation from the Ombudsman of Georgia.

During the street protests between April and June 2009, journalists were reportedly involved in several eruptions of violence. In May, during the picketing of the public broadcaster, young supporters of the opposition physically assaulted a GPB journalist. The attackers were later arrested by the police but released after the Orthodox Church mediated the matter. Several journalists from major television stations were attacked during street rallies by opposition followers. Also, several journalists were beaten by police officers during the short riot at the Tbilisi Police

Headquarters on June 15. The Ministry for Internal Affairs apologized after the incident. Two television channels—Maestro and Kavkasia—suspended broadcasting for 24 hours in protest. In May, unknown persons threw a hand grenade at the office of the television channel Maestro, which is linked to the opposition, causing damage to the building but no casualties.

None of the several existing media associations are strong enough to unite the media community, which is strongly divided along political lines. Most journalists and producers do not have solid employment contracts, which enable media owners or their representatives to easily manipulate editorial independence.

Access to the Internet is increasing, yet remains relatively low. According to the CRRC, 12 percent of respondents access the Internet daily, with 50 percent of these involved in social networking and taking part in online forums. The main challenges to Internet accessibility are technological limitations outside major cities and high service fees. Still, the new trend in Georgian media is the growing number of online television and radio broadcasters.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	5.75	5.50	5.50	5.50	[illegible]

Georgia's constitution and corresponding legislation outline three levels of governance: national, regional, and local. The 1995 Constitution left the regional level undefined until the restoration of the country's territorial integrity. According to the Constitutional Law on Autonomous Republic of Adjara Status from 2004, Adjara maintains competences relating to education, culture, tourism, health care, and the like. The law gives the Georgian president exceptional rights in Adjara, including the authority to propose candidates for the government head to the Adjara Supreme Council and to dismiss the local Parliament as well as the government in several cases. 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.

The rest of 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 *sakhelmtsipo rtsmunebuli* (presidential appointees). There are 64 municipalities (60 without territories in conflict zones and under Georgian central government control prior to August 2008) and 5 self-governing cities—Tbilisi, Batumi, Rustavi, Poti, and Kutaisi. In municipalities and cities, local and *sakrebulo* (city councils) are elected for four-year terms. Councils elect heads of *gamgebeli* (municipalities) and city mayors in the self-governing cities. The

new arrangement introduced in 2006 abolished the first level of self-governance in more than 1,000 communes. *Gamgeobis rtsmunebuli* (trustees) are appointed by the *gamgebeli* to act on behalf of the municipality in each commune. Abolition of the first level of self-governance has been criticized for contradicting the citizen-based, bottom-up approach of self-governance. However, authors of the reform argued that the sustainability of local entities in financial and economic terms would increase their operational capabilities as well as political weight vis-à-vis the central authorities.

Local elections in October 2006 ended with an overwhelming victory for the ruling party, UNM. Although the elections were mostly free and competitive, the applied multi-mandate, winner-take-all system (the party with the majority of votes wins all of the mandates) enabled the ruling party to secure an overwhelming majority and absolute control in all local councils nationwide. Further, UNM won 16 out of 18 seats in the 2008 elections for the Adjara local parliament.

The ruling party's monopoly on local councils has diminished political competition on the regional and local levels, and opposition parties play almost no role in the decision-making process throughout the country. Their domination of the political landscape contributes to the marginalization of the opposition, which remains without active political functions and involvement. Beyond this, the central government has tight control over local councils and has often intervened in local issues. Regional governors (presidential appointees) often dictate to the local councils and municipal executives under their regional supervision. Governors are legally authorized to supervise local entities by the Law on the Supervision of Local Government adopted in 2007. In many senses, this subordination undermines the very logic of local self-governance.

Georgia's Ministry for Regional Development and Infrastructure was established in 2009 and deals with the reform of regional development and local self-governance. Under its supervision, the Ministry Municipality Development Fund, Center for Effective Governance System and Territorial Arrangement, and other entities develop different strategies and policies. The reforms aim at increasing the capabilities of local entities, though no substantial changes are expected to take place until the upcoming local elections slated for the spring of 2010.

The president is required to announce local elections at least 45 days in advance of the polls. According to a draft constitutional amendment (expected to be approved by Parliament after public debate in January or February 2010), local elections will be held no later than June 1, 2010. The ruling party has also offered direct elections of the Tbilisi mayor, a request made by the opposition during the previous local elections in 2006 and later reiterated by the president. The opposition welcomed the proposal, but demanded all regional governors, city mayors, and municipal executives be elected directly rather than by local councils or appointed by the president. The Alliance for Georgia proposed direct elections, at least for self-governed city mayors, but this idea was rejected by the ruling party.

Nevertheless, Tbilisi, as the capital city and major electoral constituency, has immense weight in national politics. Here, the opposition would be able to challenge

the ruling party candidate and build up a critical base for following parliamentary and presidential elections in 2012 and 2013. The Alliance for Georgia, consisting of Georgia–Free Democrats, the Republican Party, and the New Rights Party, nominated its leader, Irakli Alasania, for mayor, and Sozar Subari, former public defender of Georgia, for city council chairman. However it is unclear whether this duo can rely on the support of other opposition parties. The proposal for holding primaries to select a single opposition candidate for the Tbilisi mayoral elections seems to have failed due to a lack of support from all major opposition parties. Likewise, Alliance for Georgia and the parliamentary Christian Democratic Movement also rejected the proposal. Without a common candidate, the chances of the opposition winning the Tbilisi mayoral race are slim.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75	

The constitution and national legislation of Georgia guarantee fundamental political, civil, and human rights, as well as provide the legal tools for the independence of the judiciary. Yet judicial independence, along with the protection of human rights, continues to be a widely discussed and controversial issue in the country. Some improvements have been reported by the government since the Rose Revolution, while opponents argue that there has been an overall backslide in these areas in recent years.

In July 2009, Parliament adopted amendments to the Law on Rallies and the Law on Police. Punishments were increased for administrative offenses, as well as allowing police to use non-lethal bullets (widely criticized by the ombudsman after their use in the riots of November 7, 2007 and May 6, 2009). These changes arose from the street protests and additionally included prohibiting the blocking of streets if the number of protesters did not require it. The amendments also increased imprisonments and fines for several administrative offenses and overall drew criticism from the opposition and civil society groups. On November 23, three activists of a pro-opposition youth group were arrested and fined GEL 500 (US$285) on the basis of the new law for standing in front of the Parliament building. The ombudsman criticized the arrest and the court's decision as a violation of freedom of assembly.[10]

In September 2009, the ombudsman Sozar Subari, who had been very critical of the government, ended his five-year term and joined the opposition Alliance for Georgia. George Tugushi, a lawyer with experience working within the OSCE and EU on human rights issues, was elected by Parliament to replace Subari. Tugushi was quoted as saying to lawmakers that the "ombudsman should be regarded as an assistant to these [state] structures in order to, on the one hand, prevent violation of human rights and laws by the state institutions and, on the other hand, help

restore violated rights of people...[The ombudsman] should not refrain from confronting those who violate human rights."[11] Although many doubted that Tugushi would dare to criticize the government, his first biannual human rights report described the human rights record in the country as "grave."[12]

The opposition and some human rights groups have claimed that political prisoners, who were arrested for political activities under the pretext of administrative or criminal offenses, exist in the country. Subsequently, the Conservative Party listed 67 political prisoners as of October 2009, and the Human Rights Center studied 8 pilot cases with alleged political motives.[13] According to the U.S. Department of State's 2008 Human Rights Report: "The public defender's office identified five political prisoners....They were convicted in connection to their participation in antigovernment rallies in November 2007. Local NGOs alleged there were political prisoners, but often could not agree on how they defined political prisoner, nor on the number of persons who qualified. The parliamentary Human Rights Committee claimed that there were no political prisoners in the country."[14]

In recent years, several measures aimed at increasing the independence of the judiciary have contributed to consecutive improvements in the system. The High Council of Justice now appoints judges and is independent from the president; it also includes a representative of the parliamentary minority. The introduction of jury trials was postponed several times, but gradual implementation is expected to start in the autumn of 2010 according to the new criminal procedure code adopted by the Parliament in October 2009. The new code contains other notable features and will come into force on October 1, 2010.

Improvements are mostly visible in the infrastructure and equipment of the courts, and financial and social guarantees for court personnel. Judicial authorities spend a considerable amount on improving the competence of candidates, believing that material guarantees and enhanced professionalism are essential prerequisites for judicial independence. The country's human rights groups acknowledge these improvements and emphasize the growing independence and professionalism of courts in civil law cases. However, they point to continuing pressure from the prosecutor's office in some criminal and administrative cases.[15]

In February 2009, the Ministry for Corrections and Legal Assistance was created, and Dimitri Shashkin, former director of the International Republican Institute, was appointed its minister (he later became Minister of Education). The goal of the ministry is to improve prison conditions, as well as the penitentiary and probation system in general, and was quickly confronted with a riot in a women's prison in April. The new leadership succeeded in putting an end to the riot without the use of excessive force. The situation in prisons is improving, notwithstanding the several instances of human rights violations mentioned by the new public defender in his biannual report.[16]

Several hundred inmates were pardoned between January and October 2009, which raised questions about the policy on pardons. Four former Ministry of Internal Affairs officers convicted in the Girgvlianis case were released under probation terms. This case of a killing involving high officials of the Ministry of

Internal Affairs became the key political issue in 2006 and was the first blow to the post-revolutionary government. President Saakashvili vowed to review the policy on pardons, as one of the pardoned inmates killed a police officer and injured two others. The official Pardon Commission, influenced by the president, can also act independently relying on other state agencies such as the prosecutor's office. In March, in a public letter to the president, the outgoing ombudsman Sozar Subari called for increasing the role of the commission, saying, "There is complete chaos in the sphere of pardoning."[17]

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00	5.00

The fight against corruption is one of the most recognized and frequently quoted success stories of the acting Georgian government. Since 2004, low-level corruption involving public services has been effectively eradicated. This became one of the most visible improvements for ordinary citizens. In June 2009, 97 percent of Georgians said they could not remember a situation where they had to pay a bribe over the past 12 months.[18] According to Transparency International's 2009 Corruption Perceptions Index, the level of corruption fell only slightly in Georgia, which was ranked 66 out of 180 countries with a score of 4.1 (3.9 in 2008).

The Georgian government pursues a liberal economic policy and continues to reduce regulations and simplify procedures for starting and doing business in the country. In its 2010 estimations, the Business Environment and Enterprise Performance Survey produced by the European Bank for Reconstruction and Development, World Bank, and International Financial Transparency International placed Georgia at 11 compared to 16 the previous year. In this regard, Georgia is the leader in the post-Soviet world. In October 2009, President Saakashvili proposed a new wave of economic liberalization. In his speech to Parliament he presented the Act on Economic Freedom, which included a compulsory referendum on tax increases, a ban on the setting of new regulatory agencies, a ban on increasing the number of licenses and permits, and setting the limits for public expenditure-to-GDP ratio at 30 percent, debt-to-GDP ratio at 60 percent, and state budget deficit at 30 percent of GDP. Later in December, the Parliament approved the corresponding amendment to the constitution in its first hearing. The parliamentary opposition criticized the amendment as a "purely populist act."[19] In October 2009, the government announced the start of the next wave of privatization aimed at selling some of the remaining state properties, likely including the *Georgian Post*.

In January 2009, the Georgian government established a new anticorruption council led by influential Justice Minister Zurab Adeishvili. So far, the council is

tasked with updating the government's anticorruption strategy and action plan signed by the president in 2005. Beyond these improvements, civil society groups and some experts point to the potential existence of elite corruption. According to them, low-level corruption has virtually disappeared due to the fact that all decisions are made on the top level where room for corruption continues to exist.[20] However, it is hard to present evidence that proves the existence of elite corruption.

The procurement system remains a problematic area in all levels of state agencies. Frequent use of direct dealing and the *force majeure* provision, as well as a lack of information about procurement competition, undermine confidence in the system. While some experts support tightening procurement rules, others argue for a more flexible and outcome-oriented approach. Problems regarding access to information also tarnish the privatization system.

Public opinion in Georgia takes a strong position against corruption, and the media is free to report on corruption issues. There have been extensive reports about arrests of low- and mid-level officials accused of corruption or abuse of office, but investigative journalism has almost disappeared in recent years (though it appeared to be reemerging and receiving more attention from the major television media in the second half of 2009). The Open Society Georgia Foundation supports a weekly investigative program on Kavkasia TV, and investigative programs appear on Maestro TV and online. In November 2009, GPB announced the start of media investigations with the new television season, but has postponed this until the following year. CRRC research showed that 75 percent of respondents would welcome investigative reports on different issues.[21]

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Hungary

by Balázs Áron Kovács and Bálint Molnár

Capital: Budapest
Population: 10.0 million
GNI/capita: US$18,210

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75
Civil Society	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75	1.75
Independent Media	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.75
Governance*	3.00	3.00	2.50	2.50	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.50	2.50
Local Democratic Governance	n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.50	2.50
Judicial Framework and Independence	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00
Corruption	3.00	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25	3.50
Democracy Score	2.13	2.13	1.96	1.96	1.96	2.00	2.14	2.14	2.29	2.39

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

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

Executive Summary

The events that most characterized Hungary in 2009 were the formation of the new government under Gordon Bajnai following the resignation of Prime Minister Ferenc Gyurcsány, and the new political landscape that emerged as the result of the European Parliament elections in June. Prime Minister Bajnai was tasked with managing the effects of the global financial crisis, which brought a crushing blow to Hungary's already weakened economy, as well as with staving off early elections. The new prime minister succeeded at the latter and, it appears, achieved what was reasonably possible in the former.

Hungary has had a minority government since 2008 with the prime minister being of the Hungarian Socialist Party (MSZP). The major opposition party is the conservative, center-right Young Democrats Alliance–Hungarian Civic Union (Fidesz), while the former junior coalition partner, Alliance of Free Democrats (SZDSZ) maintained its support for the government on key issues from the opposition. Another two parties that have representation in Parliament are the conservative Hungarian Democratic Forum (MDF) and the Christian Democratic People's Party (KDNP), which has long lost its independence and is a de facto part of Fidesz.

The June 7 elections for the European Parliament (EP) brought a landslide victory for Fidesz–KDNP. The most important result was the disappearance of the liberals and the sudden emergence of the extreme, right-wing party, Jobbik, Movement for a Better Hungary (Jobbik), which won 3 out of Hungary's 22 seats at the EP. This restructuring of Hungary's party system could have long-lasting consequences for the country's democratic project.

Hungary's democratic institutions are robust and stable despite reckless party politics and radicalization. However, the public's alienation from politics, reflected in surveys and the success of the Jobbik party, gives cause for concern. The political elite appear to be losing touch with the public and disregard the need for substantial reforms. The division between the Left and Right is growing, and the political elite have not done much to reconcile it. Reluctance to tackle substantive problems, and the practice of symbolic politics with illiberal rhetoric, still pester political life in Hungary. The country's unresolved communist legacy, including the role of secret services before transition and the management of privatization, still haunts the sociopolitical landscape.

National Democratic Governance. Contrasting trends characterized the development of Hungarian democracy in 2009. While the Gyurcsány government failed to successfully manage the crisis at the beginning of the year, the new prime minister, Gordon Bajnai, and his government may contribute to increased economic and po-

litical stability. The extreme right-wing political party Jobbik emerged as a significant actor and could be a sign of shifting preferences among voters. *Prime Minister Bajnai's government was able to stay in power despite serious difficulties. It did not resolve the country's ongoing crisis of governmental legitimacy, but was able to manage the economic crisis. Therefore, Hungary's national democratic governance rating remains at 2.50.*

Electoral Process. Hungary's electoral system ensures free and fair elections in which political parties can alternate in power at both the national and local levels. However, the January midterm elections in Budapest's IX district brought to light some of the inherent weaknesses of the system. At the same time, the European Parliament elections in June and other midterm elections were conducted without any major problems. *Hungary's electoral process rating remains at 1.75.*

Civil Society. While there are no legal obstacles to the work of civil society in Hungary, tax regulations put a significant burden on nongovernmental organizations (NGOs), and in the long run may threaten their viability and sustainability. Overall, the NGO sector is financially weak. High payroll taxes make human resource development increasingly difficult for most NGOs, while the civil segment of the nonprofit sector has been steadily losing ground to state-funded nonprofit outfits, which are established to carry out service provision in areas such as education and healthcare. An encouraging trend has been the gradual emergence of major individual donors who increasingly follow Western-type models of private giving through foundations with well-developed funding programs. The radical tendencies detectable in parts of Hungarian civil society since 2006 continued through 2009 with the openly xenophobic, anti-Semitic, and anti-Roma Magyar Gárda Egyesület (Hungarian Guard Association) continuing to operate despite a ban by the courts in July 2009. *Civil society in Hungary remains vibrant despite financial obstacles. However, owing to the continued presence of Magyar Gárda and similar extremist groups, Hungary's civil society rating remains at 1.75.*

Independent Media. Hungarian media operate within a constitutional framework that ensures freedom of speech, opinion, and information. Media outlets reflect a wide variety of views and are mostly free of blatant pressure from political or economic interests. However, the competition for two countrywide radio frequencies indicated that political pressure and influence might be increasing in the media sphere. Scandals surrounding Magyar Televízió (MTV), the public television broadcaster, and the unraveling of the frequency tender exposed the systemic weaknesses of the sector and raised serious questions about media independence and corruption. *Owing to recurring political meddling in the Hungarian media market, controversies surrounding the public broadcaster, and questionable modifications to the press law, Hungary's independent media rating worsens from 2.50 to 2.75.*

Local Democratic Governance. The local governance sphere in Hungary struggles with efficiency issues owing to over-fragmentation. Despite their legally

enshrined autonomy, local self-governments suffer from overdependence on the central government's redistribution of local taxes and other revenues. The year was dominated by the increasingly tense standoff between municipalities and the central government as a result of the decision to cut as much as HUF 120 billion (US$587 million) from the local government system. The lack of local financial sustainability, absence of broad and progressive reform, and continuing tension in impoverished regions of the country between minority and majority populations provide fertile ground for inefficient and corrupt political forces. *Owing to a lack of progress on reforming key aspects of the local governance system, mounting evidence of financial strains, and growing tensions between local and central governance, Hungary's local democratic governance rating remains at 2.50.*

Judicial Framework and Independence. The Supreme Court secured a new president in 2009 after a year of wrangling between President Lászlo Sólyom and Parliament. However, the ongoing lack of transparency and accountability in the justice system were not addressed during the year. Despite a judicial ban of the Magyar Gárda, members of the group continued to organize rallies and took on the appearance of police and military forces in an apparent attempt to position themselves as a viable alternative to local police. *Owing to the continued lack of transparency, accountability, and effective enforcement of rulings, as demonstrated by the continued presence of the Magyar Gárda, Hungary's judicial framework and independence rating worsens from 1.75 to 2.00.*

Corruption. While Hungary's institutional anticorruption framework looks impressive, implementation of related laws and regulations is patchy at best owing to the lack of human and financial resources and, primarily, political will. Prime Minister Bajnai appeared sincere in his desire to put the fight against corruption high on his reshuffled cabinet's agenda in 2009. The main result of the government's dedication was the development and subsequent passage in Parliament of an omnibus anticorruption bill late in the year, but it received strong criticism from stakeholders and expert organizations. Despite these efforts, the year was dominated by high-profile corruption scandals, with party politics and financing playing some role in almost all the cases. *Owing to numerous high-profile cases of corruption implicating top-ranking officials, Hungary's corruption rating worsens from 3.25 to 3.50.*

Outlook for 2010. General and municipal elections will be held in Hungary in the spring and autumn, respectively. All polls support the prediction of an overwhelming Fidesz victory, with the question being whether the party will be able to secure a two-thirds majority. Fidesz will need to address the country's economy, which is in serious disrepair after a decade of poor management topped by the global financial crisis. Financial questions will also impact the media sphere, where scandals surrounding the public broadcaster MTV and the frequency tender in 2009 raised serious questions about the future of media independence in Hungary.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.50	2.50

Hungary is a parliamentary democracy in which the executive power lies with the prime minister, who is elected by an absolute majority of Parliament following general elections. The prime minister bears the responsibility for governance and can only be removed, together with the entire cabinet, through the process of "constructive no-confidence," which requires a vote of no confidence combined with the nomination of a new prime minister who must secure the support of a parliamentary majority.

The top legislative organ in Hungary is the 386-member unicameral Parliament (Országgyules). The government and the ministries may pass lower-level legislation that must conform to laws in force. The president, elected by Parliament for a five-year term, has mostly representative functions as well as limited control over the nomination and appointment of public officials. The president may also refer legislation back to Parliament or the Constitutional Court before signing it into law.

The Constitutional Court has broad powers to check the decisions of the legislative and executive branches. Its members, as well as the president of the National Audit Office, the president of the Supreme Court, and the chief prosecutor are elected by Parliament, usually after reaching consensus.

Hungary's constitution and laws provide for a stable democratic system, though events in recent years have demonstrated that the country's leadership has had difficulty fully embracing democratic values and principles in practice. The mishandling of the riots of 2006 and 2007 that followed then-prime minister Gyurcsány's admission to lying during the electoral campaign, the failure of promised reforms, the crises in government since 2008, and the global economic crisis have undermined public trust in government institutions and eroded the credibility of the political elite. This has been exacerbated by entrenched statist-authoritarian attitudes as shown in a study by Progresszív Intézet.[1] According to the Pew Research Center, public approval for Hungary's change from autocracy to democracy has dropped 18 percent since 1989 and is now at only 56 percent, a score comparable to Russia's. The fact that the overall approval rating for democratization is lower than the approval ratings of almost all key democratic values is also significant.[2]

After enduring a difficult year, it appeared that Prime Minister Ferenc Gyurcsány was able to consolidate his minority government in 2009, but in March he surprised his party and the country by announcing his resignation. A search began soon after for the new prime minister candidate for the constructive vote of no confidence that eventually took place on April 14. Within a period of 2 weeks,

18 names were proposed either by the Hungarian Socialist Party (MSZP), other political parties, or the press. At the end of the process, MSZP nominated Gordon Bajnai, a former business executive and confidante of Prime Minister Gyurcsány, and with the assistance of the Liberal Alliance of Free Democrats (SZDSZ), the former coalition partner to MSZP, he was elected. While Prime Minister Bajnai initially talked of forming a government of experts, he was unable to disregard the demands of the various platforms and leaders of MSZP and ended up with a mixed cabinet of party politicians and non-partisan technocrats.

The June 7 elections for the European Parliament (EP), described by the Young Democrats Alliance-Hungarian Civic Union (Fidesz) as a large sample poll on the legitimacy of the Socialist government, highlighted the disillusionment of the Hungarian electorate. While Fidesz, as expected, won a landslide victory and MSZP lost most of its seats, the radical, right-wing Movement for a Better Hungary (Jobbik) was able to win three EP seats and was particularly successful in areas long considered Socialist strongholds. In the aftermath of the EP elections, Hungary faced a new political reality. SZDSZ was unable to win seats for any of its candidates and subsequently disintegrated, while the conservative Hungarian Democratic Forum (MDF) won a seat for Lajos Bokros, former Socialist minister of finance and well-known, neo-liberal economist. Jobbik, on the other hand, emerged as the third force in Hungarian politics following the Socialists with a small margin, apparently consolidating itself for the 2010 general elections.

Jobbik's success is due partly to its ability to thematize public discourse around the issue of security in general, and what it calls "Gypsy criminality" in particular. The Jobbik-founded Hungarian Guard (Magyar Gárda Egyesület, or Gárda), an unarmed paramilitary group known for its marches in Roma neighborhoods, was banned by the court in 2009, yet there is more to the party's success than simply playing the racist card in a time of economic hardship. In the past six years, Jobbik has grown through strategic public actions, media presence and, more importantly, a consistent critique of the democratic transition, the developments of the past two decades, and the ruling elites. The party also seems to break with the few consensual foundations of Hungarian foreign policy, that is, its European Union (EU) and Atlantic orientation. While Jobbik's pro-Iran and pro-Palestinian stance is not surprising, given the politics of earlier, radical, right-wing formations such as the Hungarian Justice and Life Party (MIEP), the strong pro-Russian commitment that party leaders emphasize is new.

While Hungarian domestic political discourse rarely ventures into foreign policy, the subject came to the forefront when, shortly after Prime Minister Gyurcsány announced his resignation, the Russian energy firm Surgutneftegaz acquired 21.4 percent of the Hungarian oil company MOL from the Austrian oil company OMV for double the market price.[3] The transaction, which alarmed the Hungarian policy community, was thought to have been part of the larger competition between Nabucco and the South Stream pipelines. The issue is of high strategic and political importance in the region and, until resolved, may contribute to instability at the national level.

Upon taking office in 2009, Prime Minister Bajnai was quickly tasked with crisis management and staving off an early election, and proved successful in both. The Hungarian government has been in a crisis of legitimacy since 2006; the coalition broke up in 2008, and the global financial crisis topped years of government mishandling of the economy and reforms. And yet, the governing Socialists, this time led by the technocrat Bajnai, managed to hold on to power until the end of their term. At the end of 2009, Prime Minister Bajnai was able to push through the 2010 budget and averted governmental bankruptcy. The prime minister did not touch any of the major redistribution systems and will leave a contracted economy to the next government, but he was able to stabilize the country's economic and financial situation by obtaining necessary loans and maintaining a strict fiscal policy.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75

Hungarian elections since transition have been assessed as free and fair. Members of Parliament are elected for four-year terms in a two-round mixed electoral system. In the first round, citizens cast their votes for candidates running in 176 single-seat constituencies and regional party lists. Only those constituencies where no single-seat candidate was able to secure a seat with an absolute majority in the first round hold a second round of elections. Another 152 candidates may win seats based on proportional representation. The remaining 58 seats are filled from the national party lists on a proportional basis. Parties must reach the 5 percent threshold to gain seats from the regional and national party lists.

Over the years, Hungary's party structure has transformed into a de facto two-party system with Socialist MSZP and center-right Fidesz dominating the political landscape. Minor parties have also made it into Parliament either independently, such as conservative MDF and liberal SZDSZ, or in tandem with a major party, like the Christian Democratic People's Party (KDNP) whose parliamentary presence depends on Fidesz.

This status quo was broken in 2009 when Fidesz-KDNP won a landslide victory in the June 7 EP elections, garnering 56.36 percent of the vote and sending 14 Members of European Parliament to Brussels. MSZP lost most of its seats but with a result of 17.37 percent was still able to fill four seats, and MDF was able to maintain its presence with 5.31 percent of the vote and one seat. While it was expected that the extreme, right-wing Jobbik party would do well, its 14.77 percent win was truly surprising and granted them three seats in the EP. At the same time, liberal SZDSZ, with its worst ever electoral result of 2.16 percent, is out of the EP.[4] Even newcomer Politics Can Be Different–Humanist Party (LMP–HP, or simply LMP) attracted more voters with 2.61 percent.

LMP also challenged the status quo among the country's mainstream political parties. Grown out of the civic sector, LMP appeared on the political scene in

2008; its leader, Andras Schiffer, is a well-known human rights lawyer. The party's ideology is based on a liberal interpretation of human rights combined with a strong environmentalist thrust and a leftist critique of capitalism. As such, LMP is probably the first Western European-style, center-left party in Hungary. LMP may be the new political force to fill the vacuum left by the disappearance of SZDSZ, a party weakened by internal strife, corruption scandals, and a questionable strategic alliance with MSZP since 1994.

The topic of downscaling the 386-member Parliament—perennial fodder in Hungarian politics—emerged at the beginning of the year when then-prime minister Gyurcsány proposed to simplify the electoral system by eliminating single-seat constituencies and introducing a one-round, national party list system in which 199 members of Parliament (MPs) would be elected. Other parties in the Parliament paid lip service to the necessity of reform and proposed their own systems, effectively killing meaningful debate on the issue. While the Hungarian electoral system ensures free and fair elections and proportional representation, it is very complex and costly. Expected changes in the party structure may open a window of opportunity for the next Parliament to settle this question.

Several midterm elections were held in Hungary during the year. In the Pécs mayoral race, the MSZP candidate, Speaker of the House Katalin Szili, was soundly defeated by Zsolt Pava of Fidesz. In the IX District of Budapest, an election was convened to fill the seat of resigned SZDSZ parliamentarian Ferenc Gegesy, which was marred by fraud committed by MDF, MIEP, and the Hungarian Social Green Party (MSZZP). The weakest link in the electoral system is the nomination slip, which is issued to individual voters at the beginning of the campaign. Candidates are required to present 750 slips in order to run, and parties are required by law to later destroy the slips and all information contained in them. However, it is common for parties to store the data and trade slips in order to support allies or weaken opponents.

Political parties are active in the country, and even though membership is low, they have a good capacity to mobilize voters. Representation of minorities, particularly Roma and women, is still unsatisfactory. In the 2006 spring elections only 40 women and 3 Roma candidates won seats in Parliament.

The president of the republic is elected by Parliament for a five-year term and can be re-elected once. In the first two rounds of the election a qualified majority is required; if it cannot be reached, a third round is held where the candidate with a simple majority is elected. The term of President Lászlo Sólyom—former president of the Constitutional Court—expires in 2010, and it remains a question whether he will be re-elected by Parliament. While the constitution limits the president to mostly ceremonial functions, Sólyom has tried to stretch these boundaries through his use of limited veto in legislation, by referring laws to the Constitutional Court, by nominating individuals for public office, and through his public activism—all with mixed results.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75	1.75

Hungarian law effectively facilitates the registration and administration of nongovernmental organizations (NGOs), and there are no legal obstacles to the work of civil society. At the same time, tax regulations place a significant burden on NGOs, and in the long run, may threaten their viability and sustainability.

According to the latest data available from the Central Statistics Office, the Hungarian civic sector consisted of 64,925 organizations, with around two-fifths of these (24,096) registered as foundations and the rest (40,829) taking various nonprofit organizational forms, such as public benefit corporations, associations, unions, and chambers.[5] The civic sector as a whole is financially weak. High payroll taxes make human resource development increasingly difficult, and international NGOs that previously considered Hungary an attractive location have been increasingly looking for other locations to avoid the high taxes and employer contributions that have made attracting and retaining talent difficult.

One of the most persistent and problematic trends has been the increasing reliance on state funding (governmental and municipal). The civil segment of the Hungarian third sector has been steadily losing ground (at least in terms of its share of overall financial resources) to state-funded nonprofits, which are established to carry out service provision in education, healthcare, and so on. Between 2000 and 2008, the share of government and municipal funds in the total income of the nonprofit sector grew from 28 to 44 percent, while the share of private donations shrunk from 16 to 11 percent.[6]

An increasingly important source of civil society funding is the annual 1 percent donation that citizens may designate from their income tax. In 2007, these donations to NGOs reached 8 billion forint (US$46 million).[7] These contributions, however, represent supplementary revenue for the majority of beneficiaries and are a dominant source of income for only a small segment of the sector. With only about half of taxpayers actually designating their 1 percent for NGOs, further publicity is needed to utilize the full capacity of the law.

An encouraging trend in Hungarian philanthropy has been the gradual emergence of major individual donors who increasingly follow Western-type models of private giving through foundations with well-developed funding programs. Among them are some of Hungary's richest, such as banking magnate Sándor Csányi, whose private foundation spends around US$800,000 a year to support educational programs for disadvantaged children, and real estate tycoon Sándor Demján, whose eponymous foundation disbursed US$5.7 million in 2008 alone for university scholarships and to assist disadvantaged children in economically depressed regions of the country.[8] These and similar initiatives may provide a model of homegrown philanthropy and, through partnerships with experienced NGOs, contribute to the long-term sustainability and independence of Hungarian civil society.

The radical tendencies detectable in parts of Hungarian civil society since 2006 continued through 2009. The openly xenophobic, anti-Semitic, and anti-Roma Hungarian Guard (Magyar Gárda Egyesület, or Magyar Gárda) remained the focal point and main outlet for political radicalism across the country. Although banned by the court, the Magyar Gárda retained its significant capacity for mobilization.

There are six major trade union alliances in Hungary in addition to other interest groups, such as vocational chambers and professional associations. Following the inauguration of the Bajnai government and the announcement of a massive austerity package to curb the country's soaring deficit, various trade unions signaled their willingness to take to the streets and cease work if the government's plans adversely affected their members. Many of these threats came to pass, and the government and citizens had to contend with a series of strikes, from railway, postal, hospital and airport workers in the second part of 2009. In April, news reports revealed that a union representing over 5,500 police employees signed a cooperation pact with Jobbik. Judit Szima, secretary general of Tettrekész Magyar Rendőrség Szakszervezete ("Ready to Act" Hungarian Police Union), signed the agreement with leaders of Jobbik and received a prominent slot on Jobbik's list of candidates for the European Parliament. The ensuing investigation by the chief prosecutor's office determined that the agreement violated the constitutional requirement of political neutrality for the armed forces and the police and called for the agreement to be terminated.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	[illegible]

Hungarian media operate within a constitutional framework that ensures freedom of speech, opinion, and information. The country's media outlets reflect a wide variety of views and are mostly free of blatant pressure from political or economic interests. The majority of outlets are controlled by private companies, many of them multinational, although a growing number are owned by Hungarian corporate interests. These include the influential Index, InfoRadio, and *Napi Gazdaság*, as well as smaller outlets like Echo TV and *Magyar Hírlap*. Despite the diverse media scene, political interference is not uncommon, although it is practiced in less direct and obvious ways than in the late 1990s. In 2009, a number of events surrounding Magyar Televízió (MTV), the public television broadcaster, and the competition for two countrywide radio frequencies indicated that political horse-trading and undue pressure are never far from the Hungarian media landscape.

While the 1996 Law on the Media introduced commercial broadcasting and broke up the state-controlled media monopoly, it has been constantly criticized for not creating the proper legislative and financial framework for the transformation of these outlets into genuine public service broadcasters. In 2009, the shortcomings of the current system came into sharp relief, raising doubts about the sustainability of

the existing model. The public MTV has functioned without an elected chairman since 2008, and the continuing deadlock in nominating and confirming a new chairman highlighted the dysfunctional nature of the oversight framework of public broadcasting. Consequently, MTV continued to operate under the leadership of caretaker vice-chairman Balázs Medveczky.

In September 2009, Medveczky decided to terminate MTV's long-running (and generally pro-MSZP/SZDSZ) morning show, *Nap-kelte*, replacing it with an internally produced program. The matter quickly evolved into a scandal with political overtones, especially in light of the immediate decision by the opposition parties (Fidesz and the Christian Democrats) to lift their self-imposed boycott of MTV's morning show, which they initiated in 2008 citing political bias in the editorial policies of *Nap-kelte*.

In October, Socialist MP György Jánosi announced that his party would push for cutting MTV's 2010 budget by as much as 25 percent. For many, this seemed like a direct response from the governing party to the *Nap-kelte* affair. In November, Parliament passed (with votes from the Socialists and the opposition MDF) the motion to cut budget support for MTV, with protests from both Fidesz and the former coalition party, the liberal SZDSZ. Following the decision, MTV appeared to be sliding toward complete disarray with daily news about planned cuts in staff and bureaus, and an impeding strike by disgruntled employees. In the final months of 2009, allegations of possible criminal conduct surrounding the move of the public broadcaster to its new headquarters earlier in the year resurfaced with fresh investigations announced by police and the prosecutor's office.

The National Television and Radio Board (ORTT), a regulatory body comprising delegates from parliamentary parties, monitors the activities and programs of public and commercial broadcasters and also grants licenses and broadcasting frequencies. As such, it is perhaps the most important regulatory actor tasked with maintaining European standards in Hungary's electronic media field. In 2009, ORTT appeared on the wrong side of the year's biggest media-related scandal with almost immediate international implications. In October, ORTT announced the results of the tender for the two countrywide commercial radio frequencies. To widespread astonishment, the two incumbents (Sláger Rádió and Danubius Rádió) lost their concessions to two newcomers awarded frequencies worth billions of forints in future ad revenue. The chairman of ORTT, former privacy ombudsman László Majtényi, openly criticized the decision that was passed by a majority of board members in a rare show of bipartisanship.

Even before the decision was announced, Majtényi publicly called for the elimination of the winners' bids on the basis of unrealistic business plans. At the same time, the ownership backgrounds of the two successful consortia—one is linked to business interests reportedly close to the governing Socialist party, the other to a business holding with links to the opposition Fidesz—have quickly led to speculations about backroom deals between the two largest parliamentary parties. This suspicion was further substantiated when the director of one of the losing consortia, Barbara Brill, told reporters that she and colleagues were approached by

individuals allegedly representing one of the main political parties and promised ORTT support for the bid in return for half of the revenues.[9]

Because some of the owners of the booted radios were Western investors, the matter quickly gained an international dimension: on November 18, nine ambassadors, among them those of the United States, Britain, Germany, Switzerland, and France, wrote an open letter decrying the lack of transparency in key business sectors in Hungary, including the media.[10] In December, the U.S. House of Representatives passed a non-binding resolution calling on Hungary to "respect the rule of law, treat foreign investors fairly, and promote a free and independent press."[11] In protest against the tender, László Majtényi, hailed as politically independent and highly principled, resigned from his position as chairman on October 29. Subsequently, he turned to the prosecutor's office and requested an investigation into the legality of the frequency tender. His resignation appeared to signal a new nadir in the history of political meddling in Hungarian media.

Late in the year, modifications to the country's press law increased the administrative hurdles for registering new print publications, as well as mandating that existing ones meet additional criteria by submitting information and documentation on layout and design components. The Hungarian Publishers' Association protested the changes, noting the negative impact on press freedom of raising market entry barriers for new publications and putting additional administrative and financial burdens on existing ones.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.50	[illegible]

Decentralization was essential to the transformation of Hungary's political system during transition. In the current, highly devolved local self-government system, 19 counties serve as the main administrative units at the regional level, while at the local level, cities and villages maintain their own elected legislative bodies and executive organs. Decentralization, however, led to a dramatic increase in the number of local political units that can elect their own representatives and executive. Hungary has approximately 3,200 municipalities, complete with mayor, council, and administration. As a result, local governance in Hungary struggles with over-fragmentation and inefficiency, and despite their legally enshrined autonomy, local self-governments suffer from overdependence on the central government's redistribution of local taxes and other revenues.

Local governance has been further complicated by successive waves of reform since the mid 1990s, some related to Hungary's EU accession and proposed distribution of EU development funds. Still, the country's 174 small regions (sub-county units) and 7 development regions (supra-county units) have created

additional levels of governance without clear jurisdiction and competences. Counties remain important political factors because of their elected assemblies and the county electoral lists in the national elections. Yet, as functional units of governance, they have little influence or jurisdiction. The capital, Budapest, presents a unique challenge to effective local governance. The city is divided into 23 districts which, with their elected assemblies and mayors, enjoy rights equal to those of other municipal self-governments. This makes citywide policy-making extremely difficult and limits the ability of the city assembly and mayor to govern effectively.

Any comprehensive reform of the system would include a drastic cut in the number of municipalities, reduction in the number of elected officials and administrative staff, abolition of the county system, and further decentralization of financing. This is difficult to implement since changing the relevant laws requires raising a two-thirds majority in Parliament, a major challenge in the polarized atmosphere of Hungarian politics. Such reform proposals would likely trigger significant pushback from the powerful "municipal lobby" found among members on both sides of the political divide.[12]

After his inauguration as prime minister in April 2009, Gordon Bajnai nominated Zoltán Varga as Minister for Local Governance and Regional Development. Despite his initial pledges to seek consensus with the opposition to spur reform, Varga conceded that the attempts were "a failure."[13] Instead, the year was dominated by an increasingly tense standoff between municipalities and the central government over the decision to cut as much as HUF 120 billion (US$587 million), or nearly 10 percent, from the local government system in the 2010 budget, part of the overall austerity package initiated by the Bajnai government to rein in Hungary's soaring deficit.

The reduction in the local business tax and its re-centralization to the Tax and Financial Control Administration, as well as a 5 percent increase in the value-added tax, have further added to the financial woes confronting municipalities. In fact, municipal financing has become the centerpiece of the dispute between the central government and municipalities. The ability of municipalities to independently distribute locally collected taxes has been steadily shrinking over the years, with local income tax returns to the municipalities falling from 40 percent in 1994 to 8 percent in 2009.

Meanwhile, the responsibilities of municipalities—including overseeing and partly financing local education, healthcare, and social services—have been growing.[14] The debate over conditionality in social assistance at the municipal level, for instance, continued in 2009. Some municipal councils formally proposed the introduction of debit-style "social cards" as a means of controlling the distribution of social aid to the needy. Yet many, including Hungary's ombudsman for minorities, Ernő Kállai, accused those supporting tougher criteria for welfare and unemployment benefits of thinly veiled racism as the vast majority of recipients belong to the country's sizeable and disadvantaged Roma minority.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	

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, the 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 jurisdiction, 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.

Parliament elects four ombudspersons to report on human rights, privacy rights, the rights of ethnic and national minorities, and the right to life and 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 reports to Parliament. Citizens have the right to turn to the ombudspersons to investigate human rights violations. The Ministry of Education employs a commissioner to protect student rights in the educational system.

Since 1990, the eleven-member Constitutional Court has shaped the legal framework of Hungary. Its members are elected by 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. Lacking an effective enforcement mechanism, however, some decisions, most notably on the representation of minorities in the legislature, have not been implemented by Parliament.

The Hungarian judiciary functions as an independent branch of power. Since the reform of 1997, it is self-governed by the 15-member National Judicial Council, whose head is the president of the Supreme Court. Nine members are elected by and from among judges; the other members are the minister of justice and law enforcement, the chief prosecutor, the chairman of the Hungarian Bar Association, and one delegate each from Parliament's judicial and finance committees. The chief prosecutor is nominated by the president of the republic and elected by Parliament.

According to law, Parliament elects the president of the Supreme Court with a two-thirds majority, based on the nomination of the head of state. In 2008, the mandate of the previous president of the Supreme Court, Zoltán Lomnici, ended. The election for his replacement became a yearlong standoff between Parliament and President Sólyom, who has worked to decrease the influence of partisan politics in institutions like the judiciary and to bring more independence to the Office of the President. After several nominations, Parliament elected Andras Baka, a former judge on the European Court of Human Rights, as Supreme Court president in June 2009.

The lack of transparency and accountability in the Hungarian justice system did not noticeably improve in 2009. The trials of policemen involved in atrocities committed during the riots of 2006 continued to drag on, hampered by difficulties in collecting evidence reportedly caused by police cover-ups.

Intolerance against religious, sexual, and ethnic minorities, especially the Roma, is strong in Hungary, although a court ban on the Magyar Gárda has given some respite to Roma living in villages and small towns. Nevertheless, Jobbik, the radical, right-wing political party behind the Magyar Gárda movement, vowed to continue its marches and recruitment rallies, arguing that the Magyar Gárda is a separate entity from the Magyar Gárda *movement* itself, which simply refers to a random group of people wearing the distinct Magyar Gárda uniform.

Indeed, throughout 2009, Magyar Gárda demonstrations continued across the country, and members increasingly took on the appearance of police and military forces, apparently attempting to position the Magyar Gárda as a viable alternative to local police (often seen as impotent in the face of petty criminality). Just days after the final ruling on the Magyar Gárda ban, police used force to disperse protestors wearing Magyar Gárda uniforms in downtown Budapest, stirring debates over legal interpretations and application of the law on peaceful demonstrations. In July 2009, the Budapest Court of Appeals confirmed the earlier ban and dissolution of the Magyar Gárda and warned members that if they continue organizing under the guise of the *movement* they will be held liable under the court's ruling. However, police forces still appeared hesitant to stop and disperse Magyar Gárda marches and public gatherings in a number of locations around the country. In late September, Magyar Gárda members surrounded the house of a Roma family in Kiskunlacháza, demanding the handover of a family member who was accused of attacking a local resident—the police defused the situation. The Magyar Gárda also continued to be a noticeable presence at various Jobbik events.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.00	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25	3.50

While Hungary's institutional anticorruption framework looks impressive, owing largely to reforms and legislative initiatives to reach EU standards, implementation of related laws and regulations is patchy at best. This is due to the lack of human and financial resources and, primarily, political will. Parliamentarians, judges, and other public officials are required to declare their assets annually, although many are suspected of transferring assets to family members to avoid full disclosure. MPs are not restricted from engaging in business activities or assuming positions at state-owned companies before or after their mandate.

Instead of a designated independent body, a number of state institutions are empowered to fight corruption. The main investigative law enforcement body is

the police, while high-level corruption and organized crime cases fall under the jurisdiction of the Central Investigation Department of the National Office of the Prosecutor. Additional institutions with enforcement authority, such as customs and tax agencies, also have separate units to combat corruption.

The State Audit Office (ÁSZ) is the supreme audit organization to monitor public spending and ensure transparency. The president and vice president of the ÁSZ are elected by Parliament for 12-year terms. Because of its long mandate and high level of independence, the ÁSZ plays a key role in anticorruption efforts. However, its recommendations are not binding and are often ignored by officials and law enforcement. The mandate of ÁSZ President Árpád Kovács expired at the end of 2009 with no apparent replacement on the horizon.

Upon taking office, Prime Minister Bajnai appeared sincere in his desire to put the fight against corruption high on his reshuffled cabinet's agenda. But amidst the worst economic crisis Hungary had experienced since the early 1990s, Bajnai was forced to sound an embarrassing retreat on one of his key appointments. Tamás Vahl, tagged by Bajnai to become minister of economy, was forced to withdraw his candidacy after the anticorruption watchdog Transparency International (TI) warned that Vahl's previous employer, the Hungarian branch of the software giant SAP, was fined HUF 690 million (US$3.4 million) by the Hungarian Competition Authority (GVH) for its participation in a price-fixing cartel.[15] Despite this inauspicious start, the prime minister reacted forcefully to developing scandals at various state- and municipal-owned companies, chief among them the Budapest Transport Company (BKV). In August 2009, the government mandated the compulsory publication of managerial salaries at these enterprises.

The main result of the government's dedication to combating corruption was the development and subsequent passage in Parliament of an omnibus anticorruption bill late in the year. The bill included four distinct components: enhanced protection for whistleblowers, creation of a stand-alone anticorruption agency (Agency for the Protection of Public Interest and Public Procurement, Közérdekvédelmi és Közbeszerzési Hivatal), and substantial modifications to the law on public procurement, including a so-called Integrity Pact to ensure greater transparency in the much-maligned public procurement process.

President Sólyom sent parts of the law to the Constitutional Court for review, specifically those related to public procurement and the new agency. There was also strong criticism from various experts and stakeholders such as TI and the Eötvös Károly Public Policy Institute. It remains to be seen how much of the law will survive and enter into force as planned on March 1, 2010, not to mention how successful its actual implementation will be only weeks before the parliamentary elections that will likely bring the current opposition party, Fidesz into power. Meanwhile, 2009 was dominated by high-profile scandals revealing the complex maze of corruption at state-owned companies and municipalities. In almost all the cases, party politics and financing played some role.

One of the year's most persistent scandals centered on BKV, which received extensive media attention for paying hundreds of millions of forints to consultant

companies, some registered offshore, that delivered mostly poor quality work. Additional scandals included excessive severance packages paid to departing managers of the deeply indebted BKV. At the end of the year, the company's director of legal affairs was arrested by undercover police for receiving HUF 10 million (approximately US$49,000) in a plastic bag in a parking garage; the same week police issued an arrest warrant for the company's IT director. BKV director István Kocsis was also at the center of numerous suspected cases of gross mismanagement or alleged corruption, although most of these were related to his previous senior positions at the Hungarian energy conglomerate MVM and the Paks Nuclear Reactor. The investigation later widened to include one of the rising figures in the Socialist party, Budapest Vice-Mayor Miklós Hagyó.

Other high-profile cases of corruption in 2009 included a land-swap deal between casino investors and a government agency in which the investors gained ownership of prime real estate in return for deliberately overpriced land originally in their possession. As a result of the investigation and subsequent prosecution, the deputy director of the National Property Management Corporation, Fülöp Benedek, was found guilty and sentenced to a five-year suspended prison sentence. Another corruption scandal involved Budapest VI district mayor György Hunwald, who was caught in a widespread real estate scheme in which municipal property was sold to offshore investors below market prices with officials pocketing the difference. Hunvald was taken into custody pending a sprawling investigation that revealed years of systemic government corruption in his district. In these and other cases at least some of the misspent state funds were channeled back to political parties, highlighting the direct link between corrupt practices in the business and political spheres.

Still, political party reform remained unresolved in 2009, despite considerable efforts by various civil society organizations (including TI) to urge parties to adopt a well-developed and civic-initiated reform package on campaign financing. This area of high-level corruption is proving to be particularly corrosive as it involves all parties in the democratically elected Parliament and leads to widespread public disillusionment with the democratic process as a whole.

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Kazakhstan

by Bhavna Dave

Capital: Astana
Population: 15.7 million
GNI/capita: US$9,720

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75
Civil Society	5.00	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50	5.75
Independent Media	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50	6.75
Governance*	5.00	5.75	6.25	6.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.50	6.75	6.75	6.75	6.75	6.75
Local Democratic Governance	n/a	n/a	n/a	n/a	6.25	6.25	6.25	6.25	6.25	6.25
Judicial Framework and Independence	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.25
Corruption	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Democracy Score	5.71	5.96	6.17	6.25	6.29	6.39	6.39	6.39	6.32	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 January 2010, Kazakhstan became the first Central Asian state and the first former Soviet republic to assume the rotating one-year chairmanship of the 56-member Organization for Security and Cooperation in Europe (OSCE). While the country's leadership hailed the honor as international recognition of Kazakhstan's rising economic status and record of promoting ethnic and religious tolerance, the government has failed in recent years to take a single convincing step toward democratic rule, political liberalization, genuine tolerance, or hospitable conditions for independent media and civil society groups.

President Nursultan Nazarbaev, who turns 70 in July 2010, is a Soviet-era politburo member who has held the top office in his country since 1989. While steering Kazakhstan toward the OSCE chairmanship, he has continued to build a strong and personalized presidential system by extending his patronage over the country's key political institutions, media outlets, the judiciary, executive bodies, and the business sector, and by offering considerable rewards to entrepreneurs, professionals, and technocrats in exchange for their loyalty and support. Any prospects for democratization have been undermined by the unchecked presidential powers granted by the 1995 constitution, subsequent amendments that confer special rights on the "first president" by removing term limits and offering immunity from prosecution, and the emergence of a one-party system under Nur Otan, which controls all seats in the Parliament. A personality cult centered on the president has only intensified since Nazarbaev, according to official results, secured 91 percent of the vote in the 2005 presidential election.

Since late 2008, Kazakhstan's economy has been struggling against the combined effects of global recession and a domestic credit crunch. Massive state bailouts over the past two years have helped the ailing banking sector—acclaimed just three years ago as one of the most dynamic in the post-Soviet sphere—to avert a collapse. The worsening economy has led to more intense competition among powerful factions within the ruling elite and stiffened their resistance to political reforms.

National Democratic Governance. Bolstered by its growing oil exports and rising prosperity over the past decade, Kazakhstan has employed a rhetoric of democratization to gain recognition from Europe and the United States, but it has failed to demonstrate its commitment in practice. Parliament is monopolized by the ruling Nur Otan party and its associated powerful financial interests, and has proven incapable of initiating any substantive amendments to reverse or limit the authoritarian presidential system. Instead, the pliant legislature has removed all term limits for the "first president," namely President Nazarbaev, and essentially

granted him the status of president for life. Moreover, the government has continued to pursue a vendetta against disaffected former members of the regime. For example, Mukhtar Ablyazov, a former minister and opposition figure who later became chairman of BTA, the country's leading bank, faced politically motivated fraud charges in 2009, and the widely respected technocrat and former state uranium company head Mukhtar Zhakishev was arrested on questionable grounds, apparently because of his personal ties to Ablyazov. *Due to this consistently poor performance, there is no improvement in Kazakhstan's rating for national democratic governance, which remains at 6.75.*

Electoral Process. Despite the understanding that the award of the OSCE chairmanship depended heavily on Kazakhstan holding genuinely competitive, free, and fair elections, in 2007 the amended election law resulted in the president's Nur Otan party capturing all seats in the lower house (Mazhilis) elections. All elected seats are filled through party-list proportional representation, and parties must cross a 7 percent electoral threshold to be represented, hindering party formation and fair contestation. An amendment passed in 2009 allows the party placing second in elections to enter Parliament even if it fails to cross the 7 percent barrier. This minor reform also makes it harder for new parties to register, and essentially paves the way for another progovernment or an "authorized" opposition party to enter Parliament and create the illusion of a multiparty system. *Therefore, Kazakhstan's rating for electoral process remains at 6.75.*

Civil Society. Kazakhstan portrays itself as a democratizing state, committed to promoting civil society and the nongovernmental sector. The removal of limits on nongovernmental organizations (NGOs) receiving state funding has primarily helped government-organized NGOs engaged in social and infrastructural development. Constitutional Council intervened in 2009 to annul amendments requiring all religious communities to reregister. Yet, existing laws place numerous restrictions on minority religious groups by labeling them "nontraditional" and "sects," and grant the authorities considerable power to monitor the activities of religious congregations, opposition groups, and independent NGOs. Also in 2009, human rights activist Evgeniy Zhovtis was sentenced to four years in prison for vehicular manslaughter after a trial that was fraught with procedural violations. *Because of this case and Kazakhstan's broader failure to heed the recommendations of the OSCE and international and domestic NGOs by lifting restrictions on civil rights and religious freedom, Kazakhstan's rating for civil society worsens from 5.50 to 5.75.*

Independent Media. Kazakhstan's media outlets are privately owned and keenly compete with one another, but they are entirely 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 yet offered significant liberalization of this law or of the criminal code, both of which contain numerous provisions that criminalize criticism of the president and leading figures

in government. Having driven a handful of surviving independent newspapers out of circulation through the levying of massive fines following libel convictions, the government has imposed new restrictions on posting content on the Internet, effectively introducing online censorship. *Because of greater Internet controls, an increase in libel suits targeting investigative journalism, and the government's failure to liberalize the Media Law in keeping with OSCE obligations, Kazakhstan's independent media rating worsens from 6.50 to 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, or akims, of all regions and districts. President Nazarbaev 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 links with 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. Therefore Kazakhstan's rating for local democratic governance remains at 6.25.*

Judicial Framework and Independence. The judiciary, which like the legislative branch operates under presidential patronage, has remained loyal to the regime and protected the interests of the state and its functionaries rather than those of individuals, minorities, and the weaker strata of society. A significant increase in funding allocated to the judiciary has led to an improvement in professional training, technical infrastructure, and wage levels to reduce corruption. Adoption of a new system of jury trials and incremental reforms to the penitentiary system denote positive changes. However, the 2009 trial of Evgeniy Zhovtis, which was marred by procedural violations and a failure to adequately consider evidence, and the ongoing legal persecution of regime opponents and critical media, have proven the inability of the judiciary to follow proper procedures and render fair and independent verdicts. *Kazakhstan's judicial framework and independence rating consequently worsens from 6.00 to 6.25.*

Corruption. Corruption is systemic and entrenched in the rentier behavior guiding the appropriation, control, and distribution of key resources by ruling elites. All 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, as well as the National Security Committee. Charges of corruption, misuse of office, or criminal activities are routinely levied against individuals engaging in open criticism of the president or the regime. The fraud charges filed against Mukhtar Ablyazov and Mukhtar Zhakishev, and the sensational (though unverified) disclosures made by former presidential son-in-law Rakhat Aliev, offer credible grounds to surmise that top officials within the regime

are as complicit in fraud and misuse of office as those being tried for corruption. Moreover, the authorities entrusted with the task of combating corruption lack credibility and a mandate to act impartially. *Therefore Kazakhstan's corruption rating remains at 6.50.*

Outlook for 2010. Kazakhstan takes on the 2010 chairmanship of the OSCE amid looming questions as to how it will bridge the divide between the democratic member states to the west and those in the former Soviet Union—many of which share Russia's view that the organization's mission should be centered on security.[1] The country's new foreign minister, Kanat Saudabaev, has intimated that Kazakhstan will work to combat security threats and advance the peace-brokering role of the OSCE, implying that its democracy-building agenda—particularly the role of the Office for Democratic Institutions and Human Rights (ODIHR) in aiding electoral transparency, media freedom, and democratic reforms—would be a lesser priority.[2]

While a few experts assess that Kazakhstan could use its close relations with Russia to encourage Moscow to strengthen the OSCE, enabling the organization to help resolve frozen conflicts in the Caucasus and engage more actively in Central Asia and Afghanistan,[3] Kazakhstan is likely to elevate security and economic cooperation at the expense of human rights and democracy. It is too late to expect the Nazarbaev regime, which has failed to initiate any serious democratizing measure since it made the bid to chair the OSCE in 2003, to implement promised reforms of the country's laws on media, elections, and public assembly. As the government struggles under close international scrutiny to manage its OSCE obligations, mitigate the effects of a dire economic and banking crisis, and organize celebrations of Nazarbaev's 70th birthday in July, the contest for power and control among key factions of the elite is likely to intensify ahead of parliamentary and presidential elections scheduled for 2011 and 2012.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.50	6.75	6.75	6.75	6.75	6.75

Kazakhstan's successful bid for the 2010 Organization for Security and Cooperation in Europe (OSCE) chairmanship was the result of a relentless campaign by the ruling establishment to raise its international profile through a mix of diplomacy, intense public-relations activities, some cosmetic reforms, and a series of pledges and promises. A crucial factor was the last-minute assurance by then foreign minister Marat Tazhin, at an OSCE meeting in Madrid in November 2007, that Kazakhstan would work toward reconciling the differences between the older and newer participating states of the organization and advance its democratization agenda. In a compromise among OSCE members, Kazakhstan was granted the chairmanship for 2010—a year later than the slot it had lobbied for.

Kazakhstan has a close relationship with Russia and is sympathetic to its criticism of the OSCE Office for Democratic Institutions and Human Rights's (ODIHR) democratization mission, which centers on facilitating free, fair, and transparent electoral contests. However, unlike Russia, which created highly unfavourable conditions that led the OSCE to decide not to monitor its elections, Kazakhstan has tried to tactically engage with the organization without substantively implementing any of its proposals for democratic reforms.

Kazakhstan's enormous oil and mineral wealth, small but well-educated population, and well-developed industrial infrastructure have proven vital assets in transforming it into a politically stable, middle-income country. The shrewd leadership of President Nursultan Nazarbaev has also played a critical role in the country's achievements. But, the president has used his position to acquire an apparently interminable tenure and extensive control over the country's natural resources, legal and political institutions, security services, and media and propaganda machinery. These tools have allowed President Nazarbaev to reward his supporters with enormous patronage and to quash all challenges to his authority.

Kazakhstan's political system consists of Soviet-era institutions and practices overlaid with some formal and cosmetic elements of the democratic model. The country assumes the OSCE chairmanship with the dubious distinction of possessing a one-party parliament and a president elected with 91 percent of the vote, both of which are reminiscent of the defunct Soviet system. Nur Otan, the ruling party, unabashedly uses propaganda, including domestic and international public-relations campaigns, to praise the president's leadership in forming a distinct "Kazakhstani way to development" and steering the country towards "prosperity, peace, and stability."[4] Nazarbaev is also hailed as the author of the constitution and the national hymn, and the chief architect, designer, and planner of the capital,

Astana. His posters, speeches, and writings (including "creative-literary works") adorn all public spaces, state offices, and educational institutions. Kazakhstan's ruling establishment has built a loose international network of foreign professionals and public figures, often without a specialized knowledge of the country, who are courted to produce favorable assessments of Kazakhstan's political, social, and economic accomplishments and potential. One example is the flattering biography of President Nazarbaev by Jonathan Aitken, a British journalist who had no prior experience with the country.[5] In the book, Aitken, a former Conservative Party government minister who served time in prison for perjury, praises President Nazarbaev for his "talent," "courage," and other personal qualities in steering Kazakhstan to a market-oriented economy. In reality, the president has remained in power and manufactured popularity thanks to his ability to combine coercion and patronage, and the Soviet-inculcated skill of balancing different socioeconomic, regional, and ethnic interests.

The Parliament has proven incapable of introducing a single amendment that demonstrates a genuine commitment to the establishment of a democratic polity; respect for human rights, civil liberties, and tolerance; or the development of civil society. Instead, its task has been reduced to formulating and passing the various laws proposed by the prime minister and cabinet. The prime minister, in turn, is entrusted with implementing the policies and guidelines set by the president, who has the sole power to appoint and dismiss him.

The Nazarbaev regime has used or sanctioned the use of a repertoire of tactics against its political opponents, including coercive control, criminal conviction, and suspicious deaths. The president has not refrained from using these methods against anyone, including family members, who dare to challenge his authority or display unacceptable political or economic ambitions. A prime example of this is the abrupt sacking in 2007 of Rakhat Aliev, the president's son-in-law and ambassador to Austria who had previously held a key position in the National Security Committee (KNB). His dismissal coincided with his wife, the president's eldest daughter, filing for divorce, and an arrest warrant that ultimately led to his trial in absentia and a 40-year prison sentence. Aliev resides in Austria and has published a damning book entitled *Godfather-in-Law* that purports to expose the numerous corrupt practices of the president and his close associates. Aliev himself is reputed to have engaged in shadowy political and financial activities in Kazakhstan, and his claims against President Nazarbaev are as untested as the charges levied against him by the Kazakhstani authorities.

The country's entrepreneurs enjoy considerable economic freedom and privileges as long as they refrain from any independent political activity and publicly pledge support for the president and the Nur Otan party. Similarly, skilled professionals, technocrats, and politicians can gain rapid career advancement if they renounce any activity that could be seen as politically oppositional. The concentration of wealth and power in the top circle of government officials has created a new class of elites who enjoy unlimited privileges and immunity as long as they play by the unwritten rules of the game.

Kazakhstan's enormous economic resources are managed by major business groups that may compete intensely among themselves but have so far remained closely entwined with the regime and exert profound political influence. They have coalesced around the broad-based platform of Nur Otan and taken control of Parliament, the ministries, and major media outlets.

Timur Kulibaev, the president's son-in-law and the apparent head of the largest financial group in the country, holds several crucial positions, serving as chairman of Kazmunaigaz, the state railway company Kazakhstan Temir Zholy, and the energy company Samruk Energo, as well as deputy chairman of the Samruk-Kazyna National Welfare Fund.[6] He and his wife Dinara Nazarbaeva, the second of the president's three daughters, were listed by *Forbes* as two of Kazakhstan's eight billionaires in 2008,although they were not featured in the 2009 list.[7] Kulibaev has not directly engaged in politics, but he is widely seen as a close associate of Prime Minister Karim Masimov, a 39-year-old technocrat who has held the office since early 2007.

The president has sweeping powers to appoint and dismiss the prime minister and dissolve the Parliament. The prime minister has little independent power to formulate policies. The president also appoints a third of the members of the Senate, nominates nine members from the Assembly of the Peoples 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 is itself appointed by the president to represent ethnic minorities.

The military and security services remain under firm control of the president, who appoints their heads and key members. The role of the KNB has drawn greater public attention since the conviction of some of its officers for the murder of opposition leader Altynbek Sarsenbaev in February 2006. There were allegations that the officers involved may have been acting at the behest of Rakhat Aliev, who then held a position in the agency. Meanwhile, Nartai Dutbaev, the head of the KNB at the time who resigned soon after Aliev's arrest warrant was issued. Dutbaev later resurfaced as deputy head of Kazatomprom, the state uranium firm, and adviser to the president on national security.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75

Kazakhstan has had regular parliamentary and presidential elections and invited international monitors to observe the polls. While delegations from the Commonwealth of Independent States (CIS) have praised Kazakhstan's elections, not one vote has been recognized by the OSCE as "free and fair" or in compliance with international standards. Despite technically qualifying as multiparty and multicandidate contests, the elections have never offered a level playing field for opposition parties and candidates.

The last parliamentary elections, held in August 2007, failed to meet a number of OSCE commitments, "in particular with regard to elements of the legal framework, and to the vote count and tabulation."[8] This shortfall, which came despite the elections' importance to the success of Kazakhstan's OSCE chairmanship bid—and to its reputation as a state committed to democratic reforms—demonstrated the tremendous resistance within the political establishment and the administrative machinery to an open, competitive, democratic system. Moreover, contrary to the expectation that at least one opposition party would be allowed parliamentary representation, the Nur Otan party captured all seats. It 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 2004 elections, the opposition Ak Zhol party had refused to accept the single seat it won, alleging electoral fraud.

Constitutional amendments introduced before the 2007 elections had virtually assured the Nur Otan victory. They increased the number of seats in the lower house from 67 to 107. Of these, 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 the 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 6-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 all of the available seats.

With a growing number of government officials joining the Nur Otan bandwagon, it has come to resemble the Soviet-era Communist Party, pushing all other factions out of the political arena. It has exploited its control over administrative resources and propaganda channels to induce state officials, media, prominent businesses, public figures, and university and school administrators to sign on to the "stability and peace" guaranteed by the party of the president. Meanwhile, the state-controlled propaganda machinery has worked to portray the weak and ineffective opposition as "lacking any positive social agenda" and threatening to undermine the country's economic achievements.

Having adopted stringent legislation that hampers party formation and fair multiparty contests (the opposition party Alga has persistently been denied registration), in 2009 Kazakhstan introduced palpably ineffective amendments to its flawed Law on Elections and Political Parties. The changes provide for the creation of a minimal two-party system by allowing the second-placed party to win representation in the parliament whether or not it crosses the 7 percent barrier. This token party will likely be a "loyal opposition" group, or simply another base of support for the president, that is authorized to compete with Nur Otan. Such a system would be no less authoritarian than the current arrangement. These minor amendments, undertaken largely in response to OSCE pressure, are unlikely to lead to any democratic change unless they proceed in conjunction with a fundamental shift in the upper tiers of the power structure.

The constitution and political system permit President Nazarbaev to be reelected for as many terms as he wishes; several constitutional amendments have conferred a special status on the country's "first president," allowing him to serve indefinitely. Subsequent presidents, however, will presumably be bound by a two-term limit. Proposals to pronounce Nazarbaev president for life and thus dispense with further presidential elections are emerging from various parts of the country in what resembles a top-down, Soviet-style mobilization of popular opinion in favor of a desired political outcome. Rendering support to such supposed calls from below, Darkhan Kaletaev, the deputy chairman of Nur Otan, has proposed introducing a law on the "leader of the nation" that would make Nazarbaev president for life.[9]

By eliminating single-mandate voting from parliamentary elections and establishing that all candidates must be elected by party list on proportional basis, the amended Law on Elections and Political Parties privileges loyalty to the party over accountability to voters. And because candidates are required to be members of parties, citizens are denied 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 9 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.

Developments over the past decade and a half amply show that the political system established under the president's leadership has become entirely personalized, grants very little real power to the country's various institutions, and lays down no effective mechanism of succession. Kazakhstan has a constitution that grants unlimited presidential powers, the Parliament is composed entirely of ruling party representatives, and the party-list voting system effectively bars rival parties and independent candidates from the legislature. These factors impede the development of formal participatory institutions and a normal competitive democratic system.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.00	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50	5.75

The four-year prison sentence imposed on Evgeniy Zhovtis, director of the International Bureau for Human Rights and Rule of Law of Kazakhstan, was a blow to civil society and NGO activists that has further tarnished the country's international reputation. A district court in the Almaty region convicted Zhovtis of manslaughter in September 2009, following an automobile accident. The trial was fraught with procedural violations, and the judge did not consider any of the mitigating evidence. While the accident was unfortunate, the authorities demonstrably acted in unison to exploit it for a desirable political objective: Zhovtis's four-year detention would prevent him from traveling abroad and participating in meetings and conferences related to democracy and civil society issues in

Kazakhstan.[10] Zhovtis had argued in international forums that offering Kazakhstan the OSCE chairmanship was unlikely to aid transparency and democratization, and that the regime was more likely to utilize the honor to enhance its international profile.

Kazakhstan credits itself with being the most open, prosperous, tolerant, and democratic country in the Central Asian region, but in practice, the policies and actions of the government are increasingly similar to those of other Central Asian states. Indeed, the country's rising prosperity, liberal economic climate, and growing engagement with the international community have failed to create a hospitable environment for the development of civil society and democracy. Instead, by hailing the achievement of the OSCE chairmanship as an affirmation of Kazakhstan's democratic commitment, the ruling elite is seeking to legitimize a patronage-based regime that is deeply fearful of and resistant to genuine democratization and civic activism.

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 curtailed in Kazakhstan, as any group of more than 20 people must secure permission from the Ministry of Internal Affairs to assemble. Citizens holding a public demonstration are required to notify the authorities 10 days in advance. NGO leaders who protested the sentence against Zhovtis were fined up to US$120 for failing to acquire permits for demonstrations.

The government uses its enormous power of patronage to target nascent NGOs and public associations for co-optation, aiming to promote its own agenda of social and infrastructural development rather than allowing the nongovernmental sector to develop independently. While progovernment NGOs are offered funds, publicity, and recognition for engaging in "constructive cooperation" with the government, independent NGOs that resist such pressures tend to be portrayed as either irresponsible, serving outside interests, or opposed to reforms and prosperity.

According to the president's official Web site (www.akorda.kz), there are about 5,000 registered NGOs in Kazakhstan, of which 1,709 are active. Most of these are quasi-governmental groups, propped up to compete with independent NGOs in obtaining grants, and fewer than 200 are able to make a positive impact. Official figures, which exaggerate the activities and contribution of the nongovernmental sector, show that it consists of about 200,000 people—roughly 40,000 full-time employees, up to 50,000 temporary employees, and over 100,000 volunteers—and that nearly two million people benefit from the sector's services.

This information seems to conflict with other official sources. For instance, the Web site of Kazakhstan's embassy in the United States claims that there are more than 25,000 nonprofit organizations in Kazakhstan, including 13,000 NGOs employing more than 550,000 people.[11] The largest share of NGOs is focused 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).[12]

As part of its effort to steer the development of the third sector, the government has created a biannual Civic Forum to forge cooperation between itself and NGOs. The stated goal of this mechanism 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.

Although an amendment in 2007 authorizes the state to fund contracts undertaken by NGOs, the process of issuing contracts is not transparent, and government officials reportedly demand kickbacks. The U.S. Agency for International Development (USAID) has been the largest single-country donor organization in Kazakhstan, providing over US$500 million in programs to assist the development of the country's economy, health care system, and democratic institutions. The increase in state funding of NGOs over the past decade has heralded a decline in international aid. The recent economic slowdown, however, may portend a reduction in state funding to many progovernment 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 that is free from governmental control.

No more than about 10 percent of NGOs are engaged in civil liberties, human rights, and minority protection issues, and the number of genuinely independent NGOs among these is extremely small. Such independent groups are subject to far greater surveillance by the KNB and the Office of the Prosecutor General.

According to the national census conducted in 2009, the second census since independence, the share of ethnic Kazakhs has increased to 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. Kazakhstan's political elites, government, and administrative structures bear a multiethnic profile. An individual's willingness and ability to operate within the regime-controlled patronage networks, rather than ethnicity per se, are crucial for acquiring a prominent public post.

A 2006 presidential decree categorizes various minority religions as "sects" or "nontraditional" groups, suggesting that they are potentially subversive or extremist in nature. The roughly 20 minority religious groups in this category include Jehovah's Witnesses, Hare Krishna devotees, and some independent Muslims whose affiliations, beliefs, or practices are at variance with the approved version of Islam.[13] Media campaigns were organized to spread fear of "nontraditional" religions and generate support for an amended Law on Religion, which would seriously restrict freedom of thought, conscience, and religion. The Hare Krishna community (Society for Krishna Consciousness), which has acquired some following among young urban residents, is still struggling to acquire acceptable land on which to rebuild its temple and farm after a court order in 2006 demolished their previous temple and relocated the farm to a less hospitable venue in the Almaty region.

Ninel Fokina of the Almaty Helsinki Committee notes that the methods employed by the government to control religious groups are not unlike those used in Uzbekistan, Turkmenistan, and Tajikistan. They include numerous 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 one of "quiet repression."[14]

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 centers are expected to work closely with the APK, chaired by the president.

Notwithstanding criticisms by domestic religious groups and various international organizations, the parliament passed amendments to the Law on Religion in late 2008 that introduced strict requirements for reregistration of all religious communities within 18 months after the law took effect. The Constitutional Council rejected the amended law in 2009. However, many human rights activists in Kazakhstan have warned that a number of its objectionable features are likely to resurface in late 2010, as Kazakhstan completes its term as OSCE chair and gears up for parliamentary elections in 2011.

While the security and intelligence services publicly portray themselves as combating 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 and the security establishment are openly calling for stringent action against religious groups operating outside the official, state-recognized structures. The Ministries of Justice and Internal Affairs together with the KNB have created special divisions to work with various religious denominations.[15]

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50	6.75

Most media outlets in Kazakhstan are privately owned and nominally independent, but in reality are regulated by the government and controlled by politically entrenched financial groups. These 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 truly independent media outlets in the country have had difficulty surviving in the traditional media market and consequently operate mainly on the Internet.

According to the 2009 Reporters Without Borders Press Freedom Index, Kazakhstan ranked 142 out of 175 countries (behind Tajikistan and Kyrgyzstan, though ahead of Uzbekistan and Turkmenistan). Its media outlets are far more diverse than those of some other countries in the region and allow some debate on the prevalent socioeconomic issues. However, the president and his inner circle remain completely above scrutiny, while parliamentary deputies and regional akims have increasingly used their positions to punish critical journalists.

Highly restrictive laws and numerous unauthorized 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. The pliant judicial system fully protects top members of the government while rendering independent and oppositionist media outlets highly vulnerable.

Existing legislation does not regulate the size of 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.

In 2009, the weeklies *Respublika* and *Taszhargan*, two of the most prominent independent newspapers publishing investigative and critical stories, were ordered to pay massive damages as a result of libel suits filed against them by senior officials. The BTA Bank of Kazakhstan had launched a court case against *Respublika* demanding US$500,000 for allegedly spreading false information about its activities. The newspaper closed down, as it was unable to pay the exorbitant fine. Meanwhile, *Taszhargan* failed to recover following various lawsuits filed against it in 2008.

Ramazan Yesergepov, editor of the *Alma-Ata Info* weekly, was seized by KNB agents from a hospital bed and detained on charges of disclosing state secrets in an article. The article had alleged that regional KNB officials had tried to influence a prosecutor and judge in a criminal tax-evasion case. Since Yesergepov's case was classified as secret, his family could not access the case file or attend hearings, and the lawyer defending him resigned without explanation. Yesergepov was sentenced in August 2009 to three years in prison.

In December, Gennady Pavluk, a prominent opposition journalist in Kyrgyzstan, died after being pushed from a sixth-floor window in Almaty with his limbs bound. While media outlets blamed Kyrgyz security forces for Pavluk's death, Kazakhstan has failed to demand that the Kyrgyz government conduct an official investigation.[16]

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 has rejected virtually all the recommendations made by NGOs, despite its pledge to introduce greater media liberalization before receiving the OSCE chairmanship. Minor amendments

to the law over the past two years were offset by the adoption of two new restrictive measures on the Internet and privacy in August 2009.[17] The changes categorized all Web sites 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 new measures essentially institutionalize a practice in which the Office of the Prosecutor General monitored blog comments and held the moderator of a site responsible for its content.

In another sign of what is effectively the censorship of the Internet, over a dozen Kazakhstani Web sites were being investigated by the authorities for a range of charges, such as publishing materials supplied by Rakhat Aliev or inciting interethnic and religious hatred. The prosecutor general has warned that printing or quoting any excerpts from Aliev's book would lead to criminal charges.[18]

Internet use has not spread as fast as one would expect in a rapidly growing economy. About 55 percent of the country could access the Internet from home in 2008, though this number has likely risen since then.[19] As Kazakhstan's urban middle class and student population increasingly turn to the Internet to obtain news, the authorities have stepped up their efforts to directly limit 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 regular instructions from the government and security services to block access to opposition Web sites and apply technical controls.

Kazakhstan baffled many observers by introducing the additional restrictions to its much-criticized Media Law just before it assumed the chairmanship of the OSCE, thereby risking fresh international criticism. One explanation is that President Nazarbaev is unwilling or unable to control the various factions vying for power and influence within the government, and that none of these groups has a strong incentive to push for democratization.

Articles adulating President Nazarbaev for Kazakhstan's multifarious accomplishments proliferate in the media. Virtually every page in the state-owned papers *Kazakhstanskaya Pravda* and *Egemen Kazakhstan* contains extracts from speeches by President Nazarbaev. 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 President Nazarbaev or quotations from his pronouncements. In this environment, the president risks becoming a hostage to his own propaganda, effectively 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

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.25	6.25	6.25	6.25	6.25	[illegible]

Notwithstanding its enormous size, Kazakhstan has a unitary administrative framework in which the central government exerts top-down control over regional and local bodies. 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. The akims at the lower administrative levels, districts and villages, report to their immediate superiors.

Members of the local legislative councils, or maslihats, are elected for five-year terms to represent their constituencies, but in practice the maslihats serve primarily 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 and attracted almost no popular or media attention, as they were completely overshadowed by the national polls.

Regional and city maslihats now have the right to refuse the president's nominee for akim, and the share of maslihat members required to oust a sitting akim has been reduced from two-thirds to one-fifth. However, given the minimal functions assigned to regional maslihats and the patronage exerted by akims, it is unlikely that the councils play any significant role in the composition of their governments.

President Nazarbaev remains resolutely opposed to holding direct elections for local and regional akims and granting local autonomy, and there is virtually no public discussion of the subject. The most prominent advocate of such reforms was Galymzhan Zhakiyanov, founder of the opposition Democratic Choice of Kazakhstan party and a popular former akim of Pavlodar, who was jailed from 2002 to 2006 on politically motivated charges. If direct elections were introduced under the current framework, 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 the district election commissions, wield enormous influence in the nomination of candidates.

The lack of financial autonomy for local bodies is also a serious limitation. 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 are allowed to 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 a regional administration can retain the collected tax payments in their budgets and not remit them to the center is influenced in part 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 a greater control over budgetary matters, mainly by extracting significant contributions from investors to various "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 and their modest fiscal autonomy does not have further institutional repercussions. The regional akims have shown no inclination to share power or revenues with the lower-level governments.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	6.25

While Kazakhstan's constitution recognizes the separation of the three branches of power and safeguards the independence of judiciary, in practice both the judiciary and the legislature remain subservient to the executive. The record of the judiciary 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 particularly tended to toe the official line when penalizing the political opposition, independent media, and civil society activists who are critical of the government.

The constitution provides an elaborate mechanism for appointing members of the Supreme Court. The president proposes nominees from among those recommended by the Supreme Judicial Council, which comprises the chairs of the Constitutional Council and of 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.

The level of formal training and professionalism has improved significantly as a result of steady increases in state funding. Kazakhstan established a Judicial Academy in 2004 with help from the OSCE/ODIHR, yet, the quality of training remains substandard. The legal profession is perceived to be among the most prestigious, which has led to a disproportionate number of lawyers, but their quality remains uneven.

Under a judicial mentorship program launched by USAID, senior judges serve as mentors to young protégés, guiding them in making difficult legal and moral decisions while gaining exposure to fresh ideas and new thinking. Another

innovation financed by USAID is the introduction of the latest video-recording technology for transcribing court proceedings.

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 several small and medium offenses, bribery is seen as an effective means of achieving the desired verdict. It is also widely understood that it is almost impossible to become a judge without giving bribes to various officials and court administrators.

A survey by the Association of Sociologists and Political Scientists noted that bribe taking was most rampant among judges, with an average bribe costing US$2,092, more than in any of four other spheres: property acquisition, housing, employment or promotion in the state sector, and military service.[20]

The country's courts often intervene to ban media outlets that are critical of the president or the political establishment. The Zhovtis trial confirmed a long-established tradition in which the judiciary's verdicts align with the state's interests. The court did not take into consideration several relevant factors, such as the circumstances in which the accident occurred, and the fact that the victim's family did not file a case and chose to forgive Zhovtis after he offered apologies and paid for expenses. 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]

Kazakhstan began holding jury trials in 2007, adopting the continental or Franco-German model in which two professional judges and nine jurors take part in the final decision-making process. The jury of nine is selected by local authorities from a list of eligible persons, but no credible mechanisms exist to balance language, gender, and ethnic criteria. The number of jury trials is still limited, as the mechanism is restricted to cases involving the death penalty or life imprisonment. If conducted properly, jury trials even in such a limited form could play a vital role in reducing graft and corruption, decreasing the waiting period for cases, and helping to establish judicial independence, transparency, and accountability in a system where citizens tend to distrust the courts. However, there has not yet been a comprehensive review of the impact of jury trials on the administration of justice.

The OSCE is working to reform the penitentiary system and other aspects of criminal justice. The structure of the prison system in Kazakhstan has remained largely unchanged since Soviet times. 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. 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, this reform can have a significant effect in criminal law only if the Office of the Prosecutor General and the judiciary are mutually independent, which is not the case in Kazakhstan.

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 he has only limited authority to monitor the government's observance of human rights and is officially barred from any "interference with the work of either the police or the judicial system." As a presidential appointee, the ombudsman lacks an impartial image and the support of civil society and human rights activists.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50

Corruption in Kazakhstan is systemic and difficult to prove as it is embedded in the rentier mentality of ruling elites who use their official positions to appropriate, control and distribute key resources for personal gain. The criminalization of investigative journalism, the absence of a genuinely independent anticorruption body, and an overall lack of transparency make it impossible to publicly identify the misuse of state resources by top officials. The scarcity of information on the privatization of major state assets, the issue of tenders, the finalization of major financial deals, and government figures' personal assets all point to the blurred lines between public office and private wealth.

Ordinary citizens, journalists, and civil society activists face criminal charges if they attempt to draw public attention to the ostentatious lifestyles and accumulated wealth of state officials, civil servants, members of the judiciary, and local leaders. This 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 a normal and integral aspect of the local culture and social structure, and that it is not properly understood by foreign policymakers and advisers.

Charges of corruption and abuse of office tend to be leveled against govern-ment officials or political figures only after they enter into a personal or political rivalry with more powerful elites or challenge President Nazarbaev's authority. The political motivations behind such cases were described in detail by Rakhat Aliev in his book. While the veracity of his allegations remains suspect, there is little doubt that Aliev was privy to sensitive information during his time as a regime insider. He has threatened to reveal new information about the "Kazakhgate" case, for which the American businessman James Giffen is being investigated in a New York court for allegedly passing US$80 million from U.S. oil companies to President Nazarbaev and other top officials in exchange for lucrative contracts in Kazakhstan. Proceedings in the case have been delayed for a variety of reasons and are expected to resume in mid-2010.

Two recent, high-profile corruption cases—the multimillion-dollar fraud charges levied against the former BTA management led by Mukhtar Ablyazov, and the related case against former Kazatomprom head Mukhtar Zhakishev—have a clear political overtone. BTA Bank suffered huge losses amid the global financial crisis, leading the state to acquire a majority stake in early 2009. In August, the company's new state-controlled management commenced legal proceedings in the High Court in London, where Ablyazov and his associates had fled, accusing them of defrauding the bank of close to US$300 million through a series of questionable agreements. The London court granted an injunction freezing the assets of Ablyazov and his associates as the case proceeded.[22]

Ablyazov, who served jail time in 2002 and 2003 after cofounding the opposition Democratic Choice of Kazakhstan party, has maintained that he and his associates acted in accordance with the law and with the knowledge of the government, and that the global financial crisis had served as a pretext for the state to take over the company. Moreover, he has accused the president of personally extracting a share from all key business ventures and establishing private control over the country's strategic resources.

Zhakishev was arrested in May 2009 on charges of fraud worth US$690,000. He was accused of establishing his own subsidiary companies in Austria using state resources and illegally selling uranium assets. The case linked him to Rakhat Aliev, who served as ambassador to Austria at the time. Zhakishev contends that his transactions were legal and approved by the government, and that the president directly controlled the uranium industry, meaning no deposit could be sold without his knowledge. There is a widespread perception that Zhakishev, who shares a close friendship with Ablyazov, was targeted in an effort to extract information about Ablyazov's assets, and that he could be released if he agrees to cooperate.

By late 2009, a dozen senior managers affiliated with BTA had received prison sentences ranging from two to eight years, though the veracity of the charges and the evidence presented in court remained doubtful.[23] A number of other professionals who were either connected to Ablyazov and the BTA management or suspected of involvement with them have reportedly avoided arrest by offering huge bribes to the prosecutor general and the financial police.

The Ministry of Internal Affairs, the KNB, and the tax and financial police are the main bodies tasked with combating corruption. In the present climate, the anticorruption drive has become a political and economic tool that allows the officials involved to accrue special power and influence and extort bribes. 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."[24]

Kazakhstan was ranked 120 out of 180 countries surveyed in Transparency International's 2009 Corruption Perceptions Index (CPI), up slightly from 145 out of 180 the previous year. Similarly, its score improved from 2.2 in 2008 to 2.7 in 2009. Any score below 5.0 denotes a serious corruption problem, but Kazakhstan performs better on the index than Russia and the other Central Asian states.

The CPI defines corruption as the abuse of public office for private gain and measures the degree to which corruption is perceived to exist among a country's public officials and politicians. In reality, Kazakhstan's improved ranking does not necessarily indicate a substantive change. The CPI has numerous limitations, including the lack of any defined criteria to account for a system in which top government officials enjoy virtual immunity unless they break implicit rules against engaging in activities that undermine the authority of the president and his immediate circle. In addition, the ranking is not linked to specific actions. A marginal improvement, as in the case of Kazakhstan, can be portrayed by the ruling authorities as evidence of the effectiveness of its anticorruption measures.

Kazakhstan endorsed the Extractive Industries Transparency Initiative (EITI) in 2005. However, it needs to complete the validation process by March 2010, which requires not only government initiative and the participation of oil companies, but monitoring and oversight by NGOs and civil society. 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's increased spending on public construction projects and bank bailouts raises questions about efficiency and transparency, and no institutions or structures currently exist to guarantee these qualities. The parliament has no authority to conduct an audit of oil revenues or determine how and under what conditions the funds are to be used.

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Kosovo

by Ilir Deda

Capital: Pristina
Population: 1.8 million
GNI/capita: n/a

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia			Kosovo						
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.75	3.75	3.75	5.25	4.75	4.75	4.75	4.50	4.50	4.25
Civil Society	4.00	3.00	2.75	4.25	4.00	4.25	4.25	4.00	4.00	3.75
Independent Media	4.50	3.50	3.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Governance*	5.25	4.25	4.25	6.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.50	5.25	5.50
Local Democratic Governance	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.25	5.00
Judicial Framework and Independence	5.50	4.25	4.25	6.00	5.75	5.75	5.75	5.75	5.75	5.75
Corruption	6.25	5.25	5.00	6.00	6.00	6.00	6.00	5.75	5.75	5.75
Democracy Score	5.04	4.00	3.88	5.50	5.32	5.36	5.36	5.21	5.11	5.07

* *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.*

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

Executive Summary

Kosovo continued to maintain internal stability and pursue international recognition in 2009. The number of countries recognizing its independence rose to 64 during the year, with the pace slowing due to proceedings on the issue at the International Court of Justice (ICJ), which began on December 1. Thirty states, including Kosovo, participated in the hearings at the court. The ICJ is expected to issue its advisory opinion in the first half of 2010. Meanwhile, in June 2009, Kosovo became a member of the International Monetary Fund and the World Bank.

The country's greatest achievement in 2009 was the implementation of decentralization, which was legitimized by sizeable Kosovo Serb participation in local elections in November and December, despite the strong objections of Belgrade. The elections—the first to be organized by Kosovo institutions—were mostly successful, although some violations were reported. While the effective recognition of newly created municipalities by Serb voters diminished the prospects for the partition of Kosovo, the northern part of the country remained beyond the control of Kosovo authorities.

The process of building and strengthening Kosovo's state institutions continued, but without considerable success. There has not been an improvement in the rule of law, though the Constitutional Court became functional in mid-2009, and the new European Union Rule of Law Mission (EULEX) reached full capacity in the areas of police services, customs, and the judiciary. The NATO-led Kosovo Force (KFOR), which was responsible for overall security, began winding down, as did the UN Mission in Kosovo (UNMIK).

Negative trends were noted with respect to restrictions on freedom of speech and rising corruption; the government tightened its grip on the public broadcaster and independent media, the appointment of senior public servants became increasingly subject to political interference, and the state's role in the economy grew dramatically.

The international presence in Kosovo has not used its leverage over the domestic authorities to reverse the negative trends in governance. Instead, it has focused on implementation of the main provisions of the Comprehensive Status Proposal (CSP) and started plans for its further reconfiguration.

National Democratic Governance. Negative governance trends were noted for most of 2009, especially regarding restrictions on freedom of speech and the government's dominant role in the economy. The consolidation of state institutions deepened divisions along the Ibar River, with the Serb-dominated territory to the north continuing to reject any direct cooperation with the authorities in Pristina.

Meanwhile, Serbs in the rest of the country worked with the central government and began slowly integrating with the rest of the state. The international missions proceeded with their reconfiguration, with EULEX reaching full operational capacity in April, UNMIK and KFOR downsizing significantly, and the International Civilian Office focusing on implementation of the CSP. *Due to the government's worsening practices in 2009, Kosovo's national democratic governance rating worsens from 5.25 to 5.50.*

Electoral Process. The municipal elections held in November and December were the first elections to be managed by Kosovo's Central Election Commission. Political parties representing Kosovo's various ethnic groups were certified to participate. Some 45 percent of the 1.5 million eligible voters took part in the first round, and apart from those in northern Kosovo, Serb residents turned out in unexpectedly large numbers. Overall, Serb participation was about 10 times higher than in 2007. Over 22,000 local and international observers were registered to monitor the voting, which they deemed mostly free and fair. Political parties challenged some of the initial results, marking the first use of institutions such as the Supreme Court of Kosovo and the Constitutional Court for that purpose. Independent electoral institutions, such as the Election Complaints and Appeals Commission, took steps to ensure the integrity of the elections by annulling the runoff results in three municipalities amid evidence of fraud, and rescheduling them for early 2010. *In light of these positive developments, Kosovo's electoral process rating improves from 4.50 to 4.25.*

Civil Society. The civil society sector continued to develop in 2009 amid an ongoing proliferation of nongovernmental organizations (NGOs). These groups often struggled to develop their own agendas, secure stable funding, and fulfill their strategic visions. Moreover, they remained dependent on foreign donors, many of whom have their own priorities and are unwilling to consider and support local initiatives. However, despite these weaknesses, Kosovo's NGOs have increased their activities beyond the capital and are much more vigorous in their monitoring and criticism of the government. *As a result, Kosovo's civil society rating improves from 4.00 to 3.75.*

Independent Media. The sharp restrictions on freedom of press and freedom of expression in 2009, including government pressure on both public and private media, was met with open criticism by various international organizations. The International Steering Group, the European Commission, Reporters Without Borders, and the European Broadcasting Union all noted the problems and called for an improvement in this area. Among other flawed practices, the government continued to use state advertising allocations to favor outlets close to the ruling party. *Because of these ongoing abuses, Kosovo's independent media rating remains at 5.50.*

Local Democratic Governance. Kosovo's local democratic governance improved in 2009. The number of municipalities increased to 36 after the local elections, with 2 more to be established in the spring of 2010. Serb municipalities in northern Kosovo have continued to function separately, but Serb residents in the south appeared to place some trust in the new Serb-majority municipalities created by Pristina. The Ministry of Local Government Administration found that the majority of municipalities complied with the Law on Local Self-Government. However, the development capacities of the municipalities remained weak. By June 2009, local governments had spent only 28 percent of funds earmarked for capital investment. *Due to the overall improvement in municipal administration and representation, Kosovo's local democratic governance rating improves from 5.25 to 5.00.*

Judicial Framework and Independence. The justice system, Kosovo's weakest institutional pillar, remains inefficient and vulnerable to political interference. There is a considerable backlog of cases, and coordination between the judiciary, prosecutors, and the police is inadequate. The rule of law suffers from the prosecutorial service's structural problems and lack of independence. Both judges and prosecutors are subject to pressure and intimidation. EULEX's presence has not yet resulted in improvements in these areas. *Given this lack of progress, Kosovo's judicial framework and independence rating remains at 5.75.*

Corruption. The apparent level of corruption in Kosovo rose in 2009, partly due to better monitoring mechanisms. The implementation of a public procurement law that was not in line with EU standards raised serious concerns, as did rapid increases in single-source tendering and the overall value of public procurement contracts. The Office of the Auditor General found gross mismanagement of the Kosovo budget, and complained that there was no political will to address these shortcomings. Meanwhile, the Kosovo Anticorruption Agency (AKK) signed memorandums of understanding to improve cooperation with the Independent Judicial and Prosecutorial Commission and other local and international agencies. The number of corruption cases reported to the AKK rose significantly in 2009. *Given the new indications of corruption and the absence of significant progress in combating it, Kosovo's corruption rating remains at 5.75.*

Outlook for 2010. Kosovo will face challenges in both international and domestic areas in 2010. Internationally, the advisory opinion of the ICJ may directly affect further recognition of Kosovo's independence and the legitimacy of the state. Internally, concrete steps must be taken to fight corruption, ensure transparent privatization of profitable public companies, and end government pressure on public and private media. Furthermore, Kosovo's governing coalition may collapse, which could in turn lead to national elections in the autumn.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			n/a	5.75	5.75	5.75	5.50	5.25	5.50

State-building efforts were the main focus of both Kosovo institutions and the international missions in 2009. Although the new European Union Rule of Law Mission (EULEX) began operating at full capacity during the year, older international bodies, including the Kosovo Force and the UN mission in Kosovo (UNMIK), significantly reduced their activities as Kosovo authorities shouldered most government responsibilities. Serb minority communities south of the Ibar River slowly improved their integration with state institutions, while the Serb-dominated areas north of the river remained a separate entity with no direct ties to Pristina.

The decision-making process is centralized in the prime minister's office, which hampers the role of the ministries. Furthermore, the Law on Government was not adopted by the Assembly during the year, meaning the government continued to function on the basis of the inherited UNMIK format. Similarly, the majority of recommendations produced by a functional review of the ministries—aimed at streamlining the system and improving the administrative capacities of the government—have not been implemented.

Other reform laws that have yet to be adopted would address the civil service, public-sector salaries, and the organization of public institutions. As noted in the European Union (EU) progress report released in October 2009, these laws would provide a crucial foundation for the independence of the civil service. Under the current system, there is no clear distinction between civil servants and political appointees.

Although the EU has pressed the government to establish a professional, accountable, accessible, and representative public administration, political interference in the appointments of senior officials continued in 2009. This includes the top civil-service posts within ministries, the Ombudsperson Institution, the University of Pristina, the Constitutional Court, and the boards and staff at publicly owned enterprises such as Post-Telecom of Kosovo (PTK) and the International Airport of Pristina. For example, in violation of the previous hiring freeze at the company and without any public vacancy notice, 800 new employees were placed at PTK during 2009. Most of the new employees are loyal to Prime Minister Hashim Thaçi's Democratic Party of Kosovo (PDK). A small portion are members of President Fatmir Sejdiu's Democratic League of Kosovo (LDK). These nontransparent hiring and appointment practices represent a growing culture of clientelism that has led to the creation of dysfunctional institutions staffed by unskilled and unprofessional public servants. The most drastic case of government

interference was the selection of officials to serve in key Kosovo Police directorates dedicated to fighting crime, human trafficking, and the illegal drug trade, raising doubts about the leadership's commitment to combating organized crime and corruption.

Shortly after the first round of local elections on November 15, the PDK announced that it was planning to reorganize its governing coalition by replacing the LDK with the New Kosovo Alliance (AKR) and the Democratic League of Dardania (LDD). AKR leader Behgjet Pacolli would become the new president of Kosovo under the plan, and LDD leader Nexhat Daci would be the new Assembly speaker. The move was announced on the evening of November 19 via the public broadcaster, Radio and Television of Kosovo (RTK). The LDK deputy prime minister confirmed the information publicly, while senior PDK official Hajredin Kuçi stated that the LDK had violated the coalition agreement and the PDK was aiming to "reformat" the government. In the midst of this upheaval, both the AKR and the LDD announced that they had not been informed about the plan and rejected the PDK's proposed reconfiguration. The LDD said it would not support the PDK, while the AKR called for the creation of a "technocratic government."

U.S. Ambassador Chris Dell and the head of the International Civilians Office (ICO), Pieter Feith, said that as long as the constitution was respected, they would not interfere in this process. However, the constitution presented an obstacle to the proposed replacement of the president, allowing the move only if the incumbent is terminally ill, under investigation for a serious crime, or determined by the Constitutional Court to have violated the charter. On November 20, both the PDK and the LDK issued statements to confirm that their coalition would continue to rule, and the PDK ultimately backtracked and claimed that all misunderstandings within the coalition had been resolved.

Behind the disorderly affair was the PDK's dissatisfaction with the LDK's cooperation with former prime minister Ramush Haradinaj's Alliance for the Future of Kosovo (AAK) for the second round of municipal elections. Prime Minister Thaçi apparently hoped that by threatening to oust the smaller party from the government, he could force it to withdraw from its local pacts with the AAK. Instead he faced a reenergized LDK whose popular support had increased in the municipal elections. Although the two partners preserved their coalition after replacing individual ministers, the incident raised the possibility of early parliamentary elections in 2010.

Throughout the year, civil society groups accused the Assembly of failing to fulfill its oversight role and allowing itself to be controlled by the government. Moreover, the embassies of the United States and Western European countries intervened to prevent the chamber from discussing controversial incidents in northern Mitrovica; the broader situation in Serb-dominated northern Kosovo; and a protocol between EULEX and Serbia on police cooperation. The debate was quashed due to fears that it could raise tensions in the country, but the move added to the Assembly's poor reputation as a body where issues of public concern are not discussed and political accountability is lacking.

To help increase its oversight capacities, the Assembly established committees responsible for intelligence matters, the Kosovo Security Force, and monitoring of public finances. The last of the three was formed with the help of civil society, and both it and the intelligence panel are led by opposition parties. In general, the Assembly's cooperation with civil society has increased, but dialogue between the two remains insufficient.

The Assembly's annual work plan has been in line with the government's legislative strategy. As of late November, the Assembly had adopted 27 laws, with another 33 on their way to adoption. According to the EU progress report, the Assembly has successfully streamlined its working procedures, carried out its budget approval responsibilities, intervened to safeguard the funding allocated to institutions, and reviewed reports on expenditures. However, the chamber continued to suffer from weaknesses in its capacity to scrutinize legislation, monitor its implementation, oversee government activities, and operate administratively robust committees.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			5.25	4.75	4.75	4.75	4.50	4.50	[illegible]

The 2009 local elections, which entailed voting in 36 municipalities, were deemed free, fair, and in line with international standards by both domestic and international observers. The polls were the first to be organized by Kosovo's Central Election Commission (CEC), although the commission was dependent on international assistance for the preparations. The two main organizations aiding the CEC were the Organization for Security and Cooperation in Europe (OSCE) Mission in Kosovo, which provided technical advice, and the International Foundation for Electoral Systems (IFES), which provided assistance with vote tabulation, a voter-information campaign, and the creation of mobile voting stations in the three, northern, Serb-majority municipalities.

The main observer networks involved in the process were the Kosovo Civil Society Network, Democracy in Action, the European Network of Election Monitoring Organization (ENEMO), and the EU Election Expert Mission (EU EEM).

Of the 74 political organizations certified to participate in the elections, 34 were Kosovo Albanian; 22 Kosovo Serb; 7 Bosniak; 4 Turkish; 4 Romany, Ashkali, and Egyptian; 2 Montenegrin; and 1 Gorani. The 45 percent voter turnout in the first round was 5 percent higher than in 2007. The voter list contained several hundred thousand Kosovo Albanians living abroad, and over 100,000 Kosovo Serb refugees in Serbia. Apart from northern Kosovo, the Serb community participated in unexpectedly large numbers; roughly 10,000 out of approximately 80,000 Serb voters turned out, about 10 times the participation rate from 2007. Among Serb-majority municipalities, the turnout was 24 percent in Gračanica; 14 percent in

Ranilug; 25 percent in Kllokot; 31 percent in Štrpce; and 26 percent in Novo Brdo. The Kosovo Serb Independent Liberal Party (SLS) won the mayoralties of Gračanica and Kllokot outright, and its candidate was elected in the December 13 runoff in Štrpce, with half of the Serb voters in the municipality participating. An independent won the mayor's race in Ranilug. In Novo Brdo, the LDK won the mayoral post, as the Serb majority did not participate in large numbers due to pressure and intimidation by the parallel institutions loyal to Belgrade.

The PDK won in 14 municipalities, and the AAK and LDK each won in 7. In terms of the national vote, the PDK won 32 percent (down from 34 percent in 2007), the LDK 25 percent (23 percent in 2007), the AAK 15 percent (10 percent in 2007), the AKR 9 percent (13 percent in 2007), and the LDD 6 percent (10 percent in 2007). The PDK, LDK, and AAK all increased their absolute number of votes, while the AKR and LDD lost supporters.

Mayoral races in 21 municipalities were decided in the runoff elections on December 13. The runoff results in three municipalities—Prizren, Lipjan, and Gjilan—were annulled by the Election Complaints and Appeals Commission (ECAC). The CEC consequently scheduled repeat runoff votes in Prizren and Lipjan for January 31, 2010, but decided to recount the votes for Gjilan in early 2010 rather than holding a repeat vote as recommended by the ECAC. That raised suspicions of political pressure on the CEC. Nevertheless, the process marked the first time in Kosovo's post-1999 history that independent institutions, namely the ECAC, had taken such remedial measures to ensure free and fair elections. Moreover, political parties addressed their concerns through the courts, which had not been done in the past. These mechanisms served to bolster public confidence in both the electoral process and the institutions responsible for its management.

The votes in 23 out of 2,256 individual polling stations nationwide were annulled. The CEC did not organize repeat elections in those polling stations, and prosecutors did not take any measures against the local electoral officials who signed the forms verifying the problematic results. There were around 50,000 spoiled ballots out of approximately 710,000 cast, the highest number of spoiled ballots since the first elections were held in 2000.

ENEMO gave positive assessments of voting in 93 percent of the polling stations it visited in the first round, and 96 percent of those it visited in the runoff. However, among other procedural problems, it noted lax safeguards against multiple or proxy voting in a small minority of stations; cases of group or family voting were observed in over a third of visited stations in the first round and over a quarter of visited stations in the runoff. ENEMO generally praised the vote counting and tabulation process, and noted that many of the problems observed in the first round were avoided in the runoff. All but one of the visited polling stations was assessed positively in the runoff. The organization noted that while 3 percent of the first-round mayoral ballots in the visited stations were deemed invalid, the figure for municipal assembly ballots was 11 percent, possibly due to voter confusion over a new voting technique.[1]

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			4.25	4.00	4.25	4.25	4.00	4.00	3.75

While Kosovo's nongovernmental organization (NGO) sector remains structurally weak and dependent on foreign donors, it continued to develop in 2009, with individual organizations establishing clear identities and stepping up their activities outside the capital.

In the ethnically divided city of Mitrovica, the local Kosovo Albanian and Serb NGOs created a joint anticrime network, pledging to carry out both separate and joint activities focused on the rule of law. Mitrovica NGOs, especially Community Building Mitrovica (CBM), were also instrumental in interethnic mediation to decrease tensions between the communities during the spring. Local NGOs increased their monitoring of the municipal assemblies in Mitrovica, Vushtrri, Peja, Ferizaj, and other cities, and assessed the transparency of local government decisions.

There were several occasions on which NGOs united around common causes. In early 2009, a joint advocacy campaign was organized to push for the revision of the draft Law on Freedom of Association and Nongovernmental Organizations, aspects of which were seen as restrictive. After successful lobbying, the contested articles were removed from the draft, which was adopted in February. The final legislation was deemed to be in accordance with the constitution and best international practices.

In May and June, civil society organizations, individuals, and activists voiced concerns about threats to freedom of speech, including a series of direct threats issued against the Balkans Investigative Reporting Network (BIRN) and its director, Jeta Xharra. NGOs also objected to government interference in the selection of board members for the public broadcaster RTK.

In September, civil society organizations led by the radical, pro-independence group Vetevendosje (Self-Determination) staged a protest against the signature of a protocol between EULEX and Serbia, gathering a few hundred demonstrators. The relatively small turnout represented a significant blow to Vetevendosje's claims to be the only civil society organization capable of amassing a large number of protesters. It came on the heels of an August incident in which a few dozen of the group's activists vandalized EULEX vehicles in downtown Pristina; 21 of the activists were detained and sentenced to 30 days in jail.

Democracy in Action, a coalition of 11 Kosovo NGOs dedicated to voter education and promoting participation in the electoral process, monitored the municipal elections in November and December. However, the group was criticized for failing to monitor all polling stations and for collecting incomplete information which reduced its ability to prevent electoral fraud. Meanwhile, Vetevendosje campaigned against participation in the elections and the creation of new Serb-majority municipalities.

Civil society groups have continued to monitor central government institutions, focusing mostly on the Assembly. While there has been a positive trend of cooperation between the Assembly and civil society, local NGOs often lack the capacity to help write legislation and scrutinize draft laws.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			5.50	5.50	5.50	5.50	5.50	5.50	[illegible]

Media freedom suffered in 2009 due to government pressure on both public and private outlets, and various international organizations openly criticized the trend. The International Steering Group on Kosovo, a bloc of countries that have recognized Kosovo's independence and provide guidance to the ICO, stated in June 2009 that "freedom of expression and independent media acting within the law are indispensable elements in a democracy" and urged the government and other actors "to do their utmost to promote and strengthen freedom of expression in Kosovo."[2]

The annual European Commission progress report on Kosovo stated that "the independence and impartiality of the publicly-owned Radio and Television of Kosovo (RTK) are not fully ensured," and that the law governing RTK "is still not being adequately implemented."[3] The commission criticized the government for allowing the deputy prime minister, a PDK member, to serve in the Assembly committee responsible for selecting RTK's board, which violated the Assembly's rules of procedure. The RTK board was appointed in late October, but it has not reduced the government's control over the broadcaster. The EU report concluded that freedom of expression in Kosovo is not fully guaranteed, and that cases of political intimidation call for more robust safeguards by the Kosovo authorities.[4]

Reporters Without Borders lowered Kosovo's ranking in the 2009 Press Freedom Index from 58 in 2008, to 75.[5] In its *World Report*, the organization states that some of the eight national dailies owned by the private sector in Kosovo "are linked to political parties or financial groups that develop in their sphere of influence." It adds that the lack of foreign investment in the media sector allows such groups to "regularly practice 'blackmail through advertising,' in which they exchange their financial backing for advantageous media coverage."[6]

The government has continued to distribute advertising purchases disproportionately, favoring friendly print outlets. The progovernment dailies *Infopress*, *Express*, and *Epoka e Re*, whose readers represent 11 percent of the market, receive 51 percent of the state's total paid ads. Meanwhile, the independent *Koha Ditore*, whose readership is 38 percent, receives only 9 percent of paid ads from public institutions.

In late May and early June, the PDK-aligned *Infopress* published death threats aimed at BIRN director Jeta Xharra. The apparent cause for this campaign was BIRN's show on freedom of speech in Kosovo, and a short video piece featuring

threats against BIRN journalists in the municipality of Skenderaj in the Drenica valley, the heartland of the PDK. For almost two weeks, *Infopress* conducted interviews and published articles and opinions full of threats and intimidation. The newspaper abruptly ended its campaign after sufficient pressure was applied to the PDK and the government by the international community. The government's attempts to bar BIRN from RTK also failed, largely due to the interventions from foreign embassies.

In October, the director general of the European Broadcasting Union (EBU), Jean Réveillon, sent an open letter to Prime Minister Thaçi, urging him to rethink the government's pressure on RTK and restore the independence of the public broadcaster.[7] The EBU argued that political influence had transformed RTK from a balanced supplier of news into a media arm of the PDK and the prime minister. Prime Minister Thaçi responded with a letter in which he restated the government's commitment to independent media, and invited the EBU to increase its support for RTK and provide further training.[8]

The Press Council of Kosovo (PCK) and the Association of Professional Journalists of Kosovo (APJK) participated in public debates with a focus on cases of political interference in the work of the media. Nevertheless, these organizations and the Independent Media Commission (IMC) have failed to speak out against the diminishing freedom of expression in Kosovo. While the PCK is seeking ways to strengthen and enlarge the involvement of Kosovo's press editors, most of the APJK board is close to the PDK.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			n/a	5.50	5.50	5.50	5.50	5.25	5.00

The local elections held in November and December marked the creation of three new Serb-majority municipalities and the expansion of a fourth. An additional two Serb municipalities—North Mitrovica and Partes—were due to be established in the spring of 2010. Despite these accommodations, some Serb municipalities in northern Kosovo continued to function separately under Belgrade's rule, deepening the divide along the Ibar River.

The Ministry of Local Government Administration (MLGA) produced a report on the functioning of municipalities from January to June. It examined the operations of municipal assemblies, the efficiency of the municipal administration, respect for human rights, and the collection of local revenues.

Of the 27 municipalities and 3 pilot municipalities monitored by the MLGA, 24 completed the legal obligation to hold 5 municipal assembly meetings. A total of 29 had established mandatory committees and the committee for communities. Only 8 municipalities had formed consultative committees as required by the Law on Local Self-Government. Furthermore, only 16 municipalities had approved the

regulation on the use of languages in keeping with the law, and 27 municipalities had established councils for community safety.

The MLGA found that the municipalities expended only 28 percent of funds earmarked for capital investment during the first 6 months of the year, 42 percent of funds for goods and services and municipal expenditures, 51 percent of the funds for salaries and wages, and 67 percent of subsidies and transfers. Although the municipalities are responsible for fostering local economic development, they still lack capacities in this area and face considerable challenges in fulfilling their duties.

While the parallel Serb municipalities in the north continued to reject official cooperation with the government of Kosovo, financial assistance from the budget of Kosovo stood at approximately €8 million (US$9.8 million) in 2009. There is no oversight on how these finances are spent, but it is estimated that several hundred Kosovo Serb civil servants in the education and health care sectors receive salaries from this amount, including social payments and pensions. The situation is different in the parallel Serb municipalities south of the Ibar, as they have established quiet cooperation with the government in Pristina, mostly in the areas of construction and local economic development.

Given the successful legitimization of the decentralization process, Serb participation in the local elections, and the creation of three new Kosovo Serb municipalities in Gracanica, Kllokot, and Ranilug, the role of the parallel administrations in these settlements is expected to diminish as the new ones become functional and begin delivering local services to the population. However, the new municipalities will face public demands for services and the need for several simultaneous infrastructural investments. Moreover, the transfer of powers from the central to the local level, as well as from larger (mother) municipalities to newly created entities, will likely cause intergovernmental tensions, partly because the two sides differ on the time needed to complete the transition.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			6.00	5.75	5.75	5.75	5.75	5.75	5.75

Kosovo's justice system is plagued by political interference and structural weaknesses that have resulted in a considerable backlog of cases. EULEX is dedicated to addressing these flaws, but it has been slow to organize, and political guidance from Brussels is hampered by a lack of unity within the EU on the issue of Kosovo's independence.

In late November 2009, Nazim Bllaca, who claimed to have been a member of an informal ethnic Albanian intelligence organization known as the Kosovo Information Service (SHIK), stated publicly that he had participated in 17 political murders and attempted murders in Kosovo since 1999. He accused a wide circle of senior political figures close to the PDK of masterminding political and economic

crimes. Bllaca's statements shook the political scene and revealed the weak rule of law in Kosovo. The local law enforcement agencies did not act on his allegations, and EULEX reacted sluggishly, placing Bllaca under house arrest some 48 hours after his press conference in downtown Pristina. The EU mission had been investigating Bllaca's claims out of the public eye since May.

The Constitutional Court began functioning in mid-2009. In June, the president of Kosovo appointed six judges, including two from minority communities, while the ICO appointed the panel's three international judges.

Kosovo adopted a number of important laws related to the judiciary in the past year covering notaries, civil procedure, the bar, mediation, criminal code amendments, and criminal procedure code amendments. However, the country has yet to adopt a package of four other reform laws on the courts, the Kosovo Judicial Council (KJC), prosecution, and the Prosecutorial Council.

The KJC was appointed in July based on the 2008 Law on the Temporary Composition of the KJC. However, the EU has deemed some provisions of that law in violation of European standards, primarily the sections referring to the composition of the KJC board. This has delayed implementation of the law and disrupted the activities of the council. The EU progress report concluded that the delay has affected the continuity of court management and the conduct of disciplinary investigations for sitting judges.

The Office of the Disciplinary Council is the body responsible for addressing allegations of corruption and misconduct in the judiciary. However, proper investigation in this domain has been lacking. In August, EULEX charged a Pristina district court judge with accepting a bribe of €123,000 (US$150,773) and a vehicle in exchange for the release of two murder suspects.

Most of the EULEX judges and prosecutors have been deployed, operating under the Law on Jurisdiction, Case Selection, and Case Allocation of EULEX Judges and Prosecutors in Kosovo. By late 2009, they had issued verdicts in dozens of cases, most of them criminal.

Strikes in the judiciary have delayed trials and exacerbated the backlog of civil and criminal cases. The Special Chamber of the Supreme Court dedicated to privatization cases is inoperative due to a lack of judges. Steps to seriously address this issue have not been taken, either by the Kosovo government or by EULEX.

In a July report, EULEX concluded that compared with the police, the criminal justice system and judiciary as a whole are considerably weaker in their ability to uphold independent and effective prosecution and adjudication of cases.[9] The report found that the appointment and promotion system for Kosovo judges is not adequate to safeguard their independence or ensure the highest standards of integrity.

EULEX also noted the weak protection systems for witnesses, judges, and prosecutors, which expose them to external pressure and intimidation. However, there is no vision or political will to improve the situation and strengthen the independence of the judiciary.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			6.00	6.00	6.00	6.00	5.75	5.75	

Corruption remained a serious problem in 2009, fueled in part by the government's increasing dominance of the economy. According to the annual EU progress report released in October, public investment had risen by 194 percent, while private investment declined by 10.2 percent, with foreign direct investment decreasing and the privatization process stagnating. The public sector's outsized role has led to an unfriendly business environment in which politically connected groups and individuals establish ad hoc companies to seek public contracts, adding to suspicions about large-scale corruption.

Despite improvements in the legal sector, the situation for public procurement worsened in 2009. All secondary legislation for the Law on Public Procurement was completed early in the year. According to the EC, however, the law does not meet European standards.

Procurement and tendering procedures are not transparent in practice, and arbitrary application of selection criteria is prevalent. A high proportion of tenders are reportedly cancelled on grounds of noncompliance with administrative requirements. The EU progress report found that open procurement methods accounted for only 77 percent of the total value of signed contracts, and that the value of contracts awarded through single-source tenders had risen from €50 million (US$61.3 million) to €164 million (US$201 million). Meanwhile, the overall value of contracts awarded through public procurement has increased dramatically, representing almost 22 percent of Kosovo's gross domestic product. Confronted with such practices, private-sector businesses often become involved in corrupt activities to ensure their own survival.

Corruption was at the center of the political debate in 2009 between the government and opposition parties, principally the AAK. During the summer, former prime minister Haradinaj accused the government of using public revenues to finance the SHIK, while the deputy minister of transport and telecommunication accused Haradinaj of possessing ill-gotten properties in Kosovo, Albania, Monaco, and Dubai, as well as having profited from the early stages of privatization. The debate ended abruptly and was seen by many as a prelude to the municipal election campaign.

The Office of the Auditor General has found mismanagement affecting about €35 million (US$42.9 million) of the Kosovo budget, and criticized the government for lacking the political will to address such problems. Meanwhile, as noted in the EU progress report, the Kosovo Anticorruption Agency (AKK) has signed memorandums of understanding to improve cooperation with the Independent Judicial and Prosecutorial Commission, UNMIK's Financial Intelligence Centre, the head of EULEX prosecutors, and the Kosovo Ombudsperson Institution. However, the European Commission reported that the institutional framework for

combating corruption remains fragmented, and that the entities involved, like the Anticorruption Agency and the prosecutor's office, have failed to coordinate their activities to date. Despite the obstacles, the number of corruption cases reported to the AKK rose by nearly 35 percent in 2009—175 cases in comparison to 130 cases during 2008.[10]

The EC also concluded that an inter-ministerial working group on anticorruption had so far been ineffective, and observed that Kosovo had yet to enact the Law on the Declaration and Control of Assets as well as amendments to the Law on Anticorruption and the Law on Conflicts of Interest.

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Kyrgyzstan

by Erica Marat

Capital: Bishkek
Population: 5.3 million
GNI/capita: US$2,150

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	5.75	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00	6.25
Civil Society	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00
Independent Media	5.00	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25	6.50
Governance*	5.25	5.50	6.00	6.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.25	6.50	6.75
Local Democratic Governance	n/a	n/a	n/a	n/a	5.75	6.25	6.25	6.50	6.50	6.50
Judicial Framework and Independence	5.25	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.00
Corruption	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50
Democracy Score	5.29	5.46	5.67	5.67	5.64	5.68	5.68	5.93	6.04	6.21

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

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

Executive Summary

In March 2005, President Askar Akayev was forced from office by opposition supporters protesting alleged electoral fraud and large-scale corruption. Opposition leader Kurmanbek Bakiyev became president after Akayev's ousting, but he failed to meet public expectations, quickly succumbing to corruption himself and increasingly resorting to authoritarian suppression of competing political forces.

A new constitution adopted in 2007 lacked checks and balances, enabling President Bakiyev to appoint the government and judges and to secure a majority for his Ak Zhol party in the parliament. The violent dispersal of opposition demonstrations in April of that year, and the ongoing persecution of independent journalists further marred public perceptions of the Bakiyev regime, as did the president's apparent unwillingness or inability to curb corruption in government and the business sector. These developments were strongly reminiscent of the crucial mistakes that had led to Akayev's downfall. Driven by short-term goals to centralize his power, and failing to design viable economic and political policies, President Bakiyev showed signs of becoming an even more authoritarian and corrupt leader than his predecessor.

President Bakiyev scheduled a presidential election for July 2009, months before the constitutionally defined election date. According to official results, he won 76 percent of the vote, while his main opponent, Almazbek Atambayev, earned a mere 8 percent. Following his reelection, President Bakiyev continued to sideline political opponents and silence critical media outlets. He also increased his personal control over the country's military and security structures. The country saw a wave of violence against journalists and opposition leaders, as well as regional interethnic tensions, yet central and local authorities did little to address the unrest.

National Democratic Governance. Governance in Kyrgyzstan became more authoritarian in 2009. After his reelection in July, President Bakiyev decreased the number of ministries and state agencies in order to centralize his own control over the government. The president also extended personal control over military structures and allowed the army to intervene in domestic affairs. A number of political assassinations and assaults on journalists demonstrated regime supporters' willingness to use violence to quiet their opponents. *In light of President Bakiyev's efforts to consolidate control over the government and security structures, as well as his suppression of the opposition and civil society, Kyrgyzstan's national democratic governance rating worsens from 6.50 to 6.75.*

Electoral Process. The July presidential election revealed the president's readiness to manipulate the electoral system to enhance his own power. He was credited

with 76 percent of the vote and immediately sought to suppress any opposition protests challenging the official results. *Because of the president's move to hold elections earlier than allowed by the constitution, and the widespread falsification of the vote, Kyrgyzstan's rating for electoral process worsens from 6.00 to 6.25.*

Civil Society. Far fewer nongovernmental organizations (NGOs) were willing to participate in public life in 2009 compared with 2008, and local mass media often refused to publish statements by civil society activists. Following the presidential election in July, virtually no NGO has openly attempted to contest the results. Indeed, several opposition leaders and civil society activists fled Kyrgyzstan prior to the elections. The Bakiyev government also strengthened state control over religious institutions during the year. *With Kyrgyz NGO leaders unable to engage in policy debates, Kyrgyzstan's civil society rating worsens from 4.75 to 5.00.*

Independent Media. A series of violent attacks against journalists created an atmosphere of fear among local reporters in 2009. Most online and print media published fewer articles featuring criticism of government policy, effectively reducing opportunities for NGOs to speak out. In addition, the government introduced a bill during the summer that would categorize the Internet as a form of mass media, extending existing controls on traditional media to online outlets. *Due to the wave of attacks on journalists and the government's moves to impose greater restrictions on the Internet, Kyrgyzstan's independent media rating worsens from 6.25 to 6.50.*

Local Democratic Governance. Ak Zhol, the ruling party, dominated local governmental structures, allowing central authorities to exert extensive control over all levels of government. Local officials proved unable to resolve interethnic conflicts during the year without the intervention of the central government. *Kyrgyzstan's rating for local democratic governance remains at 6.50.*

Judicial Framework and Independence. In 2009 the government considered a number of legal changes that would limit civic freedoms. For example, officials proposed legalizing capital punishment, arguing that it would demonstrate the "Kyrgyz" way of dealing with criminals and religious extremist groups. *Because of this proposal and an array of existing harsh practices, Kyrgyzstan's rating for judicial framework and independence remains at 6.00.*

Corruption. Corruption continued to plague all state institutions in 2009. The president created a new agency that would control all foreign financial inflows and national strategic enterprises, including foreign aid and credits. Maksim Bakiyev, the president's son, was named to head the agency. *Given this indication of unchecked nepotism and increasing opportunities for graft, Kyrgyzstan's corruption rating worsens from 6.25 to 6.50.*

Outlook for 2010. In 2009, President Bakiyev demonstrated that he had gathered enough power to unilaterally implement substantial changes to the state structure

and political system. He altered the cabinet and ministerial organization and called for an early presidential election. He also showed little desire to collaborate with civil society groups or opposition representatives in the parliament. The opposition in turn was unable to challenge the regime, as was clear when Atambayev lost the presidential race to President Bakiyev by a wide margin that went largely uncontested. However, it is unclear how long the president's grip on power will hold, as his increasingly personalized rule has likely narrowed his institutional and political base of support.

By the end of the year, Kyrgyzstan's human rights and democracy situation had worsened, coming to resemble the grave situations in Uzbekistan and Tajikistan. Nearly all prominent opposition leaders have been effectively silenced through arrests or public shaming. Following an unprecedented number of physical attacks against journalists in 2009, local mass media and civil society are likely to be less critical of the government. Acts of violence have apparently become the president's chosen method of dealing with opponents, creating a volatile atmosphere. Several NGO leaders, journalists, and politicians who have fled President Bakiyev's Kyrgyzstan remain unable to return to the country. Given developments over the past year, prospects for an improvement in the country's governance are dismal.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.25	6.50	6.75

Kyrgyzstan's government became more authoritarian in 2009. After winning the early presidential election in July, President Kurmanbek Bakiyev promised to reform the government to eliminate corruption and promote more efficient decision-making. As part of this effort, he brought the National Security Service (SNB) as well as the Interior, Defense, and Foreign Affairs Ministries under his control. After dismissing the cabinet in October, President Bakiyev appointed Daniyar Usenov, who previously served as chief of his presidential staff and in several other high posts, as the new prime minister. The president's son, Maksim Bakiyev was promoted to lead a new Central Agency on Development, Investment, and Innovation, which would control all foreign financial inflows, including aid and credits. The agency was also set to oversee the country's major national hydroelectric and gold companies.

Other components of the governmental overhaul reduced the number of ministries and government committees on the grounds that this would increase efficiency and purge incompetent officials.[1] The reorganization further consolidated the president's control and allowed both him and his allies to benefit politically and financially from the redistribution of government posts. Although Prime Minister Usenov tried to show a willingness to collaborate with the opposition, the effort was negligible in its effects.

The year was marked by an increased number of assassinations and violent attacks against political figures, and crackdowns on the freedoms of civil society groups and independent media outlets. On March 13, Medet Sadyrkulov, a former presidential aide who had recently defected to the opposition, died in an automobile accident that was allegedly orchestrated by the regime. Sadyrkulov had been a high-ranking official in the president's government, serving as head of the presidential staff and principal negotiator. He left his position in January 2009, expressing regret for helping to solidify President Bakiyev's rule by overseeing the 2007 parliamentary elections.[2]

A month after Sadyrkulov's death, Ak Zhol lawmaker Sanjarbek Kadyraliyev was shot dead outside his home in Bishkek. He was the fifth member of parliament to be killed in Kyrgyzstan since President Bakiyev took power in March 2005. The motive behind Kadyraliyev's murder remains unclear.

On December 9, Bolot Januzakov, who had served as secretary of the Kyrgyz Security Council under former president Askar Akayev, was severely beaten. Also that day, Aleksandr Knyazev, a professor at the Kyrgyz-Slavic University and director of the Bishkek branch of the Commonwealth of Independent States

Institute, was attacked by unknown assailants. Knyazev is a well-known critic of the current regime's foreign policy. In addition to physical attacks, opposition figures faced criminal charges. Former foreign minister Alikbek Jekshenkulov, and former defense minister Ismail Isakov were both arrested on allegations of corruption.

Media workers faced a wave of attacks during the year. Syrgak Abdyldayev, a journalist and member of the Ata Meken opposition party, was stabbed outside his newsroom in March. Almaz Tashiyev, a social affairs reporter and critic of the government, was allegedly attacked and killed by police officers in July. Aleksandr Evgrafov, a correspondent for BaltInfo, was beaten, forced into a car, and warned not to "write 'bad things' against Kyrgyzstan" by two men wearing Kyrgyz police uniforms in December.[3] Also that month, Gennady Pavlyuk, a journalist and political dissident who was about to launch an online newspaper with opposition leader Omurbek Tekebayev, was pushed from a sixth-floor window in Almaty, Kazakhstan, and subsequently died of his injuries.

The political role of the security services has increased tremendously in the past year. Various law enforcement agencies, such as the financial police and the prosecutor general's office, are more frequently intervening in the lives of civilians. Since the 2008 appointment of Zhanysh Bakiyev, the president's brother, as head of the State Protection Service (SGO), the budget of the service has doubled and the salaries of its employees has increased. And in early 2009, the president signed legislation that allowing him to use the army in domestic affairs for the first time since independence in 1991.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00	[illegible]

The presidential election of July 2009 marked a new low point in Kyrgyzstan's democratic record. Both preelection campaigning and election-day procedures fell far short of international standards for electoral democracy. President Bakiyev apparently sought early reelection to avoid facing voters in even worse circumstances in 2010, as the country suffered from deteriorating economic conditions and continuing energy shortages, and the government's popularity plummeted. In the run-up to the election, the president used a variety of tactics to sideline his opponents, such as dispatching security forces to raid opposition parties' offices. In the meantime, he continued to receive positive coverage from the mass media. Opposition leaders also complained that the regime regularly disrupted their preelection activities by employing hecklers or ordering local authorities to ban their rallies. Local law enforcement officials curtailed the opposition's daily operations in rural areas.

Bakiyev was credited with 76 percent of the vote, while the main opposition candidate, Almazbek Atambayev of the Social Democratic Party (SDP), received only 8 percent—much less than expected. The authorities immediately sought to

suppress any opposition protests challenging the official results, with security forces beating and arresting members of the SDP.

When the early presidential election was first announced, opposition forces saw a fresh opportunity to challenge the regime. Many opposition members appeared resigned to the fact that President Bakiyev would win, but some hoped to pressure the president into canceling his candidacy prior to the vote. However, as the poll approached, the opposition's hopes for ousting President Bakiyev faded. A series of violent attacks, lawsuits, and assassinations allegedly carried out by regime supporters indicated the president's determination to retain his grip on power. Opposition leaders were unable to gather large crowds, even for their regional party meetings. Meanwhile, the president managed to strengthen his personal leverage over the parliament, the Central Election Commission (CEC), and the security forces.

The opposition's difficulties were compounded by internal problems, as it had become increasingly fragmented and inconsistent in its declared policy goals. Opposition forces initially intended to nominate a single presidential candidate to concentrate their financial resources and popular support, and to help minimize falsification of the election. The candidacy of Ata Meken party leader Omurbek Tekebayev, who had been considered the most likely contender, was allegedly sacrificed to preserve opposition unity.[4] Similarly, former defense minister Ismail Isakov, an independent, withdrew from the registration process after announcing his bid. Nevertheless, Atambayev was challenged by his counterparts in other opposition parties. Most significantly, Temir Sariyev, head of the Ak Shumkar party, also decided to run for the presidency. This split the opposition vote, and Sariyev ultimately placed third with 6.7 percent.

Many would-be candidates were unable to secure a place on the ballot. A total of 22 nominees took the initial steps to register, but only six were finally approved by the CEC. Several withdrew in the middle of the process, while others were disqualified for failing a Kyrgyz-language test, not collecting enough signatures, or not proving that they had paid the required deposit. In any case, none of the challengers in the race represented serious threats to the incumbent. Instead, they regarded their candidacies as a mechanism to expand their popularity across the country and help improve their chances in future elections.

Members of the pro-presidential Ak Zhol party were united under the umbrella of the state and appeared uninterested in pursuing genuine change. During the campaign, the president regularly emphasized the importance of economic growth and national security. The government produced countless dubiously positive reports concerning the state of the national economy. Meanwhile, Ak Zhol lawmakers were ordered to gather support in their home districts, and party officials brought food and butchered livestock for villagers to persuade them to vote for President Bakiyev.

Opposition observers and the Organization for Security and Cooperation in Europe (OSCE) reported numerous incidents of electoral fraud. In its postelection report, the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) stated that "the 23 July 2009 presidential election in the Kyrgyz Republic

failed to meet key OSCE commitments for democratic elections, in particular the commitment to guarantee equal suffrage, to ensure that votes are reported honestly and that political campaigning is conducted in a fair and free atmosphere as well as to maintain a clear separation between party and state."[5] According to various exit polls, the incumbent led by a significant margin, and Atambayev received most of his support in the north of the country.[6] The president's estimated backing ranged from 60 to 70 percent, while Atambayev was expected to gain about 12 percent of the vote. Local observers had rated Atambayev as a stronger candidate than those numbers indicated, but his uninspiring electoral campaign established President Bakiyev as the most likely winner even in the view of opposition supporters.

Few opposition members admitted later that they had failed to produce a coherent message that would prove popular among the electorate. During the campaign, the opposition focused on President Bakiyev's status as a corrupt and undemocratic leader, as well as ethnocentric calls for patriotism. Aside from a few posters in public places, Atambayev and Sariyev did not communicate any sense of the policies they intended to introduce if elected. The programs and reforms suggested by the opposition failed to provide concrete strategies for reducing state corruption or furthering the country's democratization process.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00

A series of violent attacks against journalists and the assassination of regime opponents quieted civil society activists in 2009. Compared with the early 2000s—the peak of Kyrgyz civil society activity—far fewer nongovernmental organizations (NGOs) are willing to participate in public life, while mass media often refuse to publish statements by civil society figures. According to the NGO activists themselves, most of civil society's achievements have been written off by the regime since 2005. Virtually no NGO has openly attempted to contest the results of the highly flawed presidential election in July. Civil society leaders expressed their concerns about the elections only in individual interviews with international newspapers.

The president showed little desire to collaborate with civil society groups or representatives of the opposition in parliament, and all major print and online news outlets experienced pressure from the government not to publish critical reviews of President Bakiyev's policies. A sense of fear is pervasive among those who criticize the government. Several opposition leaders fled Kyrgyzstan prior to the July election. The authorities threaten regime opponents both directly and indirectly; relatives of opposition members are often threatened with administrative and criminal charges.

Several NGO leaders were pressured by law enforcement officials in 2009. For instance, Dinara Oshurahunova, head of the Coalition of NGOs for Democracy

and Civil Society, experienced difficulties upon returning to Kyrgyzstan from a trip to South Africa in September. Customs authorities thoroughly checked her documents and informed her that she was under the watch of the SNB. Human rights activist Aziza Abdirasulova was interrogated by police in Moscow in October after a bullet was found in her bag. She was en route back to Kyrgyzstan from Warsaw, where she had attended the OSCE's Human Dimension meeting, and said she believed the bullet was planted on her as a provocation. No criminal charges were filed against Abdirasulova, and the activist chose not to report the incident to Kyrgyz police as she did not trust their professionalism.

The number of foreign human rights activists denied entry to Kyrgyzstan spiked during the year. On December 2, customs agents stopped Tajikistan's Nigina Bakhriyeva upon her arrival at Bishkek's Manas airport from Dushanbe. Her case raised widespread concern among Kyrgyzstan's human rights activists and NGOs as they saw a direct link between the ban against Bakhriyeva and her human rights training of Kyrgyz lawyers in September. Additionally, two Russian activists from the human rights group Memorial were similarly denied access to Kyrgyzstan.

Civil society organizations and political opposition groups were not allowed to stage demonstrations in 2009. On July 25, leaders of NGOs, including Citizens Against Corruption, convened in a peaceful march to support Iranian demonstrations following that country's flawed presidential election and to protest the election in Kyrgyzstan two days earlier. Though participants were not challenging the president's legitimacy directly, Bishkek police quickly terminated the march and arrested eight activists.

In August, authorities broke up a demonstration by Ittipak, a Uighur diaspora group, and detained both the group's leader and his deputy. Ittipak was calling for an independent investigation into the July riots in China's Xinjiang province, and demonstrators displayed posters accusing Beijing of implementing cruel policies against the Uighur population in that area. According to the Kyrgyz authorities, approximately 500 people participated in the event in Bishkek.[7] However, the exact reasons for the arrests were unknown, as the government made no official statements.

President Bakiyev further restricted religious freedom in the country in 2009. In January, the president adopted a law that raised the number of members required for religious organizations to receive legal registration from 10 to 200. The Spiritual Administration of Muslims (SAM) and the Russian Orthodox Church, which condemn the rapid spread of other strains of Christianity and Islam within the country, supported the law.

Despite Kyrgyzstan's official secularism, President Bakiyev has been actively calling for a greater engagement by the SAM in the spiritual lives of Kyrgyz citizens. Politicians concerned with the spread of extremism criticize the SAM for failing to oversee the functioning of all mosques, the spiritual education of local imams, interpretations of the Koran, and the circulation of extremist literature among the population. The SAM regularly checks religious schools and allocates quotas for the pilgrimage to Mecca.

President Bakiyev used religion as part of his presidential reelection campaign. He endorsed the idea of building a large mosque in Bishkek, while the government designed special uniforms for SAM leaders that combined "native" Kyrgyz and Islamic features. The new costumes for imams will be decorated with traditional embroidery depicting the Kaaba in Mecca, while the SAM's top leadership will be dressed in gowns with more complex ornamental motifs.[8] SAM leaders will be required to wear the uniform during their daily activities.

Ak Zhol has also promoted patriotism and obedience among the masses in recent years. In 2009, the party decided to make singing the national anthem mandatory for Kyrgyz citizens during national holidays.[9] Participants will be obliged to sing while standing with one hand placed on the chest.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.00	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25	6.50

The wave of attacks against journalists in 2009—all carried out by unknown assailants—was indicative of President Bakiyev's attempts to curb freedom of speech in the country. The extreme violence of the crimes was apparently intended to send a message. Syrgak Abdyldayev, for example, was stabbed over a dozen times and beaten with stones wrapped in towels until his arms, shoulders, and ribs were broken.[10] Kyrgyz authorities concluded that the assault was an assassination attempt. Local experts believe, however, that the attack on the reporter, who has little political ambition and is not among the most popular in the country, was an attempt by the regime to intimidate local media. Gennady Pavlyuk, a journalist who was pushed from the sixth-floor window in Almaty, was planning to launch a newspaper together with Omurbek Tekebayev, the leader of Ata Meken. According to Tekebayev, Pavlyuk was "likely lured to a neighboring country to distort evidence,"[11] and local experts attest to the president's direct involvement in Pavlyuk's killing.[12]

Before and after the presidential election, Kyrgyz mass media outlets avoided criticizing the regime or endorsing the opposition. One journalist from an online news agency commented, "Most reporters are paid to publish pro-regime material, and this is the price of their safety."[13] In its official reaction to the violence, Ata Meken said, "Attacks against journalists and even assassinations are practiced more frequently now in our country, endangering not only the security of journalists but also freedom of speech in general."[14] Violence against journalists served as a warning to other political activists in the country; Tekebayev argues that all opposition members must now be accompanied by bodyguards to ensure their own safety.

The Internet is currently the media venue that is most free from government interference, but the government has indicated its desire to obtain greater control over cyberspace. During the summer of 2009, the Ministry of Culture began developing a new bill that would place the Internet under the category of mass media. Under

the legislation, Kyrgyz Web sites would potentially need to obtain a government license in order to function, placing content and the frequency of updates and broadcasts under the close oversight of the government. If a Web site failed to update its content at least once every three months, its license could be withdrawn. Furthermore, the government would have the right to prosecute Internet outlets if they divulge state secrets or commercially classified information, damage national dignity, or abuse journalistic rights. The government likely lacks the necessary funds to thoroughly control the Internet, but the new bill offers another opportunity to prosecute opponents of the regime or politically critical civic organizations. As with other mass media bills, no journalists or Internet experts were invited to take part in the parliament's consideration of the draft measure.

Russian mass media enjoy a high penetration of Kyrgyzstan's media market. The Kyrgyz public can view Moscow's foreign and domestic news reports as well as a wide range of entertainment programs. As a result, the Kyrgyz audience is heavily exposed to the Russian government's interpretation of international developments. Russian-language programming from China Central Television (CCTV) represents one potential challenge to Russia's media influence. While the CCTV channel is currently only available in Bishkek for those lacking cable or satellite service, the Chinese government is preparing to invest in digital receivers for the southern regions of Kyrgyzstan.[15] While CCTV might reduce the near monopoly of the Russian media in Kyrgyzstan, it will need to adapt its programs for Kyrgyz and Central Asian audiences to gain widespread popularity.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.75	6.25	6.25	6.50	6.50	6.50

Developing local democratic governance in Kyrgyzstan has been a priority of the central government since the mid-1990s. For example, the National Poverty Eradication Strategy promoted decentralization of governance by providing more economic and political independence to cities and villages. However, after local government elections in 2008, earlier efforts to create viable local governments were largely overturned. While forming Ak Zhol in 2007, the president had recruited many incumbent local officials into the party, giving it a distinct advantage in the 2008 polls.

In 2009, local bodies had little impact in governing the country. Kyrgyz media rarely reported news related to local government unless it provided an opportunity to praise the central government or Ak Zhol, as with the inauguration of infrastructural improvements.

The central government continues to restrict local authorities from independently addressing social tensions. Local governments, especially in ethnically diverse villages, are often forced to build relations with their communities in

accordance with directives from the central government. Inadequate and delayed responses to the mass skirmish between Kyrgyz, Russian, and Kurdish ethnic groups in Petrovka (northern Kyrgyzstan) in April revealed the weakness of local institutions. The conflict began when a 21-year-old ethnic Kurd allegedly raped a four-year-old Russian girl. For weeks, the police delayed investigation of the crime, and local authorities avoided intervening. With no response from the local or central authorities, a group of Kyrgyz and Russian villagers ransacked over a hundred houses belonging to ethnic Kurds, and demanded that the Kurds leave the village. Local and central government officials accepted no accountability or responsibility for the violence; the president blamed opposition forces for sparking the conflict, while local authorities supported forcing Kurdish families from the village to restore peace. Instead of responding to the people's needs, the local government allied itself with the Interior Ministry by helping it prosecute opposition leaders.

The violence in Petrovka was not the first incident of interethnic violence in Kyrgyzstan. Similar attacks have been carried out against Dungan, Chinese, Uighur, Uzbek, Russian, and other ethnic communities since the early 1990s. Local communities have exploited interethnic rivalries to advance their own aims by accusing other groups of criminal activity, including land extortion. The inability of local authorities to make decisions without direction from the central government prevents them from resolving such tensions.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.00

Discussions on judicial reform in 2009 centered on a debate over the legalization of the death penalty. Former president Akayev had instituted a moratorium on executions in the early 1990s, and capital punishment was constitutionally prohibited in 2007. In September 2009, however, Security Council secretary Adakhan Madumarov and SNB chairman Murat Sutalinov proposed legalizing public executions, which would entail a rejection of the standards promoted by international organizations like the OSCE.[16]

Proponents of reinstating capital punishment argued that Kyrgyzstan was unable to financially support its current prison population. According to Justice Minister Nurlan Tursunkulov, each inmate costs the government US$4.60 per day. The state is spending roughly US$33,640 annually to sustain the lives of 200 current inmates who would face the death penalty if it were legalized. Other proponents of the bill cited opinion polls that indicated high public approval for the death penalty, and referred to the fact that the death penalty remains legal in much of the United States.

Local experts rushed to condemn the proposal to legalize capital punishment.[17] They argued that it was aimed at opposition leaders, high-profile criminals, and religious extremists, and was designed in part to show that defying the regime

could have serious consequences. In a separate move, the Security Council recently recommended that law enforcement agencies widen their list of religious extremist groups to include the conservative Islamic missionary group Tablighi Jamaat, along with the radical Islamist group Hizb ut-Tahrir. Members of banned religious extremist groups are prosecuted for possessing or distributing related materials.[18]

The discussions surrounding the potential reinstatement of the death penalty, like an earlier 2007 debate on a proposal to legalize polygamy, represented a departure from democratic norms and standards and revealed the weakness of the NGO community, which traditionally spoke out in opposition to such initiatives. Although polygamy was never formally legalized by the parliament, the discussion set a precedent for politicians to reopen previously closed debates. It can also be seen as part of a broader trend in Kyrgyz politics in which leaders advocate following the "Kyrgyz" way in opposition to Western-backed reforms.

Prison conditions have not improved in recent years, and the rights of prisoners have continued to deteriorate. The October 2006 killing of parliament member Tynychbek Akmatbayev during a prison revolt was indicative of the dire state of the prison system. He was visiting a Bishkek prison to calm rioters, but the prison guards were unable to protect him from hostile inmates.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50

Corruption remained endemic to both public and private institutions in Kyrgyzstan in 2009. Public officials commonly benefit from participation in acts of both large-scale and petty corruption. Kyrgyzstan was ranked 162 out of 180 countries surveyed in Transparency International's 2009 Corruption Perceptions Index.

In 2009, President Bakiyev launched a new anticorruption strategy designed to fight graft in government, education, health care, business, and law enforcement. The strategy outlines the detrimental effect such pervasive corruption has on the country's economic development, and stresses that corruption is both illegal and morally deplorable.[19] Finally, it highlights the importance of collaboration with both local civil society groups and the international community in fighting corruption. The strategy's Web site offers a hotline for anyone who encounters corruption.

However, the Bakiyev regime likely developed the strategy to appease international monitors rather than to fundamentally root out domestic corruption. The plan does not specify implementation mechanisms or institutions to be involved in preventing corruption. Aside from defining general areas where corruption is most pervasive, the strategy fails to show, for example, which particular agencies within the law enforcement sector need the most attention.

The leadership appears concerned first and foremost with maximizing its own wealth, and this aim is central to the president's foreign policy activities. By deciding to expel the United States military from the Manas airport in February and then

reversing his decision in June, Bakiyev was able to secure higher fees from the United States government for use of the air base. The Kyrgyz government did not disclose how the increased fees would be spent, suggesting that the leadership itself would be the biggest beneficiary of the new funds. Business elites in Bishkek are genuinely interested in keeping the U.S. base in place, as they benefit economically from its presence. The range of services provided to the U.S. facility include cargo transportation, food supplies, and gas sales. Although it is difficult to determine how much the revenues stemming from the base strengthen the regime, it is safe to say that they represent an important resource, along with other enterprises such as illegal hydropower and gold exports.

Pervasive corruption in the hydroelectricity sector was among the factors that led to a severe energy crisis beginning in 2008. After years of mismanagement and illegal dealings by top political officials, the population faced daily power outages and water shortages from October 2008 to April 2009. Although there was no major technical damage to generating facilities, the illegal sale of electricity continued throughout the crisis. Electricity was set to remain scarce in the winter of 2009–2010, and the government's plans for the construction of new hydropower plants have lacked transparency. In February 2009, President Bakiyev received US$500 million of a total of US$2 billion from Russia that was intended for the construction of the Kambarata-1 hydropower plant. However, it is not clear how the plant will be built in light of the low water levels in the Toktogul reservoir. Electricity shortages have led to a decline in business activity, inflation in food prices, and frustration among the general population.

In 2009, the government created the Central Agency on Development, Investment, and Innovation, which was set to be headed by President Bakiyev's son Maksim. Resources ranging from U.S. and Russian aid payments to profits from national hydroelectric and gold companies would consequently fall under his oversight. This would give him a commanding position in the economy, making it virtually impossible to do business in Kyrgyzstan without coordinating with the regime. The new agency also provides Maksim Bakiyev with the power to closely monitor local opposition leaders' business dealings and local NGOs' external financing.

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Latvia

by Juris Dreifelds

Capital: Riga
Population: 2.3 million
GNI/capita: US$16,010

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00
Civil Society	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75
Governance*	2.25	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.00	2.50	2.50
Local Democratic Governance	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.25	2.25	2.25
Judicial Framework and Independence	2.00	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	3.50	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25	3.25
Democracy Score	2.21	2.25	2.25	2.17	2.14	2.07	2.07	2.07	2.18	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

As the Soviet experience retreats in the memories of even the older generations in Latvia, the idea of independence and membership in the European Union (EU) and NATO has become an unquestioned daily reality. While many Latvians may once have seen the wide gap in living standards between their own country and Western Europe as a consequence of the half-century-long, Soviet occupation, the younger and middle generations now blame corrupt politicians and incompetent state and municipal administrators. These leaders are also seen as responsible for the dire economic crisis that cost Latvia about 19 percent of its GNP in 2009, one of the steepest declines in Europe.[1] The country was forced to secure a loan of almost 5.27 billion lats (US$10.5 billion) from the International Monetary Fund, whose austerity prescriptions led the government to cut salaries, welfare payments, pensions, and services. Only 5 percent of those polled in October 2009 felt that Latvia was moving in the right direction, with 85 percent expressing the opposite view.[2]

National Democratic Governance. The first two months of 2009 featured many signs of popular discontent. Relative stability prevailed after the resignation of Prime Minister Ivars Godmanis in February and the creation of a broader five-party coalition government under Valdis Dombrovskis in March. President Valdis Zatlers helped to push reforms through the Saeima (Parliament) by threatening to call early elections. Among his chief achievements was the Saeima's ratification, in April, of a constitutional amendment providing mechanisms for the popular dismissal of future Parliaments, one of the key issues raised during a referendum in 2008. President Zatlers also nudged legislators into passing several important laws, including one on criminal procedure that had become languished amid party disputes. *Due to the consistently solid performance of political institutions under extraordinary economic conditions, Latvia's national democratic governance rating remains unchanged at 2.50.*

Electoral Process. EU parliamentary and local government elections were held in June without any serious irregularities. The Corruption Prevention and Combating Bureau (KNAB) has the power to halt advertising by any party found to be breaking election rules, but no such violations were found. The voter turnout of 53.8 percent was high for EU Parliament elections, with just 41.2 percent participating in the first such elections in 2006. *Given the smooth and uneventful conduct of the voting, Latvia's electoral process rating remains at 2.00.*

Civil Society. The year's economic downturn seriously affected the financing of nongovernmental organizations (NGOs). In addition, the maximum tax deduction

for donations to registered "public good" organizations was lowered from 85 percent to just 15 percent. *However, over 10,000 NGOs were still considered active in 2009, and the professional and labor unions were especially successful in influencing legislation and interacting with decision makers. As a result, the rating for civil society remains at 1.75.*

Independent Media. The Latvian mass media still present a wide variety of opinions, but the significant decrease in advertising revenue during the year caused a great deal of turbulence in the sector. The doubling of the value-added tax on newspapers also had a major impact. The leading newspaper, *Diena*, was sold to business interests based in Britain, and proposed cuts of about 50 percent to editorial expenses triggered the departure of 14 top reporters and editors. The state-owned television and radio broadcasters also suffered large cuts in financing. Meanwhile, Internet use has grown, with almost 60 percent of Latvians using it regularly, and the new medium has allowed for widespread discussions and mobilization behind political and other causes. *Latvia's rating for independent media remains at 1.75.*

Local Democratic Governance. After a decade of debate, the country's municipalities were finally reorganized in 2009, reducing their number from 530 to 118. The June local elections proceeded smoothly, and the new municipal councils began their work under radically changed conditions. They appeared to cope relatively well, avoiding major upheavals and scandals. Municipal governments' workload increased even as financing decreased, forcing them to cut back on services that residents had come to expect. A local coalition between a party representing Russian-speaking voters (Harmony Center) and Latvia's First Party/Latvia's Way in Riga represented the first political union between the country's two main ethnic groups. *The rating for local democratic governance remains at 2.25.*

Judicial Framework and Independence. The judiciary performed well, despite budget cutbacks during the year. Its caseload has increased dramatically as a result of a more litigious society, meaning most cases in administrative courts take about 19 months to be heard. New administrative courts were opened in Jelgava, Valmiera, Rezekne, and Liepaja in 2009, enhancing access for local residents. The Saeima's rejection of Maris Vigants's appointment to the Supreme Court raised many uncomfortable questions. His nomination had been supported by the Supreme Court, the judicial vetting organ, and the parliamentary Judicial Committee. There was speculation that the vote in the Saeima stemmed from the judge's previous call to arrest powerful Ventspils mayor and business magnate Aivars Lembergs in 2007. *The rating for judicial framework and independence remains at 1.75.*

Corruption. While all signs point to relatively limited corruption in the middle and lower levels of the government and courts, the upper echelons of politics appears to be tainted. KNAB is becoming more sophisticated in its anticorruption efforts and has accelerated its investigations, increasingly taking on high-profile suspects.

As a result, the bureau has become one of the most trusted organizations in Latvia. KNAB received a new leader in 2009 after eight months of delay, and its image continued to be burnished by widely publicized cases targeting top administrators of revenue services, customs, police, prosecutors, and state and city employees. *Given the combination of increased enforcement, new allegations, and some political resistance, the rating for corruption remains unchanged at 3.25.*

Outlook for 2010. The frustration associated with the economic downturn and cuts to incomes and services for most citizens will continue until a possible economic rebound, expected in late 2010. The positioning of political parties for October parliamentary elections will create a surge in mobilization around certain "wedge" issues, including the fear among ethnic Latvians that the more disciplined Russophone parties could form the next government. The country's powerful business magnates, or "oligarchs," appear to be on the verge of rejoining active politics, and Andris Skele of the People's Party has already done so. Another oligarch, Aivars Lembergs, was considered Latvia's most popular politician in September 2009, according to the polling organization Marketing and Public Resource Center.[3]

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.00	2.50	2.50

Latvia's political system continued to work within democratic parameters in 2009. However, the depth of the economic crisis, which began its most acute phase in January, fueled public anger and protests. On January 13, more than 10,000 people participated in a peaceful demonstration calling for reforms that would allow the dismissal of the Saeima (Parliament) by referendum. The gathering, while initially nonviolent, degenerated into riots led by a small group of stone throwers and looters. In February, about 1,000 farmers blocked Riga's access roads with their tractors. Most Latvians focused blame for the economic crisis on their own politicians and bureaucrats rather than the larger financial meltdown affecting much of the world.[4] In mid-February, 64.3 percent of those polled said they would support the dismissal of the Saeima.[5] Over the course of the year, residents' incomes were drastically cut, their taxes were raised, and the local government services they relied on were significantly pared back. Some 58 percent claimed that their family financial situation was bad or very bad, and only 2 percent said it was good.[6]

Responding to the public anger, on January 14, President Valdis Zatlers issued a list of six reforms to be undertaken by the ruling parties, warning that he would dismiss the Saeima and trigger early elections if the changes were not enacted by the end of March. The government also came under pressure from the 100-member Parliament itself; in a 51–40 vote, it survived a February 4 no-confidence motion initiated by the opposition. On February 20, Prime Minister Ivars Godmanis announced his resignation after two of the parties in his coalition, the People's Party and the Union of Greens and Farmers, unexpectedly indicated that they could no longer support the government.[7]

President Zatlers, after consultation with all parliamentary parties, nominated Valdis Dombrovskis of the New Era Party to be the next prime minister. New Era had previously been in the opposition. On March 12, the new government was endorsed by 67 deputies, including Godmanis' Latvia's First Party/Latvia's Way (LPP/LC), which had decided to leave the previous coalition and sit in opposition. The only factions to vote against the new cabinet were the two Russophone-dominated parties, which together garnered 21 votes. Over 60 deputies pledged to support the government in making "unpopular decisions" to cope with the economic crisis, and the new five-party coalition subsequently demonstrated a relatively high degree of solidarity, no doubt because of popular pressure.[8] Indeed, on April 8, after much urging from President Zatlers, an overwhelming majority of 85 lawmakers accepted the procedure to dismiss future Parliaments by popular vote, one of the demands of a 2008 referendum that had been dismissed by the

Godmanis government. Under the new mechanism, signatures from 10 percent of the electorate can initiate a referendum to dismiss the Saeima. If the number of participants in the referendum is over three-quarters of those who voted in the previous national elections, and a majority of those voting favor dismissal, then the Saeima is automatically dismissed.[9]

Another major law, on criminal procedure, was finally passed on March 12 after receiving over 300 amendments during its lengthy gestation. Among other features, the new law grants prosecutors the authority to end cases against criminal suspects if they help to solve more serious crimes.[10] The Saeima also passed an electoral reform that did away with the multiple listing of star candidates, known as "locomotives," in the five multi-member parliamentary districts. In a final sign of cooperation within the governing coalition during the year, Finance Minister Einars Repse successfully guided the budget bill through Parliament on December 1.[11]

Although most executive power is vested in the prime minister and cabinet, the president is autonomous and can spotlight policy issues. President Zatlers was a major player in Latvian politics in 2009, providing concrete goals for the government and conditioning public opinion on controversial topics. For example, he opposed the possible closure of the Ombudsman Office and supported the fulfillment of all promises made to the International Monetary Fund, such as progressive property taxation, the financing of political parties from the state budget, and ending the cabinet's control over appointments for state controller, ombudsman, Corruption Prevention and Combating Bureau (KNAB), and the Constitution Protection Bureau (SAB), Latvia's intelligence agency. The president also called two emergency cabinet sessions, which he chaired, and for which he determined the agenda. He used his privilege to oppose the passage of a public procurements law by taking it to the Constitutional Court, having vetoed it twice after the Parliament refused to amend it.[12] In 2009, President Zatlers proclaimed 407 laws and returned 4 for reconsideration to the Saeima.

The bureaucracy has long been the focus of widespread criticism. In 2009, the numbers and remuneration of civil servants were downsized significantly; there were 12,700 fewer state officials in mid-October than at the end of 2008. Their average monthly income before taxes decreased from 559 lats (US$973.07) to 461 lats (US$802.31), and the highest monthly income was capped at 2,852 lats (US$4,962.07).[13] Most of the councils and boards for state and municipal enterprises were also eliminated or reduced to bare minimums. Well-paying positions in these bodies formerly went to party supporters who were expected to divert part of their salaries to party coffers. The state administration and enterprises employ 205,000 people, or 9.3 percent of Latvia's population. The cabinet decided in September, that by 2013, the share should not exceed 8 percent. In part, this could be achieved by transferring state enterprises to the private sector.[14]

Latvia has been criticized, especially by Russia, for not allowing noncitizens (mostly Russophones) to participate in elections and referendums. All those who have lived in Latvia for over five years and can pass minimal exams on language and history can obtain citizenship, but several thousand have not availed themselves of the opportunity. For some, citizenship could jeopardize their collection of two

pensions (one from Latvia and one from Russia). Nevertheless, the number of noncitizens is shrinking and now constitutes close to 16 percent of the population; about 2 percent hold foreign citizenship. Russophone voters have been very active, focusing their support on the Harmony Center Party. Presently, it is the single most popular party in Latvia, and received the highest percentage of votes in the Riga municipal elections, giving it the right to name Nils Usakovs as mayor. Ainars Slesers, of the LPP/LC, has formed a coalition with this party in Riga, bridging the ethnic political divide, at least at the municipal level.

Access to government information is widespread. Because of budget cuts, direct broadcasts of Saeima proceedings have been stopped, but verbatim records continue to be printed. Web sites are available for all ministries. The directives and planned agendas of cabinet meetings are also available online.

In the Saeima, almost all deputies are subject to party discipline, but several individuals have bucked party pressures. Currently there are eight parties represented in the chamber, as well as five independent deputies who have left or been pushed out of their parties. The Saeima has 17 committees that deal with details of legislation and are composed of representatives of all parties in proportion to their standing in the Parliament as a whole.

The Latvian military is integrated with NATO and bound by many of the organization's regulations, including the military spending minimum of 2 percent of GNP. The civilian 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 have stirred widespread discontent among officers.

Democracy has been established in Latvia, which is now considered a model for other former Soviet republics in attuning national legislation to EU standards. Despite the low levels of public trust in Latvian political institutions, there is a general acceptance of the legitimacy of national authorities.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00

Elections to the Saeima are held every four years. Deputies are elected proportionally from party lists in five multi-member districts. In the last elections, held in October 2006, parties sought to circumvent campaign spending limits by orchestrating the financing of advertising through separate organizations. While this garnered many votes for some parties, the overall turnout of 62.3 percent was significantly lower than the 70.3 percent reached in 2002.

The elections were closely observed by a delegation from the Organization for Security and Cooperation in Europe (OSCE). In their view the polls were "administered transparently and professionally, and the campaign took place in a competitive and pluralistic environment."[15]

The People's Party led the voting with 23 seats. The New Era Party was seen as the main loser, dropping to 18 seats from 26 in 2002. The other five parties that won representation were the Union of Greens and Farmers (18 seats), the Harmony Center (17), the LPP/LC (10), Fatherland and Freedom (7), and For Human Rights in a United Latvia (6).

Latvian presidents are chosen by the Parliament for a term of four years and require 51 votes to be elected. Valdis Zatlers, the governing coalition's candidate, won the May 2007 presidential election with 58 votes, while opposition candidate Aivars Endzins secured 39 votes.

Latvia, which joined the EU in 2004, held its first European Parliament elections in June 2006, choosing 8 of the body's 732 members. The second European Parliament elections were held concurrently with municipal voting in June 2009. Of the 16 parties vying for representation at the European level, only 6 were successful. Turnout was 53.8 percent, up from 41.2 percent in 2006. The Civic Union party led the voting with 24.3 percent and hence two of the eight seats. The Harmony Center garnered 19.6 percent and two seats, and the remaining four parties secured one seat each.

The local elections took place in the 118 newly created municipalities, and the turnout represented a slight increase from the 52.9 percent achieved in 2005. In total there were 11,196 candidates from 737 separate lists. The biggest surprise occurred in Riga, where the Harmony Center received 34.3 percent of the vote. It was able to name its candidate to the mayoralty by forming a coalition with the LPP/LC, which took 15.1 percent. The Central Election Commission received complaints about irregularities in several districts, but found that these were not significant.[16]

Under electoral law changes affirmed by the president on January 15, no political campaigning is allowed a day before, or on, election day. All advertising has to indicate the political candidate or party behind it. Also, all parties must indicate to KNAB how they plan to organize preelection campaigning. If the bureau observes transgressions, it can cancel the party's right to advertise, subject to appeals to administrative district courts. Critics point out that the law has not adequately lowered the high ceiling for election spending by parties.[17]

Among other changes initiated in 2009, former Soviet-era, security service "technical workers" now have the right to run as candidates. In addition, a party's star candidates can no longer be listed in more than one of the five electoral districts in Saeima elections.[18]

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75

Nongovernmental organizations (NGOs) 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 mid- and long-term national programs outlining the duties of government in the strengthening of civil society.

The consequences of the economic crisis, including the deep cuts in government services and wages for various state employees, such as teachers and medical personnel, resulted in deep popular frustration that surfaced throughout 2009. The January 13 demonstration in Riga's Domas Square, organized by the Latvian Labor Association to demand the right to fire the Parliament, sent a powerful message that contributed to the formation of a new government a few weeks later. It also became a catalyst for the constitutional changes that were adopted in April. Strikes by various professional groups, including protests by farmers who used their tractors to block city access roads, became a common feature of early 2009. Other citizens chose to send petitions to the president, the Saeima, and the prime minister. Students protested the closing of many rural schools by lighting symbolic campfires throughout the country. The police union chose to bring its case to the European Court of Human Rights after Latvia's Constitutional Court refused to review its grievance. Another group called for a "flash mob" in front of the Parliament building to protest cuts to state radio and television financing.

While demonstrations abounded, the typically more effective work of established NGOs suffered several major blows. As of July 1, the available tax deduction for donations to registered "public good" organizations was reduced from 85 percent to 15 percent. Moreover, the financial setbacks for most private companies resulted in dramatically smaller donations. About half of the donations go to sports organizations, including professional hockey and basketball teams, which at least one critic argues, should not be considered "public good" organizations. In July, Latvia had 3,380 "public good" organizations, of which 1,142 had the right to receive donations with the attendant tax benefits. The largest shares of these were involved in social welfare and charity work (31 percent), but the second-largest group was dedicated to sports (15 percent).[19]

NGOs' close cooperation with lawmakers and political leaders was visible during the year. In May, the prime minister and other officials joined journalists, NGO representatives, and scholars for a "town hall" discussion of ongoing governance reforms. The Saeima held its third annual forum with NGOs in mid-September, and over 90 representatives from about 60 organizations participated. The NGOs were also invited to attend discussions about the allocation of EU funds. Indeed, as it stands, only 8 of 130 EU funding programs are open to NGOs.[20]

Individual ministries have also worked out cooperation agreements with NGOs. The Ministry of Welfare, for example, has plans to include several specific groups in all the phases of decision making. Among the largest of the 67 participating groups are the Latvian Employers' Confederation, the Latvian Free Labor Union Federation, the Latvian Pensioner Federation, and the Local Government Union. Similar memorandums of understanding were drafted by the Ministry of Interior. Although these consultations are extensive, some NGO participants have complained that politicians do not always heed their recommendations and concerns.[21] Nevertheless,

in one sign of successful lobbying, pressure from environmental NGOs helped prevent the abolition of the Ministry of the Environment.

Ethnic minority groups have been active in recent years, especially in opposing the closure of smaller schools. According to a 2009 study by Providus, NGOs rarely cross linguistic lines. Most Latvian NGOs are politically oriented, while Russophone groups tend to focus on their own communities.[22] One common bonding mechanism devised to unify thousands of individuals and groups is the annual *talka*, in which common people, lawmakers, and the president collect garbage and clean up parks, beaches, and waterways all over Latvia.

Latvian NGOs face many problems besides financing. Organizational capacity is low, and most groups are composed of about two dozen individuals who often lack basic training in financial, legal, administrative, and public relations skills. They are dependent on volunteers who do not have the time or energy to pursue long-term strategies. Even paid staff are often supported by funds for specific projects rather than a continuous source of personnel financing. This "Russian roulette" style of funding, as one activist described it, militates against long-term planning.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75	1.75

The media enjoy editorial independence and are free to disseminate information and views, restricted only by libel considerations and the pressures of the market. Investigative journalists pursue sensitive topics, including government waste and corruption, but such probes are costly and limited in scale. Newsworthy information is sometimes difficult to obtain from government sources, despite the 1998 Freedom of Information Act.

Almost all private, Latvian-language media outlets are now foreign owned. The leading Latvian television station, LNT, and another major station, TV5, are controlled by the U.S.-based News Corporation. Sweden's Modern Times Group owns TV3 and the Russian-language 3+, as well as several radio stations. The newspapers *Neatkariga Rita Avize* and *Vakara Zinas* are controlled by the owners of the oil firm Ventspils Nafta. Another leading newspaper, *Latvijas Avize*, is held through Ventbunkers, which, in turn, is under the direction of a foreign-owned corporation based in the Netherlands. And the most popular Internet news site, Delfi, is owned by Estonia's Ekspress Grupp.

The major newspaper, *Diena*, which was owned by the Bonnier Group, a multinational Swedish company, was sold in July after years of financial difficulties. An initial lack of clarity on the identity of the buyers led to suspicions that Russian money was involved, but it was eventually reported that Britain's Rowland family had acquired the paper through a Luxembourg-based investment fund. *Diena* also controls about a third of the local papers, the business publication *Dienas Bizness*, and the Baltic News Service. Over a dozen leading journalists and editors at the

company quit or were fired in mid-October. Those who left claimed that the newly proposed business model for *Diena* entailed cutting editorial expenses by over 50 percent.[23]

Latvian media suffered a number of economic blows during 2009, with daily newspaper consumption decreasing by 6 percent and advertising sales dropping by 42 percent in the first half of the year.[24] The state raised the value-added tax from 5 percent to 10 percent, and it was set to increase again to 21 percent in 2010. A continuing problem is the high cost of newspaper deliveries outside the main population centers; the postal service has pressed for higher subsidies from the state budget for this purpose. Newspapers have also suffered due to competition from the Internet, which is used regularly by 57 percent of the population.[25]

The state-financed television and radio broadcasters faced a 60 percent cut in subsidies during the year. Latvia has one of the lowest rates of financing for public media in Europe, providing only €8 (US$11.00) per person, compared with an average of €130 (US$95.00) in Western European countries.[26] The most popular radio station, Latvia Radio 2, with an average audience share of 27 percent, was set to be leased to private concerns.

The mass media are the most trusted institutions in Latvia, but they have witnessed a decrease in public confidence. A poll by the Marketing and Public Resource Center in August, found that 41 percent of respondents were skeptical of the objectivity of news in the mass media, a significant increase from August 2007, when 27.7 percent felt this way.[27] At the same time, an analysis of media in Latvia concluded that there were fewer cases of intolerance reflected in their news and analyses.

Journalists in Latvia have almost no job security or protection from employer abuses. Their unions are weak or nonexistent, and their remuneration is based on a low salary with extra payments for each article or presentation. Veteran journalists typically earn about US$900 to US$1,000 per month before income taxes of 26 percent. Consequently, many reporters are forced to moonlight at 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 glamor, and there is tremendous competition to enter journalism schools.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.25	2.25	2.25

In contrast to Estonia and Lithuania, the Latvian constitution does not lay out the rights and principles of local government. Municipal activists have pressed for the rectification of this omission. Nevertheless, Latvia has several laws that apply to municipalities, principally the Law on Local Governments, which was passed in 1994 and amended more than 10 times since then.

In 2009, after more than a decade of debate, Latvia's local government system underwent a major overhaul. More than 530 small local units were reorganized into 109 municipalities and 9 cities, creating a certain amount of confusion as long-standing local bonds and practices were terminated. The councils for the 118 new units were elected on June 6. Two weeks before the elections, only 37 percent of voters knew the boundaries of their new municipalities and how the new governments would work.[28] The councils had to decide the location of their new headquarters, merge the budgets of the smaller local governments they replaced, and issue new local ordinances. The national government also had a heavy workload associated with the changes, including the amendment of 169 cabinet decrees and numerous rulings by various ministries.[29]

The economic crisis has had a debilitating impact on the budgets of local governments. Calculations in March indicated a shortfall of 27.7 percent.[30] Moreover, some local government administrators claimed that the municipal reforms had increased the bureaucracy and workload while slowing the speed of decisions.[31]

The Latvian Local Government Union has developed into a very 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.

The responsibilities of municipalities include primary and secondary education, most social assistance (except pensions and family care benefits), health care, water supply and sewage works, county 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 minutes; voter access to council members and executive officials; procedures for review of complaints and suggestions; public discussions; and audited annual reports or reviews of budgets, spending, assets, and activities. Citizens also have recourse to municipal elections every four years.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75

Latvia's constitution provides protection for fundamental political, civil, and human rights, and on the whole these are respected by the authorities and the general population. Latvians are guaranteed equality before the law, but not all have equal access to justice in practice. Over 80 percent of litigants in civil cases act without the help of lawyers, yet state legal aid is made available in all criminal cases.

Latvia has a network of 35 district and city courts, 6 regional courts, and a Supreme Court. Most cases are overseen by a single judge and a recording secretary in the first instance. Complex criminal cases and some cases involving property, patent

rights, insolvency, and monetary claims exceeding 150,000 lats (US$261,000) are initiated in regional courts. The Supreme Court, with 47 justices, is divided into two separate judicial bodies: the Senate and the Supreme Court Chambers.

In January, new administrative courts in four regional locations (Liepaja, Valmiera, Rezekne, and Jelgava) began their work. Administrative courts adjudicate disputes and conflicts between the population and national or local public servants, including policemen. State bodies and state workers can be fined or asked for restitution of lost assets. Previously all such cases were decided in Riga. The new facilities will improve access for those who do not live near the capital. Each new court was intended to have 4 judges and 12 support workers, but due to budget constraints the Valmiera court will have 2 judges and the other courts 3 each. The administrative courts have experienced a tremendous boom in cases since they were first established in 2004. As a result, there is at least a 19-month waiting period for cases to be heard. About one-third of first instance decisions are appealed, and the reviews are heard only in Riga. In 2008, the lower administrative court registered 4,195 cases, the regional court 2,515, and the Senate (administrative section) 843. Administrative court judges have created a union to advance and protect their professional interests.[32]

The Constitutional Court has become an important recourse for those dissatisfied with public policy. Its decisions over the last decade have largely been considered fair, creating a reservoir of public trust in this institution. In December, the court overturned the government's pension policy, which had decreased pensions by 10 percent (for the period from mid-2009–12) for retired recipients and by 70 percent for pensioners who worked.

The European Court of Human Rights also considers cases after they have made their way through the Latvian court system. Several successful suits against Latvia before the court have sensitized the administration and Latvian judges to the provisions of the European Convention on Human Rights.

The judicial system is being consolidated, and much has been done to improve the working conditions, support systems, salaries, and pensions of judges. In the last several years, the salary gap between lawyers in private practice and judges has narrowed significantly. There is now intense competition for each judicial opening, and the two-year probationary period has allowed for better, long-term screening of candidates.

The economic crisis forced the government to cut judges' salaries to 73 percent of the previously planned levels, and a salary cap fixed their maximum pay at a level comparable to that of prime minister.[33] At year's end, the judges challenged the cuts in the Constitutional Court.

In most instances judges are appointed in a relatively fair manner. In October, however, the Saeima's rejection of a Supreme Court nomination led to a widespread debate about appointment procedures. The lawmakers voted in a secret ballot, 43 to 26 with 14 abstentions, to negate the appointment of a relatively young (born in 1975) administrative court judge, Maris Vigants, to the Supreme Court. The decision went against the recommendations of the Judges Qualifications Collegium,

the Judges Self-Governing Institution, the chair of the Supreme Court, and the parliamentary Justice Committee. The justice minister, the president, the Supreme Court, and many others were outraged. The most damaging claims held that the vote had been arranged at the behest of Ventspils mayor and business magnate Aivars Lembergs, for whom Vigants had issued an arrest warrant in 2007.[34]

The Ministry of Justice is overburdened, and with the new budget constraints it will have trouble retaining its workers. For many years, the ministry has experienced high personnel turnover, especially among law students who depart when they have obtained their degrees. The ministers in charge are also frequently changed. Since 1991, there have been 12 different justice ministers.

The court system still suffers from a dearth of Supreme Court justices and a large backlog of cases. More judges cannot be appointed because of space limitations, though the Ministry of Justice is trying to alleviate this problem. Moreover, the increase in litigation by the population indicates an acceptance of the rule of law and a growing confidence in the court system. Courts are learning new procedures and utilizing technological advances to increase efficiency. Video conferencing has been allowed; the electronic dissemination of court decisions to litigants has begun in certain courts; and a database of Latvian court decisions can be accessed for a fee.

The prison system faced a 30 percent budget cut in 2009, even as the inmate population rose to 7,070, in March, up from 6,567 a year earlier.[35] The Office of the Ombudsman also faced a difficult year. Its budget was cut by 57 percent, and there was serious talk of liquidating the institution. The incumbent ombudsman, Romans Apsitis, faced an open letter in July in which a group of recently unionized employees claimed he was ineffectual. The ombudsman received 3,603 complaints in 2009, compared to 4,936 in 2008.[36] As of the end of October, it employed just 39 people.[37] It is tasked with an incredibly broad range of responsibilities, handling cases on civil and political rights, social and economic rights, criminal law, discrimination prevention, children's rights, and good governance.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
3.50	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25	3.25

A 2006 report by respected specialist on corruption in Latvia, Valts Kalniņš Kalnins, described the country as "slowly becoming similar to several Western European states, where the civil service and court system are relatively noncorrupt, but politics is corrupt." Kalniņš observed, "Improvements are occurring in the justice environment and in the state bureaucracy, but in the political arena I do not see any visible improvements." He also noted that if KNAB became a greater threat to political corruption, it would receive a "counterblow." Indeed, while Prime Minister Aigars Kalvitis failed in his 2007 attempt to dismiss the head of KNAB, a second attempt, by Prime Minister Godmanis in June 2008, succeeded. Not surprisingly, the sacked official, Aleksejs Loskutovs, argued that his dismissal had

been politically motivated. Prime Minister Godmanis appeared to be in no hurry to replace Loskutovs, and after the January 13 demonstrations in Riga, the president directed the government to appoint a new KNAB chief.

During the eight-month interregnum, several influential figures suggested that the bureau be disbanded or merged with security agencies purportedly to save money. According to Loskutovs one of the main supporters of such a move was the People's Party, led by the oligarch Andris Skele. Another proponent was Aivars Borovkovs, the head of the lawyers' association, Juristu Biedriba, and a member of the consultative council of KNAB who has often been seen as a "kingmaker" in Latvian politics. The prosecutor general, Janis Maizitis, countered that KNAB "will be needed for a long time yet."[38] Support for KNAB by President Zatlers and the majority of the population forced the political leadership to act. On March 12, the Saeima confirmed the appointment of Normunds Vilnitis, a lecturer at the Latvian Police Academy with institutional experience in combating narcotics trafficking and organized crime. The incumbent deputy chiefs remained in place, providing the bureau with much-needed continuity and popular credibility.

Despite its lack of a permanent chief for eight months, KNAB continued its activities unabated. One of its most visible actions was the discovery of widespread corruption in the Riga city council in October 2008. It concluded that three city councillors should be held criminally liable for adjusting building regulations in exchange for large bribes. The monthly tally of activities listed on the bureau's Web site shows that it is quite prolific. It has expanded its activities in educating the public about corruption, held regular meetings with state and local government officials, and joined the government and Parliament in preparing more effective laws to minimize corruption. The economic crisis, however, appears to have increased the willingness of businessmen to circumvent the stringent demands of competitive state procurements.[39] Separately, KNAB was responsible for checking the legality of political party financing before the June 2009 elections. It had been given the power to delist any party found in contravention of the rules. In the end, no serious breaches in this regard were reported.

Vilnitis and President Zatlers argue for the increased independence of KNAB from the political process, especially with respect to the prime minister and cabinet, who have direct responsibility for and power over the bureau. Vilnitis has pointed out the contradictory nature of this relationship: "Foreign experts have concluded that the cabinet must check those who are checking them." According to Vilnitis, the biggest obstacles to more efficient work by KNAB are the reticence of the public to come forward with their observations of corruption, and the limitations of inadequate financing. KNAB's 2009 budget was 2.57 million lats (US$4.47 million) compared with 3.65 million (US$6.36 million) in 2008.[40]

KNAB has worked out a long-term program for 2009–13 that lists 74 tasks to be implemented in order to cut corruption risks. The plan includes changes in all state and municipal institutions. In addition, new guidelines have been developed to determine legitimate lobbying activities, and measures have been prepared to protect whistleblowers.

Corruption and state malfeasance are closely monitored by Providus, a public policy center sponsored by the Soros Foundation, and the EU-financed Delna. Both organizations also follow, and if necessary, criticize the activities of KNAB. The semiannual report on corruption financed by the European Commission and supported by Providus has become a very influential document. Its main editor is Valts Kalniņš.

Despite the enmity shown toward KNAB by Latvia's oligarchs, the bureau has continued to gain widespread respect and, more importantly, seems to have engendered a degree of fear among many corruption-prone individuals.

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Lithuania

by Aneta Piasecka

Capital: Vilnius
Population: 3.4 million
GNI/capita: US$17,170

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Civil Society	1.75	1.50	1.50	1.50	1.50	1.50	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	2.50	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.75	2.75
Local Democratic Governance	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.75	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75	1.75
Corruption	3.75	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75	3.50
Democracy Score	2.21	2.21	2.13	2.13	2.21	2.21	2.29	2.25	2.29	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 2009, Lithuania celebrated the millennial anniversary of its name, first recorded in the chronicles of Quedlinburg in 1009. The year also marked Lithuania's fifth anniversary of European Union (EU) and NATO membership. Additionally, 2009 was the 70th anniversary of the Ribbentrop-Molotov Pact by which the Baltic nations were sentenced to a half-century of Soviet oppression and exile, and the 20th anniversary of the Baltic Way. In 1989, in commemoration of the 50th anniversary of the Ribbentrop-Molotov Pact, two million Lithuanians, Latvians, and Estonians created, arm in arm, a human chain across the three Baltic countries to demonstrate solidarity and national rebirth.

Since then, Lithuania has made great strides in establishing a functioning democracy with a robust market economy and well protected political and civil rights. Public perceptions of change are unambiguous, and support for Western integration is consistently strong.

Yet, despite impressive gains and recognition in the foreign policy arena, political life within the country has retreated somewhat from further reforms. Political bickering and intrigues, unexpected ad hoc coalitions, and protracted reforms have downgraded Lithuanian politics. Public apathy and alienation from the political process have deepened, and citizen involvement in the civic sector is low. These trends were only further abetted by a dramatic economic recession in 2009 caused by a severe decline in external and internal demand. National budget revenues fell markedly and the public sector deficit soared. The number of the unemployed swelled, and the country's informal economy expanded.

The center-right ruling coalition of the Homeland Union-Lithuanian Christian Democrats (HULCD), Liberal and Center Union (LCU), Lithuanian Liberal Movement (LLM), and Rising Nation Party (RNP) embarked on a bold plan to combat the economic crisis, including tax increases and reductions in public sector outlays and social benefits. While these policies provoked severe public backlash, they also featured a strong political will to usher in long-overdue and unpopular public-spending cuts.

In May 2009, former EU Budget and Finance Commissioner Dalia Grybauskaitė was elected president of Lithuania in direct national elections. Andrius Kubilius of HULCD was reappointed prime minister and retained his cabinet. The right-wing flank managed to maintain the ruling four-party coalition despite internal squabbling from smaller coalition members, economic hardships, and declining public trust.

National Democratic Governance. Lithuania's daring plan to combat the economic crisis ushered in tax increases, mass reductions in public spending and

social benefits, and drastic cuts in the government workforce. The government also proceeded to some degree with institutional reorganization and mergers. Inaugurated in mid-July, President Dalia Grybauskaitė established buoyant relationships with the legislative and executive branches; she also instituted resolute policy shifts and reshuffled the top ranks. During the summer, the split of the second largest coalition party, RNP, undermined the foundations of the ruling coalition. In September, Irena Degutien of HULCD replaced Arūnas Valinskas of RNP as parliamentary speaker. The center-right coalition managed to garner support for a severely trimmed 2010 national budget. Protracted energy policy decisions heightened uncertainty over a new nuclear power plant and other energy projects. *The adoption of unpopular yet much needed budget cuts amidst the economic crisis was offset by extreme tax increases and spotty progress with efforts to reduce bureaucratization. Lithuania's national governance rating remains at 2.75.*

Electoral Process. Dalia Grybauskaitė easily outrivaled her competitors in the first round of presidential balloting and was inaugurated Lithuania's fifth post-independence president in mid-July. The country's two largest parties, HULCD and Social Democratic Party of Lithuania (LSDP), won the most seats in the European Parliament elections on June 7, which drew a record low voter turnout of 21 percent. While HULCD maintained fairly strong positions despite wobbling public attitudes and some inner squabbling from the Christian Democrat flank, other coalition partners had a harder time facing crises in public trust and party splits. The year brought promising leadership changes to LSDP, LCU, and the National Farmers Union (NFU). *Lithuania's presidential and European Parliament elections went smoothly and a number of parties underwent promising leadership changes, but political parties experienced a crisis in public trust. Lithuania's electoral process rating remains at 1.75.*

Civil Society. Nongovernmental organizations (NGOs) were inhibited by the economic crisis and severe shortfalls in funding. Indications of growing grassroots movements with obvious political ambitions multiplied in light of the dramatically falling public trust in existing political parties and the 2011 local government elections. In 2009, Lithuania launched a groundbreaking higher education reform that introduced council-based university management and student voucher-based financing. *Owing to the lack of significant progress in the development of NGOs, Lithuania's civil society rating remains at 1.75.*

Independent Media. A drastic increase in the value-added tax (VAT) on paper and printing costs, coupled with a dramatic fall in advertising revenues, delivered a severe blow to Lithuania's media market, as reflected in the numerous closures of publications. The quality of journalism continued to deteriorate as national broadcasters discarded analytical content and forfeited their role as watchdog media. During 2009, Internet connectivity grew markedly, with broadband service accounting for 99 percent of connections, one of the highest levels globally. Likewise,

online media showed an impressive increase in the usage of Web-based newspapers, journals, TV, and radio. *Impressive progress in online media development and usage was offset by a continuing decline in the quality of media programs, journalism, and watchdog media. Thus Lithuania's independent media rating remains at 1.75.*

Local Democratic Governance. In 2009 the long-awaited abolition of Lithuania's ten regional administrations was approved and preparations were initiated for redistributing their functions. Yet, the legitimation of direct mayoral elections remained unaddressed. Local governments experienced a dramatic shortfall in budget revenues, leading to large debts to service providers, reductions in municipal outlays, and deteriorating conditions in municipally run healthcare, education, and social welfare institutions. *Owing to a lack of visible improvements, Lithuania's local democratic governance rating remains at 2.50.*

Judicial Framework and Independence. Procrastination and political battling over court reform revealed a lack of both vision and interest from major stakeholders. Owing to President Grybauskaitė's leadership, Supreme Court Chair Vytautas Greičius stepped down in mid 2009, a year after the expiry of his nine-year term, and the criteria for judge appointments and procedures were improved. Concerns over human rights violations in Lithuania's overcrowded prisons intensified, leading to government plans to modernize prisons, increase managerial effectiveness, and revise the penal system. In fall 2009, the country's court system and its foundations of law and order were shattered by allegations of procrastination in a pedophile case that led to two murders, including the assassination of a criminal trial judge. Lithuania incited international clamor by approving a law that aims to keep information about homosexuality away from children. *Owing to a persistent lack of progress in court reform and recurring concerns over human rights, Lithuania's judicial framework and independence rating remains at 1.75.*

Corruption. The year saw some follow-through in high-profile corruption cases, with 10 high-ranking municipal officials facing charges of bribery and graft or going on trial. The national anticorruption program was substantially updated and revised in 2009 but has not yet become the signpost for anticorruption work. The center-right government showed readiness to move forward with corruption prevention initiatives and instituted numerous policies to simplify and reduce citizen-government interaction. Through a long-awaited resolution, all government institutions are now obliged to post exhaustive online information about ongoing public procurement. Additionally, a profound revision of the business inspection policy and mechanism was launched. *Owing to visible progress in both corruption prosecution and prevention, Lithuania's corruption rating improves from 3.75 to 3.50.*

Outlook for 2010. Lithuania's current government is expected to survive another year, although the government–Parliament relationship will continue to suffer from a lack of dialogue. Progress with a reduction in institutional bureaucratization

and corruption prevention will depend largely on the future of the center-right coalition. Regional administrations will be abolished beginning in July 2010, while their functions will be revised and divided between the national and municipal governments. Direct mayoral elections will return to the policy agenda pending the local government elections in 2011. Broader outcomes of higher education reform will surface, but the prospects for healthcare and court reform remain fairly dim. Some changes are expected within the security system. Lithuania might experience another wave of emigration if economic hardships persist. Unemployment will definitely be an issue despite the signs of economic recovery recorded in the second half of 2009. Likewise, energy shortfalls and price hikes will remain top concerns after the closure of the Ignalina nuclear power plant.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.75	[illegible]

In 2009, Lithuanians turned their attention to the president's office and the first decisions of newly elected President Dalia Grybauskaitė. Andrius Kubilius of the Homeland Union–Lithuanian Christian Democrats (HULCD) party was reappointed prime minister and retained his coalition cabinet with only minor changes. Throughout the year, the center-right ruling coalition of HULCD, Lithuanian Liberal Movement (LLM), Liberal and Center Union (LCU), and Rising Nation Party (RNP), was largely preoccupied with handling growing economic and fiscal pressures. Despite harsh public criticism and internal squabbling from smaller partners, the coalition survived its first year and passed the pivotal 2010 national budget with a painful savings program and spending cuts.

Immediately following her inauguration in mid July, President Grybauskaitė established vibrant relationships with the government and Parliament. She dismissed two notorious top security officers and the Supreme Court chair, and enacted tighter regulations on the nation's energy monopoly. She also instituted a controversial shift in foreign affairs priorities and assumed a pragmatic attitude toward eastern neighbors, as demonstrated during Belarus President Alyaksandr Lukashenka's visit to Vilnius. Finally, in late 2009, President Grybauskaitė secured the resignations of Security Chief Povilas Malakauskas and Chair of the State Social Insurance Board (SoDra) Mindaugas Mikaila. While some claimed the president was infringing on the government's turf, others accused her of using an incremental policy, with a lack of priorities and long-term strategic vision. Yet President Grybauskaitė, who is widely recognized as the most influential public figure in Lithuania, generally acted within her mandate and in many cases avoided direct intervention in economic and social policy-making, thus avoiding confrontations between the executive and legislative branches.

In 2009, Lithuania experienced a large-scale economic recession caused by a decline in both external and internal demand. GDP and budget revenues fell dramatically, the public sector deficit and unemployment soared, and the informal economy expanded. In response, the government focused on balancing the budget and instituted overnight tax reform and drastic cuts in public sector outlays and social benefits. As many as 60 changes to the tax law were adopted in a few days time: the value-added tax (VAT), business profits tax, and excise duties were raised; VAT reliefs were removed; and health insurance and social security contributions were imposed on self-employed individuals. These policies were severely criticized as illogical, disproportionately hitting the poor, stifling small to medium-sized businesses, and stimulating undeclared labor. The cabinet's intimidating rhetoric

heightened public confusion and further paralyzed business initiatives. The tax changes also provoked social unrest and riots in mid-January, as well as opposition from business circles.

While the government shunned much needed strategic policies and structural reforms, it did have the political will to bridle the country's lavish and ineffectual public spending. Still, the new Parliament squandered the voters' trust in just three months. By January 2009, public confidence in the legislature slumped to just 3.6 percent, its lowest point in Lithuania's post-independence history; public trust in the government hit a record low of 10.7 percent.[1]

Prime Minister Kubilius strained to preserve the unity of the four-party ruling coalition, but internal squabbling from smaller coalition partners destabilized its work. In general, the cabinet remained focused and cohesive, but the coalition's polarization led analysts to anticipate its imminent recomposition. Indeed, a split within the second largest coalition party, the fledgling RNP, in the summer of 2009 shattered the coalition's foundations. The parliamentary majority shrank from the original 85 members of Parliament (MPs) to the required minimum of 71, although the actual number contracted even further. Finally, in September 2009, RNP's leader Arūnas Valinskas was overthrown as parliamentary speaker in a no-confidence vote over alleged discreditable ties. Irena Degutienė of HULCD replaced Valinskas by a majority of 95 votes. As a highly respected political old-timer, Degutienė was expected to streamline the Parliament's work and strengthen parliamentary control of government.

With the ballot on the 2010 national budget pending, concerns over the feeble parliamentary majority led HULCD to beckon the opposition Labor Party (LP) to the ruling coalition in place of the unpredictable new RNP faction, One Lithuania (VL). Although justifiable under the circumstances, this move provoked severe criticism as defying ideological values, especially with the populist LP facing charges of faulty bookkeeping and campaign fraud. It also came as a blow to the largest opposition party, Social Democratic Party of Lithuania (LSDP), which had only recently shown readiness to support the government. In the end, the critical votes for the 2010 budget came from VL, thus fortifying the ruling coalition's position and mollifying the opposition. The anticipation of government recomposition faded, giving the ruling majority a chance to survive another year and build on the first signs of economic recovery.

Preparations for security services reform gained momentum in spring 2009 but were brought to a standstill pending the election of a new president. Parliament is now set to launch a reorganization of the State Security Department (SSD) and revise security oversight. The need for reform was heightened after a series of scandals that shattered the SSD over the past three years, revealing the agency's internal problems, politicized leadership, external influences, and defiance of parliamentary control. SSD Chief Povilas Malakauskas did little to amend the situation or break the tension with the parliament, and was removed from office by the president in late 2009.

The dire predicament in public finances appeared to push long-overdue structural changes in public administration. While some departments and services were closed, others were merged with their founding institutions. The 2009 economic crisis forced drastic salary cuts and the culling of redundant positions. While cuts in the civil service seemed quite visible, the overall reduction was far from impressive. Over the past five years, the bureaucratic apparatus has grown by several thousand employees per year, reaching 55,143 (including 25,451 statutory officials) in mid-2009.[2] Institutional and administrative reform has been fragmentary due to the lack of a systematic approach and entrenched opposition from political circles and officials.

From mid-2009, all bills and legislative proposals from the executive branch were posted online in the Parliament's legal information system. While Parliament had long provided all legislative documents and records online, executive authorities lacked openness and often proposed bills or adopted new regulations without prior notice or public scrutiny.

Concerns over energy issues sharpened with the approaching closure of the Ignalina nuclear power plant on December 31, 2009. Lithuania had long been censured for its procrastination on energy policy decisions, which observers attributed to the lack of a clear-cut strategic interest in ceasing the country's dependence on Russian gas. During the year, the government appeared to be taking steps to bridle energy interest groups and their influence on national priorities. An increase in electricity prices was opposed, energy utilities underwent national audits, and energy monopoly regulations were tightened. Above all, the mega-utility Leo LT—the monopolistic national investor in a new nuclear power plant established in May 2008 in a controversial no-bid process—was dismantled in late 2009.

While the construction of a new nuclear power plant remains a very popular idea and a new bill stipulates transatlantic integration criteria for a new strategic investor, its prospects remain dim. In 2009, agreements on building electricity grids to Sweden were finally signed, but the deal on electricity grids to Poland was not finalized. These projects could potentially solve Lithuania's energy problems in terms of cost, safety, and supply.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

In May 2009, Dalia Grybauskaitė was elected president of Lithuania in the first round of balloting, in direct elections, with 52 percent voter turnout.[3] As an independent candidate, the former European Union (EU) commissioner received 69 percent of the vote, pushing out LSDP leader Algirdas Butkevičius, Lithuania's first post-independence premier Kazimira Prunskienė, and four other candidates. President Grybauskaitė, who had topped popularity polls for the past several years, gained large-scale public and political clout for her strong personality, professionalism, and

competence, as well as for being politically independent with openly critical views of the government's economic policies. Prior to becoming Lithuania's fifth post-independence president, Grybauskaitė was vice-minister under the Conservative-led cabinet from 1999 to 2000, and finance minister in the Social Democrat-led administration from 2001 to 2004. Since 2005, she has served as EU Budget and Finance Commissioner.

The presidential elections provided yet another occasion for analysts to criticize Lithuanian political parties for blurred ideological boundaries, controversial ad hoc coalitions, party splits, infighting, and a lack of strong leaders. The insularity of traditional political forces had been growing, and political rhetoric was at odds with actual politics. This backslide in the country's political life was reflected in public trust in government hitting a record low in January 2009.[4] Low party membership (2.8 percent of the population) and low voter turnout were other indicators. In 2009, there were 32 registered political parties in Lithuania, though only 10 had more than 2,000 members.

Elections to the European Parliament on June 7, 2009 were held with record low turnout of 21 percent, leaving Lithuania second from the bottom (just ahead of Slovakia). HULCD won 4 seats, LSDP 3, Order and Justice Party 2, LP 1, Lithuanian Polish Election Action 1, and LLM 1.[5] Lithuania's two largest parties won the most seats despite severe public backlash directed at the previous LSDP-led administration and the current government. HULCD appeared to restore public trust during the year, and was almost unaffected by the internal friction from its Christian Democratic (CD) flank; but by the end of 2009, HULCD fell in popularity compared with the opposition LSDP and LP.

The failure of Arūnas Valinskas's RNP in the EU elections, and its split during the cabinet re-approval in mid-2009, came as no surprise. In an unprecedented move, the RNP founder and his six allies suspended membership in their parliamentary faction and entered into a coalition with LLM as a new Ąžuolas (Oak) faction. The remaining 13 members, upset with unfulfilled ministerial ambitions, set up a separate faction, VL, and sought agreement with HULCD. Valinskas's removal as parliamentary speaker further undermined the foundations and political weight of the celebrity party, founded in May 2008, and the third-place winner in the 2008 parliamentary elections.

Tension within LCU heightened after its own failure in the EU elections and persistant internal confrontation against party leader Artūras Zuokas. Talks on the merger of LCU and LLM continued, albeit strongly opposed by Zuokas. Finally, in late 2009 LCU and LLM united forces through joint parliamentary faction sittings. In June, Gintaras Babravičius replaced Zuokas as party chair, while Zuokas himself resigned from Parliament in December 2009.

The year witnessed a watershed in LSDP history as Algirdas Butkevičius was unexpectedly elected party chair, replacing the unpopular ex-prime minister and member of the ex-Communist flank Gediminas Kirkilas. Representing the Social Democratic (SD)-flank, Butkevičius is expected to bring a breath of fresh air to the party.

A similar comeback occurred within the National Farmers Union (NFU) when Ramūnas Karbauskis regained party leadership from the long-term party chair Kazimira Prunskienė. NFU, which was established in 2001 through a merger of Karbauskis Farmers Party and Prunskienė's New Democracy–Women Party, was part of the SD-led ruling coalition for almost eight years but did not make it into Parliament in 2008. While NFU prospects seemed fairly good, Prunskienė established a new political party, the Lithuanian National Union, in December 2009 and openly proclaimed its pro-Russian orientation; the 2011 municipal elections will be its first test.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	

In 2009, there were indications that grassroots movements were expanding and working toward manifesting their political ambitions in Lithuania. Examples included Respublika media's Žalgiris (rooted in Respublika's sponsorship of the Lithuanian basketball club Žalgiris), the radio station Pukas' Kitokia Lietuva (developed from a political talk show), and a group led by prominent lawyer Kęstutis Čilinskas. This trend might be associated with the lead-up to the 2011 local government elections in which non-party candidates will be allowed for the first time. The groups are evidently building on the critically low public trust in political parties and candidates' reluctantance to carry a party label, yet are likely to develop into political organizations in their own right in the future.

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 and sponsorship funds. Statistics on the number of organizations are ambiguous, as there are wide differences between the number of operating entities and those that are merely registered. At the beginning of 2009, there were 7,525 operating associations, 233 charity and sponsorship funds, 2,510 public institutions (schools and hospitals excluded), and many other nongovernmental groups.[6]

There are indications that a two percent income tax deduction, which private individuals in Lithuania may use to donate to NGOs, may be abolished. Originally intended to boost civil society, the two percent donations go mostly to underfunded municipal institutions and schools, although they also help to shore up some NGOs and prominent charity foundations. Both the number of recipient organizations and the amount of donors benefiting from the deductions continue to grow. The number of donors rose from 370,000 in 2005 to 530,000 in 2009, and a total of 15,600 organizations received donations in 2009 (up from 12,000 in 2007).[7] Yet the two percent option discourages philanthropy and provides ample room for abuse. Reportedly, numerous fictitious organizations have been founded

to take advantage of the provision. Additionally, companies 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 distracted many from their core objectives. NGOs may bid for government contracts, but this practice is rather uncommon owing to a complex administrative process. Lithuanian nonprofits are required to pay a 20 percent profit tax on commercial proceeds exceeding LTL 25,000 (approximately US$11,000).

Business associations and trade unions are traditionally the most influential nongovernmental groups in the policy-making arena, but the labor pillar has been losing influence in recent years. Trade unions are fairly unpopular and passive, although they are granted wide powers and rights by law. Unions sign collective agreements with employers on behalf of all employees, and the labor code requires all employers to comply. Yet, in most cases, their role is limited to negotiating wages and employee duties. Research indicates that "Lithuanian interest groups do not use sophisticated practices or tactics of lobbying; access is largely based on personal connections and corrupt practices. The business community is the most effective lobby due to its contacts and extensive resources; in contrast, the labor lobby is weak due to a hangover from Communist times."[8]

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 two 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.

In 2009, the new center-right ruling coalition launched higher education reform stipulating student voucher-based financing, council-based university management involving public leaders, and increased independence in property and assets management. Despite some controversy, the adopted changes will undoubtedly break the stagnation of state-run universities. University and faculty mergers are already underway, but more political will is needed to back up the reform, which has been deadlocked for years due to stern opposition from state-funded university leadership. Lithuania has 22 universities, of which 7 are private, with excessively high enrollment figures, experts note. Secondary education is undergoing changes, as well, with moves toward more autonomy and less bureaucracy; improvements are also needed in overall teaching methods and systems for assessing learning.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

The Lithuanian media market experienced multiple blows in 2009 when the VAT exemption for paper and printing costs was revoked. At the same time, the advertising market contracted due to the economic recession and real estate market stagnation. The increase of VAT from 5 percent to the standard 21 percent, on top of rapidly falling advertising revenues, led to numerous closures of newspapers, supplements, and other periodicals, as well as reductions in workforce. Financial difficulties did not bypass Lithuania's extensive and rapidly developing Internet media market. As debts mounted, some of the established and fledgling news portals confronted threatening losses (www.atn.lt and www.alfa.lt). The crippling tax burden drew a backlash of openly aired public criticism against the government.

The economic crisis further aggravated the marked decline in quality journalism and watchdog media in Lithuania, a trend observed for the past five years. Much public criticism was directed toward national TV channels for discarding analytical content and concentrating on highly rated, "lowbrow" entertainment and scandals. As a result, national television channels continued to lose their audience to foreign or local TV channels, the Internet, radio, and the press. Additionally, the journalist community voiced increasing concern over deteriorating media quality. Not surprisingly, these trends contributed to the dwindling influence of large media outlets, growing disregard from politicians, and a record low 40 percent rating for public trust in mass media in 2009.

Lithuania has a small but sophisticated Internet market, with broadband service accounting for 99 percent of all Internet connections, one of the highest rates globally. In spring 2009, a total of 55 percent of Lithuanian households were connected to the Internet, up from 47 percent in 2008 and 10.6 percent in 2004.[9] Likewise, 58 percent of the population used the Internet in 2009, as compared with 53 percent a year before and 29 percent five years ago.

The use of online media continued to expand rapidly. According to household surveys, online use of radio and TV rose from 19 percent in 2008 to 27 percent in 2009, while online reading of newspapers and journals went up from 43 to 49 percent. Given Lithuania's extensive online media market, news portals are competing intensely in terms of the quality and quantity of information as well as expanding video materials. The portals www.delfi.lt, www.lrytas.lt, and www.alfa.lt were among the most popular Web sites during the year.

Media outlets 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 operators are TV3, owned by the Scandinavian Modern Times media group, and LNK, owned by MG Baltic. In recent years several new national outlets joined the market through digital video broadcast terrestrial (DVB-T). Experts note that Lithuania has more national broadcasters than any other country, which may be one obstacle to improving its notoriously low quality

of television programming. The number of digital TV subscribers rose more than 3.5 times on year, reaching 105,500 households in March 2009, according to the Communications Regulatory Authority. Lithuania is set to make a full transition to digital TV 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, although it fell from 24 percent to 17 percent on year in September 2009.[10] Traditionally, radio has been dominated by small local shareholders but in recent years has attracted large industries and other commercial interests.

There are 5 national daily newspapers—*Lietuvos Rytas*, *Vakaro Žinios*, *Respublika*, *Kauno Diena*, and *Lietuvos Žinios*—and around 70 regional dailies across the country. The *Lietuvos Rytas* Group and *Respublika* Group dominate the newspaper market. In 2009, the Russian-capital Snoras bank acquired a majority stake in *Lietuvos Rytas*. Business giants Achema Group and MG Baltic are two, other leading players in the country's media market. Lithuania has no sector-specific regulation of media ownership concentration, but competition legislation sets a general limit at 40 percent of market share.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50	2.50

In 2009, after almost a decade of debate, the legislature gave a green light to abolish regional administrations and thus optimize the national governance system. Beginning in July 2010, the functions of regional adminstrations will be divided between the national and local governments, with the latter set to absorb some of the 230 existing healthcare, social welfare, education, and cultural institutions. The takeover of land planning and completion of land reform, however, might pose a serious concern. At present, Lithuania has one level of local government that encompasses 60 municipalities led by elected councils and 10 regional administrations governed by central appointees. Ambiguities in the division of power have impeded decentralization, distribution of fiscal allocations, and transparent and accountable governance at the municipal level.

Local governance has undergone administrative changes at the lowest territorial level. Wards—territorial branches of the municipal administration—have been divided into elderships with elders elected as representatives of the local community. These new legal requirements have provoked skepticism and indifference from many local authorities and residents, especially in areas with active local communities. Lithuanian village communities, over 1,000 in number, claim that during more than a decade they have established a dialogue with the wards and other local government authorities, while the forced changes will bring ambiguity and tension to the division of competences.

As was expected, the long-running debates on direct mayoral elections continued, as lawmakers grappled over the powers of directly elected mayors and their relationships with municipal councils. If mayoral powers become limited to the functions of the municipal council chair, this position may be weakened in the event the mayor loses political backing in the council. At present, mayors are elected by municipal councils, which are chosen in general elections through a proportional party-list ballot. Executive powers are vested in the municipal council and its appointed administration.

In 2009, local governments experienced a dramatic shortfall in budget revenues, leading to large debts to service providers, drastic spending cuts, and deteriorating conditions in healthcare, education, and social welfare establishments. A lowered borrowing limit—from 45 to 30 percent of planned revenues—further aggravated the situation. The Vilnius municipality made an unprecedented decision and posted complete information about the city's municipal assets and property, their value and use, pending privatization of municipally owned enterprises, utilities, and real estate assets online.

Municipal governments have a limited degree of financial independence and are burdened with politicking and mismanagement, as national audits revealed. Municipal 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 less than half of municipal budgets. The remaining portion comes from independent municipal revenues in which the personal income tax comprises the largest portion. There are wide regional disparities in local government revenues, which are leveled through revenue transfer 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.

Although Lithuanians generally acknowledge the role of self-governance in addressing local community needs and the dialogue between local authorities and communities is growing stronger, many Lithuanians doubt their power to influence local decision-making. Polls show that only one-fourth of the population trusts local governments, down from one-third a few years ago. There is also slow progress in increasing transparency of municipal decision-making. Legal acts by municipal councils are rarely available on the Internet, and decisions are unknown to the public until their enactment. Online availability of municipal services and the quality of official municipal Web sites are increasing but remain quite low.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75	[illegible]

Despite Lithuania's widely acknowledged need for court reform, there was mounting evidence throughout 2009 that the nation lacked both a vision and a leader on

the issue to garner sufficient support from stakeholders. Initially, much hope for reform had been pinned on the new president. Right after the inauguration, President Grybauskaitė rushed to end the yearlong confusion over the Supreme Court chair. By a presidential decree, Vytautas Greičius stepped down in mid-2009 after remaining in office a year past the expiry of his nine-year term due to prolonged political bickering over court reform. In September, the criteria for judge appointments and procedures were revised by a presidential decree. This area had long been troubled by a lack of transparency, showing that the president and Parliament had long played only a symbolic role in the process.

In the autumn of 2009, Lithuania's court system and its foundations of law and order were shattered by allegations of procrastination in a pedophile case that led to two murders, among them a district court criminal trial judge. This case revealed serious procedural flaws in pre-trial investigations and widespread defiance of professional duties among law and order officials. The story provoked calls to replace the prosecutor general's appointment procedures and choice of subordinates, plus yet another wave of public backlash towards judges and courts. Insularity, lengthy investigations and trials, judge bias in favor of the prosecution, and corruption have long plagued the justice system, explaining the ingrained public distrust of courts. On the other hand, such public perceptions have been flamed by unrelenting criticism of the justice system from political and media circles.

The number of lawsuits in Lithuania has grown markedly over the past few years. In particular, the workload of administrative courts has increased, as has the length of trials, since the duties of circuit courts in administrative hearings were expanded in 2008. One of the problem areas is the range of atypical functions assigned to courts that are carried out by notaries, inspections, registries, or other institutions. In 2009 a revision of excessive court duties was launched and some of the functions were renounced. Also, the introduction of online submission and receipt of court documents, centralization of bookkeeping, and mergers of courts are underway.

Concerns over the country's ineffective penal system intensified with news of Lithuania's severely overcrowded prisons and human rights abuses. Court cases and complaints over prison conditions, including complaints at the international level, confirmed the problem. Despite worrying reports from parliamentary ombudsmen, little progress was made in improving conditions for inmates, although the government is set to modernize prisons, improve management, and reform the penal system overall.

In 2009, Lithuania incited international clamor by adopting a law that aims to keep information about homosexuality away from children. The law covers information outlets such as Web sites, exhibitions, demonstrations, and other public events if they can be accessed or attended by children. The law provoked severe backlash from gay rights activists, who condemned the measure as "state-sponsored homophobia," and was admonished by the European Parliament. In response, the Lithuanian Parliament revised the law along recommendations from President Grybauskaitė.

In November, the Constitutional Court ruled that non-Lithuanian names and surnames may be spelled in their original language in the "Other Records" section of passports. Yet, this record will not equal the transcription of the name in the official state language. This decision might further inflame the decade-long dispute over Polish surnames, although this issue is not limited to the Polish minority. The enforcement of the ruling requires additional legal decisions, and Parliament might limit entries to Latin characters. A year earlier, the replacement of Polish and Russian street names with Lithuanian ones by the Vilnius regional administration sparked a wave of disputes over the rights of ethnic minorities.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75	3.50

In May 2009, Parliament updated the national anticorruption program, which now stipulates clear-cut objectives, tasks, and assessment criteria for anticorruption work. It also strengthens the supervisory role of the Interagency Anticorruption Commission and the Special Investigation Bureau (SIB) as well as establishes clear rules for institutional participation. These new features are substantial improvements over the 2002 program, which failed largely due to a lack of political will, defiance from the officialdom, and inadequate oversight. However, the effectiveness of the new program in preventing corruption has yet to be seen.

The current center-right coalition government appears set to propel forward the country's so far lackluster anticorruption efforts. Citizen-government interaction is being reduced and procedures simplified in favor of Internet mediation in various areas, including, but not limited to, public procurement, setting up a company, and registration procedures. New developments include electronic registration for sole proprietorships and limited liability companies, online access for notaries to check claims against property in real estate transactions, preparations for automated registration of resident civil status (for example birth, marriage, and death), compulsory inter-institutional exchange of information, and electronic access to personal information.

In an unprecedented move, the justice ministry became the first government institution to post online detailed information on public procurement. Subsequently, all government agencies were obligated to follow suit, a major improvement in the area most susceptible to graft and cronyism in Lithuania. Today the central government Web site on public procurement still provides only scant information on the largest suppliers and contractors, and clarity is lacking about the system's reliance on cost-benefit analyses. However, preparations for the launch of a centralized online public procurement system are underway. In December 2009, the head of the Public Procurement Service stepped down over violations in a large-scale public tender at the state social insurance board.

During the year, there was some follow-through on high-profile cases brought by the SIB in 2008 after a series of corruption arrests of municipal authorities across the country. By the end of 2009 at least ten high-ranking municipal officials faced charges of bribery and graft and more accusations are expected to surface in 2010. In the fall, two Panevezys City Council members, including Deputy Mayor Kastytis Vainauskas, were indicted for bribery and removed from office. Ex-deputy mayor of Vilnius, Evaldas Lementauskas, and two other city council members have already gone on trial. In an unprecedented court ruling, former head of the Property Fund, Povilas Milasauskas, was found guilty of faulty privatization of a leading alcohol manufacturer, Alita, and fined 2 million litas (US$693,626) to be reimbursed to the state. As a follow-up, the government approved a proposal to establish personal liability of public officials for misuse of public funds.

Public perception of corruption in Lithuania remains equivocal, as a steady three-quarters of the population believe that unofficial payments are effective in dealing with authorities and two-thirds are ready to give bribes, according to Transparency International-Lithuanian branch.[11] Twice as many ordinary citizens (54 percent) as business people and public servants think that the level of corruption has grown sizeably over the past five years. Such discrepancies might be explained either by entrenched corruption in certain areas or disparities between the actual level of corruption and unbalanced media coverage. Reportedly, bribes are offered most often to road police, medical workers, customs officials, and land-planning authorities.

The ruling center-right coalition has approved a structural healthcare reform and reorganization of the costly and inefficient institutional network, yet healthcare institutions, medical personnel, and the public oppose the reform. Although there are reservations regarding the reform content and form, failure to start it might push many crisis-affected hospitals into bankruptcy, experts claim. Lithuania's costly and ineffective healthcare sector, one of the remaining few untouched areas, ranks 29 out of 33 in the Euro Health Consumer Index.[12]

The regulatory system is the chief way that the state intervenes in the economy. Businesses 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.[13] There are about 150 regulatory agencies in Lithuania, and over 300 permissions or licenses are required. A revision of business inspection procedures coupled with functional and institutional mergers are underway aiming to prevent abuse, excessive interventions, and unjustified penalties for business. A long-overdue revision of the business licensing system is also likely to be launched. It remains to be seen how much political power and will the current administration wields to make these initiatives materialize.

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Macedonia

by Zhidas Daskalovski

Capital: Skopje
Population: 2.0 million
GNI/capita: US$9,250

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	3.75	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50	3.25
Civil Society	3.75	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Independent Media	3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Governance*	3.75	4.25	4.50	4.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	4.00	3.75	3.75	4.00	4.00	4.00
Local Democratic Governance	n/a	n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.25	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00	4.00
Corruption	5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00
Democracy Score	4.04	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86	3.79

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

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

Executive Summary

As with a number of countries in Eastern Europe, reforms in Macedonia over the last 15 years have been focused on two issues—state-building and setting up the legal basis for a functioning market economy. As federal Yugoslavia disintegrated, Macedonia declared independence on November 21, 1991, and today is a democratic multiparty state. During the 1990s, Macedonian political elites clashed with their ethnic Albanian counterparts over the basic concept of the state. Following a short conflict in 2001, these elites agreed in Ohrid on a legislative reform that would clarify the rights of minorities. In 2005, the country became a European Union (EU) membership candidate and also applied for NATO membership.

In 2009, Macedonia held free and fair presidential and local elections. The ruling Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO–DPMNE) party coalition decisively won both contests. Further progress was made in decentralization, judicial reform, and the fight against corruption, and international commentators deemed media freedom in Macedonia high. The effects of the global economic and financial crisis were felt only slightly in Macedonia in 2009. Implementation of the 2001 Ohrid Framework Agreement progressed smoothly and was not questioned by political forces in the country. European integration was the main driving force behind the governmental reforms. In October, the European Commission recommended opening negotiations for Macedonia's EU membership. The EU also decided to put Macedonian holders of new biometric passports on the White Schengen list, effectively allowing Macedonians visa-free travel to the EU, except in the United Kingdom and Ireland. NATO integration of Macedonia since 2008, however, has been effectively blocked by Greece's objections to the name of the county. The prolongation of the name issue in 2009 had negative consequences on Macedonian stability, causing a rift in the perceptions of ethnic Albanians and Macedonians on this question.

National Democratic Governance. In 2009, further progress was made in implementing the provisions of the 2001 Ohrid Agreement—particularly, implementation of the decentralization process, use of minority languages, and equitable representation. Parties vying for the vote of a specific ethnic group often distinguished themselves by resorting to radical rhetoric, for example, that one party is better able to protect vital Albanian interests than another. Thus, since late summer 2009, the Democratic Party of Albanians boycotted sessions of Parliament claiming that the government was arrogant in its neglect of ethnic Albanian interests. Despite occasional interethnic tensions during the year, conflicts were

minimal regarding implementation of the Ohrid Agreement. *Macedonia's national democratic governance rating remains at 4.00.*

Electoral Process. Macedonia has universal and equal suffrage, with regular, free, and fair elections conducted by secret ballot. The two-round presidential elections were held on March 22 and April 5, 2009. Voting passed peacefully and met most international standards for democratic elections. Gjorgje Ivanov of VMRO–DPMNE won the presidency. However, Imer Selmani, the candidate of the newly formed New Democracy party did much better than expected, gaining almost 15 percent of the vote. He is the first ethnic Albanian politician to attract support from Macedonian voters by focusing on economic issues rather than traditional appeals to ethnic Albanian nationalism. Elections in the 85 municipalities resulted in 57 mayoral posts for VMRO–DPMNE, up from 21 in 2005. The Social Democratic Union (SDSM), in opposition, lost 29 municipalities and now governs only 7. *Due to peaceful elections which met international standards, Macedonia's electoral process rating improves from 3.50 to 3.25.*

Civil Society. Macedonian civil society organizations work on significant societal, political, and economic issues. In 2009, the government adjusted its stance regarding the third sector, introducing mechanisms for consulting with civil society organizations on legislation, such as posting draft bills on ministry Web sites for public participation in working groups. A new government decision also improved selection procedures and evaluation criteria for public financing of civil society organizations. Yet government officials still rarely engaged civil society groups by inviting them to comment on and influence pending policies or legislation. The development of the activities of nongovernmental organizations is mainly hampered by a lack of resources. In 2009, civil society and student organizations protested the planned building of a church on the main square in the capital, Skopje, taking the issue to the Constitutional Court and initiating an unsuccessful petition campaign for a referendum on the topic. In March, a clash broke out between protestors and counter demonstrators, during which police were slow to react. *Macedonia's civil society rating remains at 3.25.*

Independent Media. There is a diverse selection of print and electronic sources of information in Macedonia at both the national and local level, representing a range of political viewpoints. In 2009, the collection of fees by the public service broadcasters and the Broadcasting Council remained problematic, with bills going out only once during the year. The media faced political pressures during the 2009 election campaign. A few television stations were considered to be politically influenced since the owners of these outlets were also political party heads. Journalists protested the current libel law, and many were sued for libel during the year. There was further penetration of the Internet with many new service providers operating in the country. *Macedonia's independent media rating remains at 4.25.*

Local Democratic Governance. The Law on Inter-Municipality Cooperation, which is intended to help Macedonian municipalities exercise their powers more effectively by pooling resources and services, was enacted in June. Another 6 of the country's 85 municipalities entered the second phase of fiscal decentralization. However, the administrative capacities of some municipalities and the transparency and accountability of the local administration (particularly financial controls) remained very low. In 2009, internal audit units were established in 10 additional municipalities, bringing the total to 38, but program budgeting was not introduced by the local government units. Upon demands by the Association of Local Government, the central government indicated willingness to gradually (until 2012) increase the percentage of value-added tax allocations to the municipalities from 3 to 4 percent, but refused to change the percentage allocation of personal income tax. *While decentralization processes continue, much work is still needed, thus Macedonia's local democratic governance rating remains at 3.75.*

Judicial Framework and Independence. The independence and efficiency of the judiciary have been gradually strengthened since reforms began in 2005, but these issues were still a major challenge for Macedonia in 2009. Using new procedures that provide for independent appointment, the Judicial Council appointed a total of 38 new judges as well as 4 new presidents of courts. Aiming at greater efficiency, the courts' budget was increased by 8 percent compared with 2008. In 2009, there were allegations that the government drafted blacklists of judges and politically meddled in the work of the judiciary. In April, VMRO–DPMNE questioned the legitimacy of the Constitutional Court, which had ruled against the introduction of religious education in state schools. The party called the court's decision politically motivated, claiming that the leader of the SDSM controlled the court's work. The Constitutional Court denounced these comments as insult and pressure on its work. *Macedonia's judicial framework and independence rating remains at 4.00.*

Corruption. According to Transparency International's 2009 Global Corruption Barometer, Macedonian respondents stated that the government was efficient in the fight against corruption. In 2009, the government continued with an aggressive media campaign costing €420,000 (US$501,450) to raise awareness about the fight against corruption. The new Law on Internal Affairs was enacted in July, introducing a performance and promotion review system, and forbidding police from holding office in political parties. A number of public officials were detained in anticorruption operations in 2009, such as the "Stolb" and "Boomerang" affairs, and there were judicial decisions regarding corruption among high public officials during the year. Amendments to the Law on Financing of Political Parties were adopted in July to enhance the transparency of donations, strengthen provisions against illegal donations, tighten reporting obligations, and introduce more rigorous sanctions. In 2009, amendments to the criminal code were enacted, including new provisions on extended confiscation of crime proceeds, illicit enrichment, and

criminal liability of companies for trading influence. *Macedonia's corruption rating improves from 4.25 to 4.00.*

Outlook for 2010. The consolidation of Macedonia, a multiethnic state with a population of around two million, is under question due to increased interethnic tensions between the majority Macedonians and minority Albanians. These tensions were exacerbated by the de facto blocked Euro-Atlantic integration of the country. Additional delay of the Europeanization of Macedonia risks further antagonizing interethnic relations as Macedonian Albanians do not want to be left out of Euro-Atlantic integration processes. Nationalism could become a dominant force in a country that already experienced a warlike conflict in 2001 when government forces battled ethnic Albanian guerrillas.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	4.00	3.75	3.75	4.00	4.00	4.00

Following a liberation struggle during World War II, Macedonia became a federated unit of the Socialist Federal Republic of Yugoslavia. In 1991, Yugoslavia disintegrated and Macedonia declared independence. Today, power in Macedonia is divided among the three branches of government: the Parliament (Sobranie); the executive (the government and its head, and the president of the country); and the judiciary (Supreme Court, Constitutional Court, and the public prosecutor). Articles 60–78 of the constitution outline the main competences of the unicameral Parliament. The actual organization and work procedures of the Parliament and parliamentary committees are detailed in the Parliament's Rules of Procedure and the Law on Parliament.

Executive power is vested in the government, which initiates draft legislation, oversees the operation of state institutions, and executes laws and regulations adopted by the Parliament. Although the president has the legal duty to nominate candidates, the Parliament appoints the prime minister (referred to as president of the government), who is the head of government and selected by the party or coalition that gains a majority of seats in the Parliament. The current government is led by Prime Minister Nikola Gruevski and includes the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO–DPMNE), Democratic Union for Integration (DUI), Democratic Renewal of Macedonia (DOM), Party for European Future (PEI), Socialist Party (SP), and a number of smaller ethnic parties.

The Macedonian political system is semi-presidential, akin to the French model. By law, the president represents Macedonia at home and abroad and is the commander in chief of the armed forces. The president may veto legislation adopted by Parliament with a simple majority. The Parliament can vote on the same law again within 30 days. If approved by a two-thirds majority, the president must sign the decree into law. Since the president is elected by universal and direct suffrage, the personality of the president has a great impact on the position's actual power. President Gjorgje Ivanov, elected in the spring of 2009, had yet to make an impact on policy making by the end of the year, with legislative processes currently dominated by the leading ruling party.

Although Macedonia is a parliamentary democracy, in practice the government strongly dominates Parliament by introducing laws to be adopted or amendments to existing legislation. Still, there are strong mitigating factors preventing the concentration of power in cases where a political party or coalition gains control

(after elections) of both the legislature and the executive. First of all, a strong president works to balance the dominant tendency of the prime minister even if they are from the same party. Second, the political system features an informal rule of composing the government with a multiethnic coalition. Governing such a coalition requires advanced interpersonal skills and accommodation, which in turn necessitates much political maneuvering and compromise, making the concentration of power unfeasible.

Macedonia is a multiethnic state with a population of around two million. According to the 2002 census, Macedonians are 64 percent of the total population, while ethnic Albanians are the biggest minority with 25 percent. During the 1990s, political elites clashed over the basic concept of the state. The political transformation was formulated as a zero-sum game, pitting ethnic Albanian grievances against Macedonian fears for "their" country's security and integrity. Armed conflict erupted between Albanian rebels and government forces in 2001 but was quickly ended through an agreement mediated by the European Union (EU) and United States.

The so-called Ohrid Agreement envisioned a series of political and constitutional reforms establishing the principle of achieving equitable and just representation in the public administration at the national and local level as the highest priority, a key reform in the public sector. In 2009, there was further progress in implementing the provisions of the agreement, in particular concerning the implementation of the decentralization process, the use of minority languages, and equitable representation. In 2009, the Law on Languages, which provides for greater use of Albanian, a non-majority language spoken by more than 20 percent of the citizens, began implementation in Parliament. There has been further progress towards implementing the strategy for equitable representation of ethnic communities in the public sector. In particular, the number of minority civil servants employed within the Ministry of Interior increased to just over 20 percent, a significant gain from 2000 when it was at 8 percent.[1] The employment of minority members is not without problems as many new employees have no clearly defined job descriptions, or even proper offices. In addition, ethnic Turkish and Roma communities are still underrepresented. Further employment of minority members is envisioned by the Secretariat for the Implementation of the Ohrid Agreement.

Interethnic relations and the politicization of ethnicity as a tool for advancement of particular interests have the greatest impact on democratic institutions and the stability of Macedonia. This dynamic encourages parties to argue that they are, for instance, better able to protect vital Albanian interests than other parties competing for the Albanian vote. Thus, since summer 2009 the Democratic Party of Albanians (DPA) boycotted sessions of Parliament, citing "government arrogance" and neglect of the "political will of Albanians."[2] Interethnic relations in 2009 were also strained by two specific events, the publication of the *Macedonian Encyclopedia* by the Macedonian Academy of Sciences and Arts and a fight involving football fans in a Skopje suburb. The encyclopedia was poorly written with some articles incorrectly portraying Albanians from Macedonia. Although the *Macedonian Encyclopedia* was

eventually withdrawn from distribution to be rewritten, both events raised tensions among politicians and elites of the majority Macedonians and ethnic Albanians. At one point, Ali Ahmeti, leader of the DUI, proclaimed that the "cease-fire of 2001 has been broken."[3]

In 2009, the EU put Macedonian holders of new biometric passports on the White Schengen list, effectively allowing Macedonians visa-free travel to the EU except in the United Kingdom and Ireland. Although there is support for EU and NATO accession among a strong majority of citizens, Greece's objections to Macedonia's name have become a major hurdle in the process, even characterized as a precondition for accession. The prolongation of the name issue has had negative consequences on Macedonian stability, causing a rift in the perceptions of ethnic Albanians and Macedonians on this question, which may increase tensions between the two communities in the future. Ethnic Albanian politicians have made strong statements demanding speedy resolution of the problem.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50	3.25

Macedonia has universal and equal suffrage, with regular, free, and fair elections conducted by secret ballot. In the years since independence, the electoral system has been multiparty-based, with the public engaged in the political life of the country. Power has rotated among different party coalitions representing competing interests and policy options. The lack of financial transparency in the functioning of political parties, particularly election campaigns, remained a serious issue in 2009. Members of Parliament (MPs) are elected for four-year terms in six multimember electoral districts. Each district has about 290,000 voters and elects 20 MPs by proportional representation. Citizens vote for a closed electoral list, and seats are distributed on a proportional basis, according to the D'Hondt formula. According to the Electoral Law, women must compose at least one third of candidates on each list. In 2009, there were 39 women MPs, representing 33 percent of the total Parliament. The number of citizens participating in elections is decreasing; although turnout at the first parliamentary elections after independence in 1990 was extremely high at 85 percent, it had dropped to 57 percent in the last elections. Citizens have low trust in political parties, which are perceived as bastions of corruption and nepotism.

The last parliamentary elections were held on June 1, 2008, and the electoral coalition led by VMRO–DPMNE won 48.8 percent of the votes and 63 of the 120 seats, against the Social Democratic Union (SDSM)-led coalition, which garnered only 23.7 percent of votes and 27 seats. DUI won 18 seats, DPA 11, and only 1 seat for PEI. Several smaller parties secured one or more seats as part of the coalitions led by VMRO-DPMNE or SDSM.

The constitution was amended in January to lower the threshold for voter turnout in the second round of presidential elections from 50 to 40 percent. The

two-round presidential elections were held on March 22 and April 5. Voting passed peacefully, and the Organization for Security and Cooperation (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) and Council of Europe observation missions concluded that the elections "met most OSCE commitments and other international standards for democratic elections." Yet few instances of pressure on "or intimidation of citizens, particularly public servants, throughout the election period [to vote for the ruling party] detracted from the overall quality of the election process."[4]

There were seven presidential candidates in the first round; the two main contenders were professors Gjorgje Ivanov and Ljubomir Frckoski, the first nominated by VMRO–DPMNE and the second by the opposition SDSM. Voter turnout in the first round stood at almost 57 percent, and Ivanov and Frckoski made it to the second round. Imer Selmani, leader of the newly formed New Democracy (ND) party, did much better than expected, gaining almost 15 percent of the vote to put him well ahead of the two other ethnic Albanian candidates. Selmani was the first ethnic Albanian politician to attract support from Macedonian voters by focusing on economic issues rather than traditional appeals to ethnic Albanian nationalism.

Ivanov won the presidential contest, achieving the required 40 percent turnout by a slim margin of 3 percentage points. In the second round, Ivanov won just over 63 percent of votes, while Frckoski won nearly 37 percent. A low turnout for the presidential poll was reportedly evident in ethnic Albanian-populated areas.

In the local elections of 2009, out of a total of 85 municipalities, VMRO–DPMNE won 57 mayoral posts, up from 21 in 2005. SDSM, in opposition, lost 29 municipalities and now governs only 7. The two main ethnic Albanian-dominated municipalities (Tetovo and Gostivar) were won by DPA and an independent candidate, Rufi Osmani, respectively. Among other municipalities where ethnic Albanians are the majority, Arachinovo was won by ND and the rest were won by DUI. Two independent candidates won, but none of the 13 women who ran for mayor were elected. Five candidates from the smaller communities, such as Roma, Serbs, Turks, Macedonian Muslims, and Bosniaks, were also elected.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25

In principle, the legal framework for civil society in Macedonia is free of excessive state pressures and bureaucracy. The civic sector is regulated by the constitution, the Law for Citizens Associations and Foundations (adopted in 1998 and amended in 2007), and other bylaws and regulations.

In the last 19 years, the number and scope of nongovernmental organizations (NGOs) operating in Macedonia have risen dramatically. Many NGOs address

significant societal, political, and economic issues. A number of civic organizations represent the interests of women, physically impaired persons, and sexual and ethnic minorities. These organizations receive most of the attention and funding of local and international donors. The development of NGO activities is mainly hampered by a lack of resources. In 2009, EU financial support was provided to civil society through different national and regional horizontal programs of the Instrument for Pre-Accession Assistance (IPA) under the Civil Society Facility. Yet few Macedonian NGOs are capable of competing for EU-tendered funds for civil society organizations, as the application process is demanding and requires technical skills and resources.

Organizations such as the Foundation Open Society Institute Macedonia (FOSIM) and the Macedonian Center for International Cooperation (MCMS) dominate the sector, often regranting portions of their EU project funding to other groups. To a certain extent this complicates fundraising for local NGOs that do not have good relations with these larger organizations. Since FOSIM and MCMS work in at least five different programmatic areas, in many cases "the position of the donor organization related to a specific issue by definition must be supported by the grantees in order to keep good relations with the donor."[5] The political involvement of the executive director of FOSIM, Vladimir Milchin—either as a member of the executive board of SDSM in the past or as a leader of the FOSIM-sponsored, Citizens for European Macedonia association, which is highly critical of the current government—is problematic as it raises further questions about objective standards in FOSIM's grantmaking activities.

In 2009, civil society organizations actively protested the planned building of a church on the main square in the capital city, Skopje. Protestors included the primarily ethnic Albanian NGO, Wake Up, and a number of students from the Faculty for Architecture organized in the NGO, Square Freedom. While Wake Up took the plan to build the church to the Constitutional Court for review, Square Freedom faced many bureaucratic hurdles and was unsuccessfully collecting signatures to hold a referendum in Centar municipality to gauge citizen opinion on the project. During a Square Freedom youth rally, a counter rally was organized by various conservative and religious organizations. The dispute reached a peak in late March when demonstrators for and against the church construction clashed, causing minor injuries among the participants. The reaction of the police to the unrest was slow and inefficient.

Macedonian civil society, in general, has yet to attain the critical mass needed to become an influential actor at either the national or local level. Local NGOs rely on funding per project, rather than having access to core funding in key sectors. The Law on Sponsorship and Donations, which provides tax incentives to local or foreign entities for civic sector support, has not helped alleviate the situation because of the complex administrative requirements and lack of public awareness of the law among civil society organizations. Likewise, claiming tax deductions for donations in Macedonia remains complicated and confusing. Local philanthropy and volunteerism are almost nonexistent, while the participation of religious groups in charitable activities is minimal.

In 2009, the media continued to report on the activities of Macedonian NGOs, informing the public about projects completed by civil society organizations as well as press conferences or other events organized by local NGOs. The think tank scene continued to grow during the year, with new players vying for public attention. Additionally, the government adjusted its stance regarding the third sector by introducing mechanisms for consulting with civil society organizations, announcing that draft legislation "should be accessible on the relevant ministry's webpage for public consultation and that civil society can participate in working groups for drafting laws."[6] A new government decision also improved selection procedures and evaluation criteria for public financing of civil society organizations. An office for contact between NGOs and Parliament was also created, though whether this will improve and increase relations between the government and the civic sector has yet to be seen.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25

In Macedonia, there is a diverse selection of print and electronic sources of information at both the national and local level, representing a range of political viewpoints. In its 2009 World Press Freedom Index, Reporters Without Borders ranked Macedonia 34, 8 places above its ranking in 2008. In principle, freedom of speech and access to information are guaranteed by Article 16 of the constitution. The Broadcasting Law and other laws meet most international standards. Macedonian journalists and media outlets are able to form their own viable professional associations, the Association of Macedonian Journalists and the Macedonian Institute for Media being particularly active.

However, in practice, the Broadcasting Council and Macedonian Television and Radio, the public broadcaster, lack sufficient resources and financial independence because of the failure of the fee collection system. In 2009, collection of fees by the public service broadcaster and the Broadcasting Council remained a problem, as citizens and firms were delivered bills only once during the year. During the electoral campaign, some media did not provide "equal access to all political parties, and extensive coverage of government projects during the campaign period amplified the advantage of the incumbent parties."[7] According to data from the State Audit Office, media were the biggest party donors during the electoral campaign, agreeing to discounted rates for political party advertisements. Political pressure on the media before the 2009 elections and during the campaign was a significant issue as far as free and fair elections are concerned.

In 2009, as in previous years, a few television stations were considered politically influenced since the owners of these outlets are also presidents of political parties. For instance, A1 Television is owned by Velija Ramkovski, a leader of the newly

established Party for Economic Renewal, and Sitel TV is owned by Goran Ivanov, son of Ljubisav Ivanov, president of the Socialist Party. Channel 5 is owned by Emil Stojmenov, son of Boris Stojmenov, leader of the VMRO–Vistinska party. The owner of Telma TV is Makpetrol, a large oil-distribution company, while the family of an ethnic Albanian businessman, Vebi Velija, owns the country's fifth station, Alsat TV. Since 2004, Macedonia's three best-selling newspapers, *Utrinski Vesnik*, *Vest*, and *Dnevnik*, are in the hands of the German media giant WAZ. Business tycoon Velija Ramkovski is believed to be owner of the newspapers *Vreme* and *Shpic*.

Journalists protested against political and business pressures on their work in 2009 as well as the current libel law, which was the basis for numerous suits against journalists during the year. About 160 libel cases against journalists were processed in 2008 and 2009, involving incidents where opinion pieces were misunderstood or claims about politicians or public figures were unsupported by evidence. Among the most publicized cases were those against the chief editor of *Vecher*, Dragan Pavlovikj-Latas, and his deputy, Ivona Talevska. Following numerous objections by journalists, changes to the libel law were considered by the Ministry of Justice. In November, the editor of the weekly tabloid *Krema*, Zoran Vasilevski, was beaten by unknown assailants.

There was a significant increase in Internet penetration in Macedonia in 2009, with many new service providers operating in the country. The Macedonian public enjoys open access to the Internet, with a diverse range of Web sites and viewpoints, although overall use is low compared to European averages. The latest estimates reveal that 54 percent, of Macedonian citizens use the Internet.[8] Access to all Web sites is unrestricted, and registration of new sites is a simple process.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75	[illegible]

Article 8 of Macedonia's constitution defines municipalities as the basic unit of local government and establishes general principles for the organization, function, and financing of local governments. The main laws regulating local government are the Law of Local Self-Government, stipulating the chief aspects of local government; the Law on Territorial Organization of Local Self-Government; the Law on Local Financing of Self-Government Units, regulating the financing of municipalities through their own revenue sources and fiscal decentralization implemented in phases; and the Law on the City of Skopje, defined as a separate unit of local self-government.

Macedonia has two tiers of governance, with no intermediate level between municipalities and the central government. The Association of Municipalities (ZELS) serves as a link between the central authorities and the municipalities. Municipalities are financed from own-revenue sources, government grants, and loans. The Law on Inter-Municipality Cooperation, which is intended to help

municipalities exercise their powers more effectively by pooling resources and services, was enacted in June. Moreover, another 6 of Macedonia's 85 municipalities entered the second phase of fiscal decentralization, bringing the total to 68 as of October.

The remaining municipalities that have not entered the second phase have a long-standing problem with indebtedness, which affects the reform process overall. In fact, the accounts of 22 municipalities have been blocked by legal proceedings related to arrears.[9] An EU-funded project was implemented by the Ministry of Finance to assist municipalities with public-finance management, especially those municipalities that have not met the financial criteria for entering the second phase of fiscal decentralization. Skopje Public Enterprises, for example, carries a public debt of some €12 million (US$14.3 million).[10] The administrative capacities of some municipalities, as well as the transparency and accountability of local administration, remained very low in Macedonia in 2009. During the year, internal audit units were established in 10 additional municipalities, bringing the total to 38, but no program budgeting was introduced by the local government units.

In 2009, ZELS demanded from the government that the 3 percent of value-added tax (VAT) allocated to municipalities be raised to 6 percent, while the personal income tax allocated to municipalities be raised from 3 to 30 percent.[11] The government indicated willingness to gradually, until 2012, increase the percentage of VAT allocations to the municipalities from 3 to 4 percent but refused to change the percentage allocation of personal income tax.[12] Upon demands by ZELS, the government agreed to change the Law on Minerals regarding the distribution of profits from concessionary usage of mines so that 78 percent are allocated to municipalities. More importantly, the government agreed to transfer oversight of land to be used for construction of buildings, factories, and so on, from the central to the local authorities, and is considering legal options for how to do this.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00	4.00

The independence and efficiency of Macedonia's justice system have gradually strengthened since judicial reforms were initiated in 2005, but these issues were still a major challenge in 2009. According to a United States Agency for International Development survey conducted in April, confidence in the judiciary was at a high 78 percent.[13] Using new procedures that provide for independent appointment, the Judicial Council appointed a total of 38 new judges as well as 4 new presidents of court, while the Council of Public Prosecutors assumed full responsibility for appointing 21 new public prosecutors and extended expired mandates for over 159 prosecutors elected in 2003 for 6-year terms.[14] In 2009, the Judicial Council began reviewing the work of all judges in the country (total of 662), starting with those

from the Bitola region. An overwhelming 92 percent of judges were evaluated with positive marks (44 percent very good, 27 percent good, and 22 percent satisfactory).

Aiming to achieve greater efficiency, the courts' budget was increased by 8 percent compared with 2008. Yet, the Skopje Basic Court, with the largest number of cases, along with the four Appeals Courts and the Administrative Court were unable to reduce their backlog of cases. In 2009, there were allegations that the government had drafted blacklists of judges and politically meddled in the work of the judiciary.[15] For example, in one of its sessions, the government discussed the work of the Judicial Council, positively evaluating its work in 2008. The Macedonian office of the Helsinki Committee for Human Rights noted that according to the Law on the Judicial Council, the Parliament is the only institution with authority to discuss and evaluate the work of the Judicial Council. One issue involving nepotism was noted in May, wherein Filimena Manevska, wife of the minister of justice and a judge on the Court of Appeals, continued to work and receive a wage although by law she was due to retire in April—an unprecedented practice in Macedonia.

In April, VMRO–DPMNE questioned the legitimacy of the Constitutional Court, which had ruled against the introduction of religious education into state schools. The party described the decision of the court as politically motivated, claiming that the leader of the SDSM controls the court's work. The President of the Parliament, Trajko Veljanovski, a member of VMRO–DPMNE, commented that the decisions of the Constitutional Court are final and that Parliament will respect them.[16] The Constitutional Court responded that Veljanovski simply sought to discredit and apply pressure to the court. The Skopje Public Prosecutor, Sterjo Zikov, claimed that his dismissal was a political decision. Similar complaints were voiced by two other prosecutors, Dragan Gadzhov and Mitko Mitrevski, who were not reappointed.[17]

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00

The fight against corruption is a priority of the Macedonian government and a highly important condition for the country's growth and development in line with European standards. According to Transparency International's 2009 Global Corruption Barometer, the Macedonian citizens who responded to the survey stated that the government is efficient in the fight against corruption. Among the country's various institutions, the judiciary is considered the most corrupt. Parliamentarians were perceived as extremely corrupt, while the public administration, according to 41 percent of respondents, was rated as very corrupt.

Efforts to tackle corruption in Macedonia continued in 2009 with an aggressive media awareness campaign launched by the government at a cost of €420,000 (US$501,450). The new Law on Internal Affairs was enacted in July introducing

a performance and promotion review system and forbidding police from holding office in political parties. This law clarifies the responsibilities of the Administration for Security and Counterintelligence of the Ministry of the Interior and the Bureau for Public Security in the fight against organized crime. It also enhances the accountability of the intelligence agencies to Parliament.

In 2009, government efforts to tackle corruption in the highway toll system produced no results, as judicial proceedings in the "Zmisko Oko (Snake Eyes)" affair, where a dozen toll collectors were charged with embezzling public funds, ended unsuccessfully on insufficient evidence, and the process was referred back to the court of first instance. Additionally, in what has come to be known as the Stolb operation, six people working in the Pension Fund were charged with taking bribes and "damaging the budget" in the amount of €200,000 (US$238,500).[18] In November, the director of the Health Fund was detained and charged with embezzling €450,000 (US$536,800), while 64 police and customs officials at the border crossings to Serbia, Kosovo, and Albania were also detained and charged for bribe-taking.[19]

Group arrests and detentions were practiced in the fight against corruption. In operation Boomerang, 55 police and 5 customs officers were detained at the border crossings of Tabanovce and Kafasan. All charges were related to corrupt behavior and bribes taken from travelers at the border crossings.

There were judicial decisions regarding corruption among high public officials in 2009. The former minister of defense, Vlado Buchkovski, was sentenced to three-and-a-half years in prison in the "Spare tank parts" case. Vasil Tupurkovski, deputy prime minister in the coalition government of VMRO–DPMNE, Democratic Party of Albanians, and Democratic Alternative in the period 1998–2002, was sentenced to three years in prison for involvement in the "Taiwanese credits" affair and was ordered to repay the state €2.5 million (US$2.9 million).[20] Yet both decisions were overturned by the Court of Appeals.

The State Anticorruption Commission continued its work in 2009 with little public trust in its independence and impartiality, the perception being that its members are somehow supporting the government coalition. In 2009, there were other controversial business transactions and public purchases, including the procurement of statues and monuments valued at millions of dollars to be placed on the main square of Skopje; the affair of the Swedish dairy "SwedMilk;" as well as the agreement of Macedonian Radio Television to purchase the rights to the show *The People's Voice* in compensation for advertising time on the same show. Also in 2009, proceedings related to the million-dollar "Izgrev" (Sunrise) affair started. In this court case, dignitaries from the Macedonian Orthodox Church and a number of judges, notaries, businessman, and lawyers have been accused of money laundering and fraud.

In a positive development, amendments to the Law on Financing of Political Parties were adopted in July that enhance the transparency of donations, strengthen provisions against illegal donations, tighten reporting obligations, and introduce

more rigorous sanctions. Also in 2009, amendments to the criminal code were enacted, including new provisions on extended confiscation of crime proceeds, illicit enrichment, and criminal liability of companies for trading influence. However, the Macedonian criminal code only covers corrupt behavior of state and public institutions.

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Moldova

by Liliana Viţu

Capital: Chişinău
Population: 3.6 million
GNI/capita: US$3,270

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	3.25	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00	4.25
Civil Society	3.75	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75	3.50
Independent Media	4.25	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75	5.75
Governance*	4.50	4.75	5.25	5.50	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.00	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50	4.75
Corruption	6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00
Democracy Score	4.29	4.50	4.71	4.88	5.07	4.96	4.96	5.00	5.07	5.14

* *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

Following its declaration of independence on August 27, 1991, and a short civil war in 1992 provoked by fears of unification with Romania, Moldova embarked on a series of political and economic reforms and succeeded in holding several rounds of largely free elections. With most heavy industry based in the breakaway region of Transnistria, Moldova's gross domestic product (GDP), dependent primarily on agriculture, plummeted by the late 1990s. The internal political crisis saw the Party of Communists (PC) return to power in 2001. PC leadership held a distinct pro-Russian foreign policy course until the formulation of the European Union (EU) Neighborhood Policy in 2003. Subsequently, Moldova made European integration a priority and signed an Action Plan with the EU in February 2005. In 2007, the EU extended the Action Plan, stressing the need for Moldovan authorities to take further measures to tackle problems concerning media freedom, the fight against corruption, and the rule of law and independence of the judiciary. In 2008, the EU continued to raise concerns over the shortcomings in the implementation of the EU-Moldova Action Plan.

The Republic of Moldova held parliamentary elections on April 5, 2009. International monitoring groups observed multiple flaws with the elections, including voter list flaws, intimidation of the opposition, and biased media coverage. The elections, which secured a victory for the PC and seats for the Liberal Party (LP), the Liberal Democratic Party (LDP), and the Our Moldova Alliance (OMA), were followed by violent student-led protests. The police responded by beating and arresting protesters. It is suspected that police brutality led to three deaths, one of which has been officially acknowledged.

The PC chose former president Vladimir Voronin, who was constitutionally barred from a third presidential term, as Parliament speaker, and nominated Prime Minister Zinaida Grecianii as president. The PC twice failed to attain the majority needed to elect Greceanii, and parliamentary elections were held again on July 29. The early elections reduced the PC's share in Parliament to 48 seats, giving the four opposition parties—the LP, the LDP, the OMA, and the Democratic Party (DP)—the majority. The opposition formed the Alliance for European Integration (AEI), the country's second ruling coalition, in August. The AEI was able to secure LDP leader Vlad Filat as prime minister and LP leader Mihai Ghimpu as parliamentary speaker, but was unable to secure DP leader Marian Lupu as president. Therefore parliamentary elections will be held again in 2010. Until then, Filat's government will remain in place and Ghimpu will serve as interim president.

Relations with Romania took a turn for the worse following the protests in April, but began to improve when the AEI came to power. Alleging Romania's involvement in the protests, the Voronin government imposed visa requirements for

Romanian visitors to Moldova and declared the Romanian Ambassador persona non-grata. After coming to power, the AEI reversed the new visa rule and an additional law that barred civil servants who hold dual citizenship. The AIE also reinforced diplomatic dialogue with the governments of the Russian Federation and Ukraine. The new government resumed discussions over the settlement of the Transnistrian territory using the "5+2" international format. The EU and United States offered political and financial support to the AEI, conditional upon the new government carrying out comprehensive reforms in the areas of rule of law, anticorruption, human rights, and media and business freedoms.

National Democratic Governance. Security forces used unprecedented levels of pressure before, during, and after Moldova's parliamentary elections in April. After the opposition blocked the election of a PC president, snap elections were held in July that put the opposition under the umbrella of a new coalition in power. The coalition, AEI, announced that their major objectives would include improving rule of law, overcoming the socio-economic crisis, decentralizing power, resolving the Transnistrian conflict, and progressing with European integration. *Although the Alliance introduced democratic principles to the governmental agenda, the system has been affected by the involvement of security forces in political affairs. The independence of the legislative, the executive, and judicial authorities was seriously called into question in 2009; therefore Moldova's rating for national democratic governance worsens from 5.75 to 6.00.*

Electoral Process. General parliamentary elections were held on April 5. International and domestic observers witnessed fraud, poor electoral management, and intimidation of the opposition and media. Demonstrations followed in the aftermath of the elections, and quickly turned violent. Police arrested hundreds of protesters, many of whom were students. After the opposition boycotted the election of a PC president, early elections were called for late July. As a result, the LDP, the LP, the DP, and the OMA won a slim majority of 53 seats against the PC's 48, and formed the AEI. *In view of the increasing abuses during and after the electoral campaign, Moldova's rating for electoral process worsens from 4.00 to 4.25.*

Civil Society. Civil society organizations that work on election issues faced hostile treatment from authorities in the lead up to the parliamentary elections. These groups faced registration denials, sudden financial inquiries, and verbal attacks. Nevertheless, the organizations reacted promptly to the changing demands of society and set issues on the public agenda in the aftermath of April elections. Nongovernmental organizations (NGOs) proposed both immediate and long-term actions, such as the establishment of an international enquiry commission, the involvement of EU mediators, and a comprehensive reform of the security sector. The public trust in NGOs increased steadily throughout the year due to the sector's activism in the elections. Trade unions became more active after the change of power. Still, NGOs struggled with a shortage of funding, lack of tax relief, and legal

restrictions. The new government displayed openness to and interest in cooperating with civil society. *As civil society groups were actively involved in revealing fraud in the April elections, were internationally vocal in addressing human rights abuses, and served as a pool of expertise for the new Parliament and government, Moldova's rating for civil society improves from 3.75 to 3.50.*

Independent Media. During 2009, political parties hindered the development of the media landscape by exerting heavy political and financial pressure on journalists. The ruling party continued to treat the public broadcaster Teleradio-Moldova (TRM) as a part of its press service. As a result, the editorial line of the company was marked by censorship and bias. The Broadcasting Coordination Council and the TRM Supervisory Board remained subservient to the PC and lacked competence and professionalism. Authorities harassed domestic and foreign journalists during the post-election protests. On April 7–8, authorities stopped more than 20 foreign journalists at the Romanian-Moldovan border, and subjected them to physical and verbal abuse. Access to information became more limited for journalists due to delayed responses and arbitrary classification of information as state secret. *The balance of positive and negative developments leaves Moldova's rating for independent media at 5.75.*

Local Democratic Governance. The capacity of local governments to respond to immediate needs was limited because of insufficient and centrally-allocated funding. The legal framework continued to discourage local economic and social development, as local governments lack real levers for encouraging potential investors. The global economic crisis affected the ability of local administrations to carry out necessary activities. The central authorities continued to pressure Chisinau City Hall by, among other actions, freezing its bank accounts. The new cabinet declared decentralizing power one of its five major objectives at the end of 2009. *Local governments continued to suffer mainly due to political power struggles, and lagged far behind in terms of reform and modernization. Therefore, Moldova's rating for local democratic governance remains unchanged at 5.75.*

Judicial Framework and Independence. Violent protests against election results and the PC government led to massive arrests by law enforcement bodies. About 700 protesters, including minors, were arrested and 3 deaths were registered. Over 100 detainees from the protests claimed they faced abuse at the hands of law enforcement officials. The United Nations, European Parliament, Council of Europe, Amnesty International, and several other organizations, strongly condemned the grave human rights violations and criticized police brutality. *Owing to the widespread violations of the rights of those arested, and pressure exerted on NGOs that reported on human rights violations, as well as failure to hold accountable the policemen that abused their authority, Moldova's rating for judicial framework and independence worsens from 4.50 to 4.75.*

Corruption. Important anticorruption laws regarding conflict of interest, the code of conduct, transparency, fighting corruption, and party financing proved ineffective due to lack of funds and failure to adjust existing legislation. Although the government modified party finance and asset declaration laws, implementation remained inefficient. The new Parliament adopted a resolution confirming the corruption and politicization of the judiciary. *Poor implementation of existing legislation and low institutional capacity to fight corruption keeps Moldova's score for corruption at 6.00.*

Outlook for 2010. 2010 will likely be marked by political disputes, considering the divergent interests within the AEI regarding future constitutional and electoral reform. Some parties will aim to avoid early parliamentary elections by amending legislation. Other members of the AEI, along with the PC, are interested in conducting snap elections in an attempt to maintain their level of voter support. Politicians who left the PC, and members of the DP—whose leader does not hold a major decision-making seat in the AEI—are likely to join together. Enquiries into corruption of the PC and official conduct after the April 2009 elections will continue; however, as long as the same judges who served the political interests of the PC conduct the enquiry, no real progress will be achieved. The cabinet led by Vlad Filat will try to maintain the pace of reforms initiated in late 2009 due to pressure from the international community and in light of impending parliamentary elections. Looming elections will force parties to focus on short-term actions, and it may prove difficult to balance solving the country's economic crisis, meeting high public expectations, and carrying out an electoral campaign.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	6.00

Moldova's Constitution provides for a large number of democratic rights, and all international legal documents signed by the country take precedence over national legislation. Still, the inability of both the Party of Communists (PC) and the Alliance for European Integration (AEI) to secure their candidate the presidency highlighted the necessity for constitutional and electoral reform.[1]

A scheduled parliamentary election took place on April 5 and secured the PC's majority in Parliament with 60 seats; the LP and LDP won 15 seats each and OMA won 11 seats. However, the election was highly flawed and inspired anti-communist, youth-led protests that turned violent. About 20,000 protesters took to the streets, smashed windows, threw furniture and computers from buildings, lit fires, and attacked two state buildings (the Parliament building and the presidential residence). Police arrested and beat participants, and fired water cannons and tear gas in response to the violent protests. The police allegedly killed three protesters; officials have confirmed police responsibility in only one of these deaths.

As Vladimir Voronin was constitutionally barred from serving a third term as president, the PC nominated him as prime minister and Zinaida Grecianii as president. The party was unable to secure the necessary majority vote for Grecianii, however, and after two rounds of voting, snap parliamentary elections were called for July 29. The Liberal Democratic Party (LDP), Liberal Party (LP), Democratic Party (DP) and the Alliance 'Our Moldova' (OMA, liberal orientation) managed to gain a majority (53 seats compared with the PC's 48 seats), formed a coalition, and replaced the PC after eight years of Communist party rule. On September 11, 2009 Voronin resigned from the presidency.

This new coalition, the AEI, came to power in August and called for major reforms to strengthen rule of law, overcome the economic crisis, decentralize power, resolve the Transnistrian conflict, and continue to pursue European integration. The AEI selected Vladimir Filat of the LDP as prime minister, and Mihai Ghimpu of the LP as speaker of the Parliament. Ghimpu also became acting president when Voronin resigned on September 11. The PC brought Ghimpu's appointment to the Constitutional Court, but on September 17 the Court confirmed him as acting president. Ghimpu then nominated Marian Lupu, the DP chairperson, for president, but failed to receive the required number of votes to have him elected. The AIE would have needed at least eight votes from the Communists, but the PC refused to vote for Lupu in both rounds. To avoid political instability caused by several, consecutive, early elections, the AEI announced it was considering

a constitutional referendum to either establish direct presidential elections or introduce a third round with a lower threshold.

The PC brought a number of other appointments to the Constitutional Court, especially in the security and intelligence sectors. On September 25, for example, the AEI replaced Artur Reshetnikov from the post of Director of the Security and Information Service (ISS) with Gheorghe Mihai, a colonel and former ISS officer. The PC brought the appointment before the Constitution Court on the grounds that Reshetnikov was dismissed illegally; he had only served two years of his five-year mandate. The AEI argued that Reshetnikov made public accusations against a number of political leaders without observing the presumption of innocence safeguarded by the Constitution.[2] The Court decided in favor of the AEI.

The preelection period and the postelection violence highlighted a number of deficiencies with the separation of powers in Moldova. The involvement of the country's security forces and judiciary in the pre-electoral period and during the campaign in favor of the ruling PC compromised the system of checks and balances.

During the postelection violence, members of the PC made a number of accusations about the opposition's sponsorship of the violence. Prosecutor General Valeriu Gurbulea openly accused the four opposition parties of organizing the protests. Gurbulea, who failed to present proof of the oppositions' involvement in the riots, resigned at the end of September; Parliament approved his request on October 2. The Council of Europe Parliamentary Assembly (PACE) expressed dissatisfaction with high-level officials, who "without first having conducted a thorough investigation, accused the opposition of staging the violent protests in an attempt to organize a coup d'état."[3]

Accusations were not only aimed at the domestic opposition but at neighboring Romania. The president also accused the opposition, Romania, and Serbia of plotting a coup "aimed against the legal power, Moldova's democratic institutions, and the European values."[4] Subsequently, the Moldovan government introduced a visa requirement for Romanian visitors to Moldova. It also declared Romanian Ambassador, Filip Teodorescu, persona non-grata and expelled him after the protests. The European Union Special Representative and the Organization of Security and Cooperation in Europe (OSCE) later said they found no evidence of Romania's involvement in the protests. In September after coming to power, Ghimpu and the AEI government canceled the visa demand for Romanian citizens, while the new foreign minister, Iurie Leancă, annulled and revoked the two notes on Ambassador Teodorescu. On November 13, new Prime Minister Filat and his Romanian counterpart signed the Convention on Small-Scale Border Traffic, which allows Moldovan citizens living within 50 kilometers of the Romanian border to travel to Romania with a permit. This convention would simplify border crossing procedures for about 1.2 million Moldovans.

Negotiations on the European integration process progressed. In September, the European presidency expressed that it "looks forward to starting, as soon as possible, negotiations on a new agreement with Moldova that will replace and go beyond the current Partnership and Cooperation Agreement."[5] During visits with a

number of high-ranking European officials throughout the year, it was decided that official talks on building cooperation between Moldova and the European Union (EU) under the Association Agreement framework will start in January 2010. The AEI government resumed a bilateral political dialogue with Ukraine and discussions over the settlement of the Transnistrian conflict resumed in the 5+2 format.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.25	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00	[illegible]

The Moldovan Constitution provides for regular, equal, direct, free, and universal suffrage that guarantees the secrecy of ballot. General parliamentary elections were held in April. Prior to the start of the campaign, a number of international organizations and embassies of Western states called on the Moldovan government to ensure a fair, transparent, and pluralistic media environment for all candidates. Concerns in this respect were raised regularly in the pre-electoral context. While visiting Chisinau, the President of the OSCE Parliamentary Assembly Joao Soares expressed "particular concern about credible allegations that the legal system is being abused to intimidate opposition politicians and candidates ahead of the electoral campaign."[6]

Out of 21 registered electoral contenders, four parties passed the 6 percent threshold with a turnout of almost 58 percent. The PC secured 60 seats, the LP and the LDP secured 15 seats each, and the OMA gained 11 seats.[7] The three opposition parties accused the PC of committing major fraud throughout the campaign and on election day. They also announced that they would boycott the presidential election. On April 6, demonstrators gathered on the National Square to protest against the alleged fraud and poor administration of elections. The next day, the protests turned violent. A group of demonstrators ransacked parliamentary and presidential buildings, threw rocks and bricks at police, and turned over and destroyed a fire truck. Without a clear legal basis, police forces arrested up to 300 demonstrators according to the Council of Europe, and reports of mistreatment in detention are widespread.

Both the opposition parties and the PC accused the other of inciting the protests. The Communists formed a state commission to investigate the events of April 7, but refused to include the LP, the LDP, and the OMA. Additionally, the Communists ignored opposition calls to invite international experts to observe the commission. The PC put forth former prime minister Ziniada Grecianii for president, but they could not secure a majority (61 votes) within two rounds. Thus, early parliamentary elections were called for July 29.

The snap elections inspired strong reaction from the EU presidency, the EU Special Representative to Moldova, and the Council of Europe (CoE) regarding the need to ensure free and fair early elections, freedom of expression, equal conditions for all electoral contenders, observance of the right of assembly, and an end to

the intimidation of mass media and nongovernmental organizations (NGOs). Despite these calls, President Vladimir Voronin slammed the "liberal opposition" at his summer press conference, accusing it of "unleashing a campaign of political necrophilia, filling all the media with corpses and blaming the authorities... without any proof."[8] Moreover, the European Network of Election Monitoring Organizations (ENEMO) withdrew the day before Election Day in protest of the arrest of two delegation members and the refusal of the Central Electoral Commission to accredit 87 ENEMO delegation members on grounds that they "failed to meet the status of an international observer.

With almost 59 percent, turnout was slightly higher in July than in April's elections. The revised threshold of 5 percent was passed by five political parties. The PC won 48 seats, the LDP won 18, the Liberal Party won 15, the DP[10] won 13, and the OMA won 7.[11] The PC's loss of 12 seats is attributed to Marian Lupu's shift to the DP and the decline in the number of PC election contenders from 15 to 8, which left fewer votes for redistribution in the Parliament. Also, the LDP, LP, and OMA focused their campaign on convincing voters in the countryside that the PC was involved in the violence in April.

After weeks of intense negotiations, on August 28 Ghimpu, the chairman of the LP, was elected speaker of the Parliament. Upon Voronin's resignation on September 11, Ghimpu became acting president. PC members of Parliament (MPs) submitted complaints to the Constitutional Court that both appointments violated constitutionally-established procedures, but the Court rejected the claims. On September 25, the new cabinet led by Prime Minister Filat was installed. Presidential elections were called for October 23 but postponed until November 10 because of conflicting interpretations of the law regarding the minimum number of candidates required for elections. AEI MPs amended the law to stipulate that the election of the president may take place with one candidate, since the Alliance's candidate, DP chairman Marian Lupu, was the only candidate to run for office. The PC, whose eight votes are needed to meet the minimum of 61 votes to elect the president, announced it was willing to vote for any other candidate except Lupu. Since the Alliance insisted on its candidate, on December 7 the Parliament failed to elect Lupu as president, setting the path for early elections in 2010.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75	3.50

NGOs which carried out electoral activities, faced hostile treatment from the authorities prior to parliamentary elections in April and July. Authorities denied these groups registration, launched sudden financial investigations against them, and attacked them verbally.[12] Following the elections, the Civic Coalition for Free and Fair Elections–Coalition 2009 issued a report stating that the elections were unfair and only partially free and called for authorities to address irregularities. On

April 24, the tax inspectorate gave all board members of the Coalition four days to submit financial reports for 2008–09. The Ministry of Justice issued a letter to a number of NGOs, including the Coalition, asking the organization to explain their involvement in the violence on April 7. In the letter, the Ministry mistook the actions of the Coalition for the actions of Civic Coalition Elections 2009, a parallel organization created for the purpose of hindering the activity of the Coalition.[13] As the Coalition has enjoyed the support of the international community since its launch in 2005, a number of international organizations requested help from the EU to stop the Moldovan government's intimidation and ill-treatment of NGOs. A few weeks later the Tax Inspectorate announced that it had checked 18 NGOs and found no financial irregularities.[14]

Moldova's NGOs reacted promptly to societal changes in the aftermath of the April elections. They proposed immediate and long-term actions, such as abolishing unnecessary police violence, arbitrary arrests, and media censorship, releasing political prisoners, and resolving conflicts through the judiciary. The statement also called for the formation of an international group of American and EU representatives to conduct an independent investigation into the riots. Finally, it recommended dialogue between the main opposition parties and the ruling party, coupled with reforms of the security and law enforcement sectors and further liberalization of public media.[15]

Conditions for NGOs generally improved in 2009. Public trust in the NGO sector increased from 27.8 percent in March to 34 percent in October.[16] NGOs were actively involved in uncovering fraud in the April elections. They were vocal on the international level and provided expertise to the new government. On October 30, Prime Minister Filat had a meeting with NGO representatives to discuss the improvement of cooperation between the new cabinet and civil society. He asked that NGOs contribute to selecting members of the National Council for Participation, a group formed by 30 NGOs specialized in different fields that will work directly with the state chancellery in drafting public policies. The prime minister also asked NGOs to make recommendations for the implementation of the Civil Society Development Strategy. The Strategy would, among other things, establish a mechanism that would allow citizens to contribute a certain percentage of their taxes to select NGOs in order to stimulate civic activism. Additionally, the Ministry of Justice simplified registration and certification procedures for NGOs. Despite this progress, NGOs continue to struggle to maintain financial sustainability. The laws pertaining to NGOs do not encourage private donations and it is almost impossible for many small NGOs to obtain tax exemptions.

After the change in government, the trade unions became more active. On November 5, the General Board of the National Confederation of Trade Unions elected Oleg Budza, the deputy-president of the Confederation, as president, after Leonid Manea resigned on September 30. Budza pledged cooperation with all political parties and spoke of the need to depoliticize trade union activity.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75	5.75

The Moldovan Constitution, domestic legislation, and international treaties guarantee media freedom. However, progress in transforming Teleradio-Moldova (TRM), Moldova's public broadcaster, into a professional media outlet has been stifled by censorship and pro-communist biases. Domestic and international monitoring groups noted that TRM broadcasting failed to reflect the activities and views of various socially-focused political groups, especially in the period leading up to the election. Additionally, TRM failed to provide live broadcasting of the political crisis and violence in April. In response to such allegations, Valentin Todercan, the president of TRM, wrote a letter to the European Parliament (EP) claiming that reporters were unable to connect their equipment to a power source during the protests. Additionally, he argued that protesters posed a serious danger to TRM's reporters and equipment. After Marianne Mikko, former head of the EP Delegation to Moldova, criticized TRM for failing to provide live reports of April's events, Todercan argued that the event was covered in hourly news bulletins.[17]

Moreover, after a TRM report insinuated that a CoE employee was involved in orchestrating April's protests, and refused to allow the CoE or the employee to speak on the matter, the CoE General Secretary stated that Moldova "had a lot to learn about responsible journalism."[18] On September 17 the European Court for Human Rights (ECHR) unanimously decided that in 2002, TRM violated the right to free expression for nine journalists.[19]

The postelection protests saw unprecedented levels of harassment of both local and foreign journalists. On April 7, authorities stopped 19 journalists from the Associated Press, European Press Photo Agency, France Press, Reuters and a number of Romanian media outlets traveling from Chisinau at the border. On April 8, authorities prevented the British Broadcasting Company's (BBC) reporter for Ukraine, Belarus, and Moldova from entering the country on technical grounds. Unknown individuals physically and verbally abused reporters and cameramen from the investigative *Ziarul de Garda* newspaper, Jurnal TV, and PRO TV Chisinau (critical towards the PC). Authorities blocked the Internet in Chisinau for long periods on April 7. Users could not access social networking sites like Facebook, Twitter, and Odnoklassniki. The Unimedia news portal server was attacked several times. Cable broadcasts of Romanian television channels were stopped on Moldovan territory. As a number of local and international media organizations concluded, the Moldovan government deprived the public of important international sources of information and restricted the free movement of journalists.[20]

The Broadcasting Coordination Council (BCC) and the Supervisory Board of TRM, Moldova's broadcasting regulation bodies, were highly influenced by the PC. This political affiliation, as well as the bodies' complete lack of competence and professionalism, was a matter of concern throughout 2009. For example, the BCC reacted inadequately by issuing few warnings to those media outlets that

did not respect the opposition's right to reply when it was accused by the PC. Also, TRM did not portray the opposition in a neutral light. Meanwhile, the Supervisory Board did not monitor electoral debates and news items, and failed to respond when domestic and international monitoring groups criticized the lack of objectivity and balance in TRM's news programs. The BCC distributed frequencies to loyal broadcasters, such as NIT, EuTV, and Radio Antena C, but refused to distribute to other broadcasters, such as ProTV and Radio Vocea Basarabiei. Moldovan media NGOs claimed this was a biased practice favoring the PC and issued a statement outlining dangers to the independence of Moldova's broadcast media outlets.[21] On June 1, the BCC announced that it would auction off Pro TV's frequencies despite Pro TV's request for a de jure extension of its license, as entitled by the broadcasting code. After several media NGOs protested BCC's move, the BCC announced a moratorium on the auction of all radio and television frequencies for the July electoral period "in order to create fair and equal conditions for all broadcasters including those whose licenses have expired." The moratorium was intended to keep the de jure extension pending until the Supreme Court of Justice (SCJ) would have ruled on the problem. On November 27, after the SCJ decided in favor of Pro TV, the BCC prolonged Pro TV's license for seven years.

At the same time, authorities limited public access to information by delaying responses to requests for information related to public acquisitions and corruption cases. Media freedoms also deteriorated due to the abusive classification of information as "secret" by civil servants, and increasing restrictions to journalists to attend certain events.[22] Nevertheless, on June 22 the SCJ ruled in favor of the Investigative Journalism Centre, which accused the Custom Service of failing to ensure journalists' access to information, thus violating "citizens' right to active, truthful information on matters of public concern."[23]

Positive trends appeared at the end of the year. On October 1, six media, human rights, and public policy NGOs created the Press Council of Moldova, an independent media watch dog group. After the AEI was formed in August, the BCC began promoting policies to increase openness and recommended TRM broadcast live parliamentary sessions, as it did prior to the PC's ascent to power in 2001. It also requested that TRM observe a plurality of opinions. In spite of vehement criticism by the PC, on October 20 AEI MPs amended the audiovisual code to provide for the election of members to the TRM Supervisory Board with a simple majority of 52 votes instead of 61.[24] The AEI sought to replace the TRM leadership to secure a more balanced editorial line.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75

The two electoral campaigns negatively impacted the ability of local public authorities to carry out activities since local governments were dragged into political

competition on the national level. Additionally, the capacity of local governments to respond to immediate needs was limited due to insufficient funding allocated by the central government. The law continued to discourage local economic and social development, as local governments did not hold the real levers necessary for encouraging potential investors. The much-awaited Law on Local Public Finances has yet to be adopted, and the main laws regulating local autonomy have diverging provisions.

The global economic crisis hindered the activity of the local public administration. The United Nations Development Programme Moldova found that the economic crisis led to "falling remittances, declined domestic and external demand, reduction in the foreign direct investments inflows, shrinking governmental transfers to local budgets, and increased unemployment as result of migrants returning home."[25] Moreover, the delay in central recognition of the economic crisis affected local governmental budgets. When faced with an alarming budget deficit in May, the Ministry of Finance requested that local government cut expenditures by 20 percent. By this point, however, local governments had already issued contracts to companies for public works. Moreover, local government associations claimed the central government request was illegal because it violated the allocations and spending as approved in the Law on the State Budget for 2009.

Central authorities continued to pressure non-PC led Chisinau City Hall. In January, the Ministry of Justice froze City Hall's bank accounts in order to collect debts of US$13 million owed to publicly owned Termocom, a heating distribution company. City Hall said the Ministry violated the principle of local self-governance, arguing that it made the first payment of 8 million lei (US$623,539) and the local budget for 2009 provided for 180 million lei (US$14 million) for paying the debts to the heat supplier. In June, the central government seized City Hall's bank accounts, because City Hall had failed to fulfill a number of ECHR decisions regarding the lack of implementation of court decisions. It was again a clear sign of pressure on City Hall since there was no reason to seize all bank accounts for a debt of just 3 million lei (US$233,842). In addition, an older legal provision required Chisinau authorities to ensure housing to groups of residents from the eastern localities of Moldova (who left their homes during the armed conflict in Transnistria in 1992), but the central government failed to provide the necessary financial resources, sending the local government further into debt. In a positive note, later in the year Chisinau City Hall managed to stand firm to pressure from Termocon to increase heating tariffs.

The new cabinet declared the decentralization of power and safeguarding of local autonomy one of five major objectives. The government program provides for the removal of "vertical power" and the transfer of authority—including the handling of finances—to the local governments.[26] Upon its appointment on September 25, Filat's cabinet abolished the Ministry of Local Public Administration (LPA), which was created in 2006 to handle local affairs. Instead the prime minister created a parliamentary committee on regional development and a Ministry of Construction and Regional Development to foster economic development outside of the capital

city. The PC expressed its concern over this act, claiming it will negatively impact the management of financial resources and real estate of local communities. However, the LPA Ministry failed to carry out real decentralization of power and implement the regional development policy. It did not respect its 2007 commitment to open three regional development agencies in accordance with EU standards.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50	4.75

The violence in the post-April election period severely damaged the image of law enforcement agencies, whose tolerance of police abuses fuelled public distrust in the rule of law. The judicial and penitentiary systems were underfunded, and the government failed to approve and enforce a suitable funding schedule for these institutions. As a result, it proved difficult for judges to stay independent from political and economic influence, and not to look for additional revenues when passing judgment on a case.

In February 2009, Manfred Nowak, the UN Special Rapporteur on Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment, expressed major concerns regarding the partiality of Moldovan judges, the prosecutors' freedom of action, the shortage of professional and independent lawyers, police brutality, and the inactivity of the penitentiary authorities. According to Nowak, these factors have led to poor implementation of prevention mechanisms against torture in Moldova.[27]

On April 6, a few thousand demonstrators gathered on the National Square to protest alleged fraud and lack of fairness in the previous day's elections. The next day, the protesters turned violent and set fire to presidential and parliamentary buildings. Security forces failed to ensure peaceful protests—as they are required by law—and proceeded with massive arrests. According to official data, on April 8, police arrested 166 people.[28] At the same time, human rights watch dog groups claimed authorities retained or arrested 700, including 19 minors.[29] Moreover, 3 people died during the period of protests, allegedly as a result of police brutality. The forensic evidence analyzed by a foreign expert proved that Valeriu Boboc was killed after he was beaten early on April 8, while the 2 other cases remain disputed.[30] Despite the expert analysis, the police have not acknowledged their responsibility.[31]

On May 7, the EP adopted a resolution condemning "the massive campaign of harassment, grave violations of human rights, and all other illegal actions carried out by the Moldovan government in the aftermath of the parliamentary elections," and called for Moldovan authorities to "immediately cease all illegal arrests."[32] The EP stressed its concern over "the illegal and arbitrary arrests and the widespread violations of the human rights of arrested persons, in particular the right to life, the right not to be subjected to physical abuse, torture or inhumane or degrading treatment or punishment, the right to freedom and safety, the right to a fair trial

and the right to freedom of assembly, association and expression."[33] After visiting Moldova, Thomas Hammarberg, the Council of Europe's Commissioner for Human Rights, criticized police brutality, as well as the "unacceptable" pressure exerted on mass media outlets and NGOs that reported on the human rights violations in connection with April's events.[34]

Local NGOs gathered testimonies from over 100 detainees, family members, or lawyers who claimed the detainees faced cruel, inhumane, and degrading treatment.[35] This demonstrated that the police, judiciary, and security services failed to properly respect the country's Law on Assembly, which was passed in 2008. Moreover, a report by the Resource Center of NGOs for Human Rights (CReDO) revealed that the number of detentions and use of force by police increased since the new law came into force. The Centre for Human Rights of Moldova (CHRM) signaled problems related to access to justice, the right to a fair trial, the execution of judicial decisions, and the right to qualified protection. The CHRM listed among shortcomings in the penitentiary system the impossibility to ensure the right to work for inmates, irregular practices of calculating privileged days, inappropriate detention conditions, failure to adjust to detention standards for inmates from Interior Ministry subdivisions, and ill-treatment by Department of Penitentiary Institutions' officials.[36]

On October 30, the new Parliament passed a declaration on the state of justice in Moldova, claiming that the system was corrupt and politicized and called for its complete reform. Vitalie Nagacevschi, the chairman of a special parliamentary commission mandated to investigate the April events, stated that judges are losing cases at the European Convention on Human Rights (ECHR) for covering up cases of torture and issuing verdicts without fair trials. Justice Minister Alexandru Tănase called for the removal of the economic courts as a result of a large number of complaints to the ECHR regarding their decisions. He also called for reforms concerning the processes of appointing and promoting judges.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00

In 2009, Moldovan authorities completed the implementation of a three-year-long National Anticorruption Strategy and the Threshold Country Program (TCP) of the Millenium Challenge Corporation. Nevertheless, corruption remained a widespread problem in Moldova.

Moldova's score on Transparency International's Corruption Perception Index improved to 3.3 in 2009. However, as in 2008, law enforcement agencies failed to uncover any large corruption cases. The Public Opinion Barometer continued to list corruption as the population's second most pressing problem after welfare issues. This demonstrates the population's lack of satisfaction regarding measures undertaken by public authorities.[37]

Although in 2008 the government established an independent citizen oversight council to monitor the activity of the Center for Combating Economic Crimes and Corruption, the council did not put forward any reports or recommendations in 2009. Moreover, the failure of the authorities to allocate finances and adjust existing legislation hindered the implementation of important laws regarding conflicts of interest, codes of conduct for public employees, transparency of the decision-making process, combating corruption, and party financing. The PC-led government passed these laws in 2008 in order to adhere to conditions outlined by international agreements in exchange for financial support.

The government made a number of amendments to the Law on the Declaration of Revenues and Assets in order to improve disclosure of declared assets. However, the government ignored numerous NGO recommendations, such as modification of the declaration forms and improvement of the mechanism of checking declarations. Furthermore, due to deficiencies of the control mechanism, no public servants were dismissed or sanctioned in the process of checking declarations.[38] Amendments to the Law on Political Parties did not make financial disclosure procedures more transparent. Furthermore, there are still not enough provisions to ensure that parties disclose funding to law enforcement bodies. Parliament passed the Law on Conflict of Interests in 2008, but implemented no follow up. Transparency International expressed concerns that the draft regulations of the Main Ethics Commission cover only the right to supervise the implementation of the law and do not provide for the institution's responsibility to observe the enforcement of the civil servant's code of conduct.

In its final monitoring report on the Moldovan government's implementation of the TCP, the Anticorruption Alliance questioned the government's progress in rooting out corruption in the judicial system and internal affairs.[39] The issuance of sentences without proof highlights the highly corrupt and politicized judicial and law enforcement systems in Moldova.

In October, Parliament adopted a resolution that confirmed the courts' corruption and political partiality and demanded a complete reform of the system. The government completed the implementation of the TCP in 2009. As the new cabinet has committed itself to carrying out systemic anticorruption reforms, the MCC announced its intention to negotiate a Compact Program with the government worth US$262 million for investments in the country's infrastructure and agricultural sectors.[40]

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Montenegro

by Draško Đuranović

Capital: Podgorica
Population: 0.6 million
GNI/capita: US$13,420

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia			Montenegro						
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.75	3.75	3.75	3.50	3.25	3.50	3.50	3.25	3.25	3.25
Civil Society	4.00	3.00	2.75	2.75	2.50	3.00	3.00	2.75	2.75	2.75
Independent Media	4.50	3.50	3.25	3.25	3.25	3.25	3.50	3.75	3.75	4.00
Governance*	5.25	4.25	4.25	4.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	4.50	4.50	4.50	4.25	4.25	4.25
Local Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.50	3.25	3.25	3.25	3.25
Judicial Framework and Independence	5.50	4.25	4.25	4.25	4.25	4.25	4.25	4.00	4.25	4.00
Corruption	6.25	5.25	5.00	5.25	5.25	5.25	5.50	5.25	5.00	5.00
Democracy Score	5.04	4.00	3.88	3.83	3.79	3.89	3.93	3.79	3.79	3.79

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

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

Executive Summary

Three years after the referendum that led to the creation of an independent state, Montenegro continued to pursue Euro-Atlantic integration in 2009. In the summer, the state authorities received a questionnaire from the European Union (EU), representing a significant step in the country's candidacy for EU membership. Also, by the end of the year citizens of Montenegro were granted visa-free travel to Schengen countries, demonstrating that it had met certain EU benchmarks on internal and international security controls. However, Montenegro felt the effects of the global economic crisis throughout the year. The crisis increased state intervention in the Montenegrin economy and strengthened the role of the executive vis-à-vis the other branches of power.

National Democratic Governance. In 2009, Montenegro continued efforts to fulfill the criteria for EU membership. By the end of the year, the government had submitted answers to the European Commission's questionnaire, despite opposition criticism that the ruling coalition had monopolized the response process. Internal obstacles persist as the government's low administrative capacity remains the greatest problem for the functioning of the political system. Nonetheless, Parliament was active in adopting laws related to European integration. Furthermore, some progress was made in the area of civilian control over security services by strengthening Parliament's role in controlling the police, military, and National Security Agency. *Even though Montenegro made progress in harmonizing legal regulations with EU standards, little joint progress was made by government, the opposition, and the civic sector toward faster implementation and fulfillment of the conditions of good governance; thus, Montenegro's national democratic governance rating remains at 4.25.*

Electoral process. In the March 2009 parliamentary elections, the ruling coalition strengthened its political position and won 48 of 81 seats in Parliament. The Organization for Security and Cooperation in Europe (OSCE)/Office for Democratic Insitutions and Human Rights (ODIHR) assessed that the legal framework provided an adequate basis for the conduct of democratic elections. However, it pointed out that these laws still had not been fully harmonized with the 2007 Constitution, and offered more than 30 recommendations. *Domestic and OSCE/ODIHR observers deemed the March elections free and fair. However, owing to the continued postponement of harmonization of the Election Law with the constitution, and the recommendations of international organizations, Montenegro's electoral process rating remains at 3.25.*

Civil Society. The civic sector is very active in Montenegro. In many areas, non-governmental organizations (NGOs) have become a partner to state institutions

and local self-governance bodies, and are present in print and electronic media. Still, the relationship between the state and NGOs is ambiguous. In 2009, NGOs were especially active in the fight against corruption and organized crime, monitoring illegal construction, proposing legal regulations, and exercising their statutory rights of access to information. Their activities represent a growing role for NGOs as independent watchdog organizations. There is clear cooperation between state institutions and the civic sector, though it frequently turns into disputes when the government opposes NGO proposals. *Despite some positive developments, there is a continued lack of understanding about the respective roles of the state and civil society; thus Montenegro's civil society rating remains at 2.75.*

Independent Media. In 2009, tensions mounted between some independent media groups and the ruling coalition, leading to lawsuits for defamation and insult. The constitution guarantees freedom of expression and freedom of the press, yet disproportionate fines resulting from these suits put additional pressure on media independence. The controversy over granting frequencies to commercial broadcasters continued, with TV Vijesti claiming that the state authorities deliberately prevented it from obtaining frequencies. Additionally, the mayor of Podgorica and his son had a physical altercation with the editor-in-chief and a photojournalist from the daily *Vijesti*, causing serious injuries to the editor. Late in the year, Parliament adopted an amendment that removed the legal obstacle to free allocation of state frequencies. *Reports of violations of the journalistic code of ethics, disproportionate fines against the media in suits filed by political actors, and a physical attack by the mayor of Podgorica on a newspaper editor demonstrate worrying developments; thus Montenegro's independent media rating worsens from 3.75 to 4.00.*

Local Democratic Governance. The ruling parties continued to dominate in local elections held in Kotor and Mojkovac in 2009, due in part to the disunity of the opposition parties. In the meantime, the government continued a formal policy of decentralization. However, due to the lack of human capacity at the local level to implement many of the reforms, the central government exhibited a reluctance to implement financial decentralization. In fact, NGOs and the police uncovered a number of instances of corruption at the local level, mostly related to illegal construction. *Strong family and clan ties in small communities and insufficiently developed controls and oversight of municipal decisions obstructed the development of local self-governments; therefore Montenegro's local democratic governance rating remains at 3.25.*

Judicial Framework and Independence. Montenegro's judiciary initiated three war crimes trials that forced the public to face its own history and the consequences of acts committed during the dissolution of Yugoslavia. Parliament adopted, with political consensus, a new criminal procedure code in accordance with the recommendations of international organizations. Further progress in the judiciary was seen in the reduction of unresolved cases. According to the report of the Judicial Council, the courts processed 70 percent more cases in 2009 than in 2008. The

Judicial Council also suspended nine judges and began a process for their dismissal. Despite data showing that the judiciary had made some progress, the question of political influence on judges and the independence of the Judicial Council remains open. *Although the election of members of the Judicial Council and rulings against the media in cases of slander continue to indicate a degree of political influence by the ruling majority on the judiciary, the adoption of the criminal procedure code, a decreased number of outstanding cases, the prosecution of war crimes, and an increasing number of convictions for corruption reflect positive steps; thus Montenegro's judicial framework and independence rating improves from 4.25 to 4.00.*

Corruption. Throughout 2009, increased implementation of the amended Action Plan for Implementation of the Program to Fight Corruption and Organized Crime and heightened political will within the state administration was noticed by the National Commission for Monitoring, though the European Commission's Progress Report on Montenegro stressed that much work remains in the country's fight against corruption. The adoption of a new criminal procedure code represents a significant basis for a more fruitful fight against corruption and organized crime. Through membership in the National Commission for the Fight Against Corruption, the civic sector is now included in the public campaign against corruption, money laundering, and various forms of organized crime. Nevertheless, some NGOs believe that state institutions have realized only a part of the activities aimed at establishing the legal and institutional infrastructure, and that reforms are not yielding the expected results. Also, opposition members of Parliament have criticized the work of the Directorate for Prevention of Money Laundering as there has been no prosecution in this field. Opposition parties have criticized the appointment and work of the president of the Committee on Conflict of Interests, whom they claim works in the interest of the ruling Democratic Party of Socialists. *There were no major results in the fight against corruption and no cases of criminal charges or court proceedings against high state officials in 2009. Yet, owing to the continued establishment of legal infrastructure while strengthening the capacities of state institutions, Montenegro's corruption rating remains at 5.00.*

Outlook for 2010. In 2010, Parliament and government will mostly be focused on meeting their international obligations. Parliament faces an April 30, 2010 deadline to adopt amendments to the Law on Elections, pursuant to the recommendations of the Venice Commission and the Council of Europe. Midyear negotiations are expected to conclude between the government of Montenegro and the International Monetary Fund. The debate on the accession of Montenegro membership into the Action Plan for NATO will take place at the Lisbon NATO summit just one month after the release of the EU's Regular Report on Montenegro's progress in European integration and accession. Local elections must be organized, according to the actual Law on Election of Councillors in 14 Montenegrin municipalities by the beginning of June. The government has also stated that it hopes to finalize the privatization of three large companies—Port of Bar, Shipyard "Bijela," and Railway Transportation—by the end of 2010.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			n/a	4.50	4.50	4.50	4.25	4.25	4.25

In 2009, Montenegro took further steps toward harmonizing its judicial and political systems with European Union (EU) standards and recommendations of the European Commission (EC). While a clear majority of the population wishes to join the EU, Montenegrin society remains divided on the issue of Montenegro's eventual entry into NATO. The political parties that make up the ruling coalition openly advocate for NATO membership, while some parliamentary parties and a majority of citizens do not support Montenegro's entry into NATO, according to recent public opinion surveys.[1] In 2009, the ruling coalition continued its active promotion of EU and NATO memberships, defining these two issues as political priorities for the country.

Parliamentary elections held on March 29 confirmed the political dominance of the ruling coalition of the Democratic Party of Socialists (DPS) and the Social Democratic Party (SDP), which won an absolute majority of the 81 seats in Montenegro's unicameral legislature. The long-standing success of the ruling DPS results from its absolute dominance of the political and economic system in Montenegro, as well as the inability of the political opposition to articulate a clear, positive, and credible alternative vision that appeals to the population. While the state institutions are stable, the lack of a regular alternation of power through democratic elections threatens to undermine the stability of institutions and their ability to guarantee democracy and the rule of law, prerequisites for Montenegro's EU membership.

The country's strategy for European accession got a boost in the second half of July when European Commissioner for Enlargement Olli Rehn presented Montenegro's Prime Minister Milo Đjukanović with the questionnaire of the EC for EU membership, representing another step in achieving the strategic, national goal of obtaining EU candidate status. At the end of the year, the EC abolished visas for Montenegrin citizens travelling to EU countries.

While the government of Montenegro has made a public commitment to fulfill the criteria for EU membership, there are certain internal obstacles. Responding to the EC's questionnaire created the need for enhanced coordination among state institutions, as well as intensified activities to align Montenegrin society with the standards of the EU. However, further strengthening, training, and professional advancement of personnel within the public administration is needed to improve the modest administrative capacity of the state. Lack of human and material resources, especially working space, continues to limit the work of Parliament and represents a significant problem for both ruling and opposition parties.

In 2009, like other countries in the region, Montenegro felt the effects of the global economic crisis through the withdrawal of a portion of bank deposits and a reduced volume of foreign and domestic investment; this caused an adverse effect on the government budget. After rapid economic development in 2007–08, Montenegro faced stagnation and recession in 2009. As a result, instead of the planned GDP growth of about 6 percent, Montenegro is expected to have a 4 percent decrease, according to the Central Bank of Montenegro.[2]

Due to the economic crisis, the executive branch played a more active role in the economy. In particular, the government was forced to employ various measures to maintain macroeconomic stability and liquidity of some of the largest enterprises in the Montenegrin market, such as the Aluminum Plant Podgorica (KAP). While KAP had been privatized in 2005 and sold to the Russian aluminum conglomerate En Plus Group, the functioning of KAP was endangered in early 2009 when it was unable to pay salaries or purchase raw materials for manufacturing. Since KAP is a major foundation of the Montenegrin economy, the government became involved in its rehabilitation by offering loan guarantees to the company. Prime Minister Đjukanović also offered guarantees to KAP's bauxite miners in Nikšić, who went on strike for unpaid wages, including a grace period for payments on defaulted taxes, duties, and value-added taxes.

In 2009, the new Parliament adopted almost 30 percent more acts than in 2008, although it did not begin official work until mid-June. Progress was made in the civilian oversight of security services. The Law on Police, Law on Army, and Law on the National Security Agency envisage parliamentary control, primarily by reviewing the annual report that is submitted through the government to the respective parliamentary committee. In 2009, the Committee for Security and Defense was active in exercising this oversight function.

The new Law on Prevention of Conflict of Interests came into force in January, which should help prevent abuses of power in Montenegro. Fulfilling the 2007 and 2008 recommendations of the Council of Europe's Group of States against Corruption (GRECO), the new law expanded the circle of public officials included in the legal provisions and introduced clear penal provisions for violations of the law, including monetary fines and prohibitions from public service. Still, few changes were made to the Commission for Preventing Conflict of Interests, and some nongovernmental organizations (NGOs) expressed concern that, despite the new law, the old management would fail to sufficiently monitor public officials and their asset declarations, or to proactively use the law's strengthened provisions.

Montenegro's State Audit Institution (SAI) appraises the operations of state enterprises and public institutions; the SAI's 2008 annual report attracted public attention for its criticism of state institutions (including ministries, regulatory agencies, and public enterprises) that reportedly spent public funds in a non-transparent or unauthorized manner. Likewise, the Administrative Court protected public interests by annulling a number of state institution decisions—based on complaints filed by individuals, companies, or organizations—that were contrary to the laws on state administration.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			3.50	3.25	3.50	3.50	3.25	3.25	3.25

The parliamentary elections on March 29, were the second elections held in Montenegro since the country regained its independence in 2006. Two months earlier, the Parliament had voted to shorten its mandate, giving 38 registered political parties (12 of which represent national minority groups) the chance to compete in the elections. Of these registered parties, 16 electoral lists fulfilled the requirements to register candidates. But once again, the ruling parties, DPS (led by Prime Minister Đjukanović), and the SDP (led by the Speaker of Parliament Ranko Krivokapić) won the elections and remained in power. The DPS-SDP government coalition opened its door to two additional parties, the Croatian Citizen Initiative (HGI) and the Bosniak Party.

By contrast, the opposition failed to unify its efforts. In fact, the early elections caught some opposition parties in the midst of transformations or political fragmentations. As a result, the former leading party of the Serbian List, the Serbian People's Party (SNS), merged with another member to form the New Serbian Democracy (NOVA), led by former SNS leader Andrija Mandić; the remainder of the Serbian List fragmented into two pro-Serbian blocs. A new Democratic Center (DC), led by former Movement for Changes (PzP) Vice President Goran Batricevic, emerged from a leadership contest in PzP and joined forces with the Liberal Party in a coalition that failed to pass the 3 percent threshold. The weakened PzP managed to cross the threshold and secure five seats in Parliament, representing a loss of six seats. Only the Socialist People's Party (SNP), led by Srđjan Milić, managed to avoid political fragmentation and go into the election intact.

Although Montenegro's constitution, adopted in 2007, envisaged harmonization of the Law on Election of members of Parliament (MPs) and Councillors within six months, the Parliament has not yet met this statutory provision. Election legislation was to have been harmonized with the constitution and with the expectation that long-standing recommendations of the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe (CoE) would also be addressed. A special working group composed of representatives of all parliamentary parties met several times, but was unable to reach consensus on authentic representation of minority groups. No compromise was found between the Albanian demand to keep its current rights, which have given ethnic Albanian parties two to four representatives in Parliament, nor was a consensus made regarding the Bosniak request to be guaranteed at least the same rights as the less numerous Albanians, who represent the only linguistic minority in Montenegro (besides the much smaller Roma community). On October 22, the latest harmonization deadline, a hastily convened session of Parliament once again postponed the deadline to April 2010.

The elections were called under the old law without clear provisions for authentic representation of minorities or for the gender equity standards mentioned in the

constitution, and without addressing long-standing criticisms from both the OSCE and the CoE. In addition to the parliamentary elections, local elections were called for the same day for municipal assemblies in Budva and Nikšić, and for the mayors of Herceg Novi and Tivat. The results of the parliamentary polls strengthened the influence of the ruling coalition when its "European Montenegro" ticket won 48 of 81 seats in Parliament. Likewise, the ruling coalition won convincingly in Budva, Nikšić and Tivat, ceding only the mayor of Herceg Novi to the opposition in a town where the opposition has dominated since the split of the DPS in 1997. The State Election Commission (SEC) received 25 complaints, mostly from the People's Party-Democratic Serb Party (NS-DSS) coalition, which fell several hundred votes short of the 3 percent threshold. The SEC rejected 10 of the NS-DSS complaints and accepted 2, but NS-DSS still failed to secure seats in the Parliament.

International observers stated that the elections were conducted largely in accordance with democratic standards and the overall campaign was relatively quiet, with isolated cases of negative campaigning. The OSCE/Office for Democratic Insitutions and Human Rights (ODIHR) Election Observation Mission confirmed that the elections were professionally organized and there was considerable trust in the election administration bodies, but it noted that the legal framework had not been fully harmonized with the 2007 constitution and offered more than 30 recommendations.[3] Domestic election observers concluded that promotional rallies went smoothly without any noted cases of violence.

The election for the mayor of Zabljak on August 15, once again resulted in a resounding, first-round victory for the candidate of the ruling DPS-SDP coalition who ran against a candidate backed by a united opposition. A number of factors led to the defeat of the opposition in local and parliamentary elections, including the lack of a unified strategy, the inability to come up with a positive and credible alternative message to oppose the DPS-SDP promise of a better future within Europe, and the ruling coalition's overwhelming advantage of resources in a country that still has difficulty distinguishing between the ruling parties and the state.

In mid-October, the three strongest parliamentary opposition parties—SNP, NOVA, and PzP—boycotted the local elections in Kotor. After meeting with President Filip Vujanović, opposition leaders concluded that the elections would be held in undemocratic conditions and involve persons associated with organized crime. The opposition, non-parliamentary Liberal Party did not join the boycott as its representative currently held the position of deputy mayor in Kotor as part of its DPS-SDP government. The ruling DPS-SDP coalition ridiculed the opposition for its decision to boycott the elections, saying that the boycott was an attempt to avoid another disastrous election defeat; independent analysts noted that the electoral conditions that led to the boycott had also existed in the previous parliamentary and local elections in which the opposition had participated. In Kotor, 40 percent of the residents took part in the election, which was won by DPS candidate Maja Ćatović. In the subsequent local elections in Mojkovac, held on December 6, the opposition boycott failed with SNP (the strongiest opposition party), but not Movement for Changes or NOVA, participating.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			2.75	2.50	3.00	3.00	2.75	2.75	2.75

According to the Ministry of Internal Affairs and Public Administration, there were more than 4,000 NGOs registered in Montenegro in 2009, but a significant number existed in name only. Still, the civic sector is an active, dynamic, and growing factor in Montenegrin society, and NGOs have partnered with state institutions and local self-governance bodies in many areas.

According to the Law on Nongovernmental Organizations, the state supports the work of Montenegro's civil society and NGOs receive state funds in an open competition administered by a parliamentary committee. Although the state has created mechanisms to support the work of NGOs, there is still a lack of criteria in the allocation of funds. Despite the large number of NGOs that apply, only relatively small amounts of money are granted, which is insufficient to implement substantial projects.

In Montenegro, NGOs partner with the state in activities to harmonize domestic legislation and the political system with international standards, but at the same time, put pressure on the government to implement laws in the public interest. For example, there is a lack of transparency in the government's work and Parliament, ministries, and state-owned enterprises often ignore the legal provisions for public access to information. The Network for Affirmation of the NGO Sector (MANS), an NGO promoting good governance and citizen participation in decision-making, publicly reported that over a period of two months it sent 21,000 requests for information to state institutions, a quarter of which were ignored.[4] NGOs were also especially active in 2009 in monitoring and preventing illegal construction, the fight against corruption and organized crime, and proposing legal regulations. Several groups also carried out various educational activities and offered free legal assistance to citizens and businesses.

NGOs have become more vocal and visible in their criticism of the government; some NGOs involved in international projects, however, have not followed the legal provisions on establishing managing boards.[5] The lack of legal compliance among NGOs advocating for transparency and accountability in the work of state administrative bodies certainly undermines their credibility and has cast a small shadow of doubt on the reliability of the civic sector.

Montenegrin civil society still lacks sufficient organizational capacity, and many groups are not financially viable. Many organizations have not yet established a specialized set of services or focused on the implementation and coordination of their related programs. Instead, without clear missions, and due to sparse local funds, NGOs have spread themselves thin in an effort to access the limited pool of international funding, taking on activities that range from providing legal assistance to organizing schools for European integration and fighting corruption. At the same time, groups such as the the Center for Civic Education and the Center for Development of NGOs have been mostly successful in conducting a variety of

projects simultaneously, including a school of democracy, school of youth leaders, trainings and consultations for NGOs and local governments, and programs on gender equality, European integration, civic education, and legal aid.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			3.25	3.25	3.25	3.50	3.75	3.75	[illegible]

In 2009, the Montenegrin media scene, which includes more than 70 electronic and print outlets, faced the dire effects of the global economic crisis. Early in the year, the Association of Independent Media of Montenegro (UNEM) publicly called upon the Ministry of Maritime Affairs, Transportation, and Telecommunications to release commercial broadcasters from their obligation to pay duties for the use of frequencies and facilities of the Radio Broadcasting Center. Despite UNEM's appeals, the state did not release commercial broadcasters from paying the license fees.

At the end of 2008, Parliament adopted the Law on Public Radio-Broadcasting Services, which provided automatic funding of 1.2 percent of the annual state budget to the public broadcasting service Radio Television of Montenegro (RTCG). The resulting monthly payment of approximately €670,000 (US$895,000) stabilized the financial situation for RTCG. In mid-October, Parliament confirmed the election of RTCG Council members without previous conditions or delays, resulting in the final establishment of an RTCG Council in line with the law. In previous years, the ruling majority had blocked the appointment of members of whom it disapproved.

At the same time, an editorial aired on the television news arm of the daily *Vijesti*, claiming that state authorities deliberately obstructed the channel's license acquisition. Making use of a legal loophole, the Broadcasting Agency Council argued that the law does not define who the program content regulator is and who may give consent for the use of frequencies. In mid-summer 2009, the U.S. Embassy in Podgorica urged state authorities to find a solution to the problem of allocating frequencies. In October, Parliament adopted an amendment that precisely regulates the jurisdiction of the Broadcasting Agency as the regulator for program content, removing the legal obstacles to allocating the remaining state frequencies.

While Montenegro's constitution guarantees freedom of expression and freedom of the press, the disproportionate fines levied against media for "mental pain" and resulting self-censorship threatened to compromise these freedoms. In 2009, tensions continued to mount between independent media and the ruling coalition, with some contentious issues ending up in court. Charges brought by DPS leaders and state officials, mainly related to defamation and insult, resulted in heavy fines for the media outlets. During the year, a total of €1 million (US$1.3 million) was requested from the newspapers *Vijesti*, *Dan*, and *Monitor* in what

appeared to be a worrying trend of lawsuits used as instruments by government leaders to silence critical media.

Published rulings show that Montenegrin courts have tried to follow the guidelines of the European Convention on Human Rights and respect recommendations of the European Court in Strasbourg regarding the inalienable right of free expression. However, in some cases, such as the suit against *Monitor* journalist Andrej Nikolaidis, the High Court did not make a distinction between opinions expressed in news articles and television programs and the criminal offense of defamation and insult. The Judicial Council of the High Court confirmed the verdict of the Basic Court against Nikolaidis for articles criticizing film director Emir Kusturica. Though initially found innocent on the grounds that Nikolaidis was protected by the freedom of expression, a second trial at the Basic Court reversed the first decision and the journalist was sentenced to pay damages to Kusturica in the amount of €12,000 (US$16,000). Additionally, the Journalistic Self-Regulatory Body reported cases where Montenegrin journalists and media were accused without evidence or sentenced before a court decision was even reached, thus, violating not only the freedom of expression, but also the legal principle of the presumption of innocence.

In 2009, the future of Montenegro's oldest daily newspaper, *Pobjeda*, was still unresolved after two failed attempts to sell shares through a public tender, leaving the state as the majority shareholder in contravention of the 2002 Law on Media. In an apparent abandonment of the effort to privatize the newspaper given the economic crisis and the lack of international interest, personnel changes were made at the top of *Pobjeda*, with the director of the ruling DPS appointed as chairman of the newspaper's board of directors.

A conflict between the ruling DPS and the daily *Vijesti* intensified at the beginning of August when Dr. Miomir Mugoša, mayor of Podgorica, and his son had an altercation with a photojournalist and an editor of the newspaper. Mugoša, a high ranking DPS official, reacted to the intention of the photojournalist to take a photo of the mayor's car inappropriately parked in the street. Investigations concluded that there was some physical contact, that the mayor's son became involved, and that the editor suffered serious bodily injuries that required surgery. NGOs and some media have criticized the police and the prosecution, believing that these state institutions did not act professionally or impartially in collecting evidence and investigating the incident.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			n/a	3.50	3.50	3.25	3.25	3.25	3.25

Montenegro is divided into 21 municipalities, each with its own directly elected mayor serving a five-year term and a proportionally elected local assembly that serves a four-year term. During the course of 2009, there were elections for mayors

in Herceg Novi, Tivat, Žabljak, and Kotor, and for the municipal assemblies in Budva, Nikšić, Cetinje, and Mojkovac.

In all cases, except Herceg Novi, where the opposition has traditionally won for over a decade, the ruling coalition dominated in the elections against a sometimes-fractured opposition. The three largest parliamentary parties (SNP, NOVA, and PzP) boycotted the November elections in Kotor, allegedly due to unfair election conditions. SNP participated in the Mojkovac elections, although the DPS-SDP coalition won in this local election as well.

The constitution guarantees the right to local self-governance in Montenegro and establishes the municipality as the basic unit; additionally, the concepts of an administrative capital (Podgorica) and a historical capital (Cetinje) are defined by the Law on the Administrative Capital and the Law on the Historical Capital. The official Strategy for Reform of State Administration in Montenegro commits the government to establishing a system of local self-governance that is democratic, decentralized, and allows greater citizen participation in decision-making at the local level.

Despite the country's formally adopted course towards decentralization, everyday life reveals a lack of real action and financial decentralization. In order to spur this movement in 2009, the government presented the Parliament with a draft law on Territorial Organization and amendments to the Law on Local Self-Government. The new laws would more clearly define the authority of the chief administrator and create a new management position in local government units with the aim to encourage and support business activities and public-private partnerships. While welcomed, it is unclear whether local governments actually have the capacity to implement these reforms. In cooperation with the EC, the government launched a training program in September to strengthen local self-government, especially in regards to improving the transparency of decision-making at the local level. Yet, because many of the proposed amendments to the Law on Local Self-Government were withdrawn, discussion on adopting the law moved to 2010.

A key structural problem is the uneven development of local communities in Montenegro. For years, municipalities in the north have faced a difficult economic situation that has challenged their ability to collect budget revenues. In contrast, municipalities on the coast enjoy the benefits of the burgeoning tourist industry that has led to escalating revenues and expenditures. In a further step to correct the structural anomaly, the government established a partnership with the United Nations Development Program (UNDP) in October to develop local government skills in 11 municipalities in the north.

During the year, NGOs and some state institutions, such as the Ministry for Spatial Planning and Environment, publicly warned that local self-governments had not reacted sufficiently to alleged violations of law, especially regarding illegal construction. In mid-2008, a joint commission of the Ministry of Economy and local government representatives was established to address this issue. According to the criminal code, adopted in 2009, illegal construction is classified as a crime that can result in fines or jail time. Despite these efforts, illegal construction, especially

on the coast, continued to be a problem during the year as evidenced by the more than 100 complaints registered with the State Building Inspector from the public enterprise that manages the coastal zone "Morsko Dobro." These complaints referred mostly to the municipalities of Bar, Ulcinj (the area of Ada Bojana in particular), Budva, Kotor, and Herceg Novi.

MANS filed criminal charges against Mayor Mugoša of Podgorica, for abuse of office in the sale of public land and has complained publicly about Deputy Prime Minister and DPS Vice President Svetozar Marovic's role in approving and enabling the illegal building of a large tourist-residential complex in Budva.

Judicial Framework and Independence

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia				4.25	4.25	4.25	4.25	4.00	4.25	4.00

Montenegro's constitution provides protection of fundamental political, civil, and human rights and establishes the independence of the judiciary as the foundation of a democratic society. Nonetheless, the political opposition has accused judicial officials of showing no real will to implement and apply the laws that Parliament adopts. Also, some NGOs that specialize in analyzing the judicial sector have warned that Montenegro has not created "strong guarantees for independence and professionalism of the judiciary, claiming that the judiciary is subjected to political influence."[6]

Still, the judiciary made some progress in three war crimes cases that attracted domestic and international attention. In January, the State Prosecutor's Office filed charges against nine people for the deportation of Bosniaks/Muslims in 1992 from Montenegro to Bosnia-Herzegovina where many were killed or disappeared. The accused were assistants to the minister of police of Montenegro, chiefs of municipal security centers of some coastal towns, and other police officials directly involved in the deportation of refugees to Bosnia. Later that month, the Podgorica High Court began the trial of six members of the former Yugoslav National Army accused of war crimes against civilians held in the Morinj detention camp at the Bay of Kotor, near the border with Croatia.[7] In March, a trial against eight people accused of crimes against humanity began in the Bijelo Polje High Court. In this case, former members of the Yugoslav Army were accused of inhuman treatment of Albanian civilians who escaped to Montenegro from Kosovo during the 1999 NATO airstrikes and were killed.

In July, Parliament adopted a new criminal procedure code that generally incorporates the recommendations of a number of international organizations. Key among these is the reassignment of the investigative role from the court system to the state prosecution, which should allow for more efficient prosecution of cases and lead to a better segregation of duties. Also, the new code provides for the confiscation of property acquired by criminal activity, as well as the introduction

of secret surveillance. The new code is expected to improve conditions for more efficient criminal procedure, improve protection for human rights, and more effectively combat organized crime and corruption. The report of the EC mentions the progress that Montenegro has made in adopting laws that strengthen the professionalism and independence of judges and prosecutors.[8]

Another area of judicial progress is the reduction of unresolved cases. According to the report of the Judicial Council, Montenegrin courts significantly increased their efficiency and processed 70 percent more cases in 2009 than in 2008. The reduced number of cases followed the introduction of the principle of conducting trials within a reasonable period. Still, the President of the Association of Lawyers of Montenegro, Stanko Maric, expressed concern that too much insistence on the quantitative reduction of outdated cases could negatively impact the legitimacy of those decisions.

Also in 2009, the Judicial Council assumed its role of disciplining and controlling judges by suspending several judges while their dismissals were in process: one judge was sentenced to unconditional imprisonment, and ceased his judicial functions; two judges were dismissed from exercising judicial functions due to poor performance; and eight judges filed a request for the cessation of their functions.[9]

Despite data showing that the judiciary had made some progress, confirmed by the EC Progress Report, the structure of the Judicial Council still does not guarantee full independence from political influence. The Judicial Council consists of 10 members; its president ex officio is the president of the Supreme Court of Montenegro, as well as four judges who are elected and dismissed by the Conference of Judges, two lawyers appointed by the president and the minister of justice, and two MPs (one elected and dismissed by Parliament from each of the governing and opposition parties).

The manner in which Judicial Council members are elected (6 of 10 members are elected directly or indirectly with the consent of parliamentary parties of the ruling coalition) leaves room for political influence over the council. Likewise, a similar problem exists in the role of the prosecution. The "scope for political influence exerted on the prosecution exists through the appointment of the Prosecutorial Council by Parliament and the Parliament's powers to appoint and dismiss the State prosecutors," concludes the 2009 Montenegro Progress Report of the EU Commission.[10]

The activity of the Administrative Court, which monitors the legality of administrative and other acts of state and local authorities, drew public attention in 2009. According to data from the first 10 months of the year, the Administrative Court found 48 percent of the decisions or acts of state bodies to be unlawful and annulled them.[11] While this indicates the inability of large parts of the state and local government to apply the rule of law in a competent manner, it also demonstrates the growing independence and impartiality of the Administrative Court, which uses its legal powers to protect the interests of citizens and to help the state administration learn about the proper application of law.

In 2009, 24 trials against 115 persons accused of involvement in organized crime were registered in Montenegro. The High Court reached a decision in the case of the 2004 murder of Dusko Jovanovic, the former editor-in-chief of the daily *Dan*, sentencing the perpetrator to 30 years in prison. In addition, a number of individuals from a criminal group were convicted and sentenced for the 2005 murder of the police inspector Slavoljub Scekic. Both of these cases attracted significant domestic and international attention, and were presided over by a three-judge panel headed by the Honorable Lazar Akovic. Due to the inexplicably long delay in delivering the final verdict in the Scekic case and the discovery of an error in the proceedings, the Judicial Council began the process to dismiss Akovic; when news of this was published in the media, the judge resigned.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			5.25	5.25	5.25	5.50	5.25	5.00	5.00

In 2006, Montenegro adopted an Action Plan for Implementation of the Program to Fight Corruption and Organized Crime based on international recommendations. A national commission to monitor the Action Plan was established in 2007, and was amended in 2008, again based on recommendations of international organizations.

In 2009, there was evidence of an increased level of implementation of the amended Action Plan. State institutions reported having established the majority of necessary legal and institutional infrastructure. Of the projected measures for prevention of corruption, two-thirds (67 percent) have been fully or are still being realized, according to data from the National Commission for Monitoring of Implementation of the Action Plan for Implementation of the Program for the Fight against Corruption and Organized Crime.[12]

In addition, through membership on the National Commission for the Fight Against Corruption, the civic sector is now included in the public campaign against corruption, money laundering, and various forms of organized crime. However, some NGOs believe that state institutions have realized only a part of the activities aimed at establishing the legal and institutional infrastructure, and that reforms are not yielding the expected results.

In 2009, the state administration achieved a satisfactory level of cooperation with some international organizations, such as with the Directorate for Anticorruption Initiatives (DACI) and UNDP in assessing Montenegro's compliance with the UN Convention Against Corruption. In addition, domestic NGOs have cooperated with international organizations like the OSCE and GRECO on widespread public campaigns against corruption conducted through Montenegrin print and electronic media.

The EC's 2009 Progress Report on Montenegro notes that the adoption of the Criminal Procedure Code provides the legal basis for more effective combat

against organized crime and corruption. The new code, which moved the role of investigation from the courts to the prosecutor's office, should increase the effectiveness of criminal proceedings. Also, the concept of plea bargaining has been introduced, and, in an important mechanism to prevent crime, the courts now have the ability to confiscate property acquired in the perpetration of a criminal offense. The 2009 state budget allocated €1 million (US$1.3 million) to strengthen the ability of the police to combat crime and corruption, and the prosecution budget in 2009 was increased 44 percent in order to prepare it for its new investigative role.

In March, a judge of the High Court and a secretary of the Bijelo Polje municipality were arrested on suspicion of corruption, which was the first time that a High Court judge and a senior local official had ever been arrested. The opposition argued that the police action was politically motivated so that the government could demonstrate to the local and international public its commitment to the fight against corruption before the parliamentary elections.

According to data from DACI, Montenegrin police participated in only three international operations against organized crime in the areas of drugs, human trafficking, and armed robbery in 2009. However, the police were not involved in the Balkan Warrior operation in which more than two tons of cocaine from Latin America, intended for the European market, were seized. Serbian and Montenegrin media called it the largest confiscation of cocaine to pass through the Montenegrin Port of Bar.

The SAI and Administrative Court continued their monitoring and oversight of state institutions and local government bodies in 2009. The independent work of these two institutions is important for the transparency and legality of state activities. The Administrative Court declared unlawful a number of parliamentary acts that violated the principle of transparency and public rights to full information, while the SAI in its annual report warned that decisions and accounts of some state institutions and ministries were not in accordance with legal provisions.

At the end of 2008, Parliament adopted a new Law on Conflict of Interests that introduced fines and sanctions for those who do not declare their assets or declare them falsely. In the future, such individuals will not be allowed to perform duties in the state administration for a period of four years. Still, opposition parties fought against the reappointment of the President of the Committee for Conflict of Interests, Slobodan Lekovic, based on his previous performance and alleged partiality toward (and membership in) the ruling DPS. In July, the PzP filed criminal charges against Lekovic, claiming that he had determined the amount of his own salary.

The 2009 Montenegro Progress Report by the EC concluded that, "Montenegro still lacks strong and independent supervisory authorities to evaluate asset declarations and financing of the political parties and to monitor and exercise control over expenditure in the public sector."[13]

Some opposition MPs also criticized the work of the Money Laundering Prevention Directorate, which forwarded more than 50 reports on suspicious transactions to the police and prosecution in 2009. President of the Movement

for Changes, Nebojša Medojević, called the situation in Montenegro shocking since there were about €500 million (US$659 million) worth of investments in Montenegro and not a single charge for the criminal offense of money laundering.[14]

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1 A poll of the Center for Democracy and Human Rights (CEDEM) from June 2009 shows that 40.3 percent of Montenegrin citizens oppose the idea of Montenegro entering NATO; joining NATO is supported by 30 percent of citizens while 26.7 percent have no opinion. "Citizens Attitudes Toward NATO Integrations of Montenegro: June 2009," CEDEM, Montenegro, http://www.cedem.me/fajlovi/editor_fajlovi/istrazivanja/CEDEM_june09.pdf (accessed October 22, 2009).

2 "Chief Economist Report Second Quarter 2009," CBCG, Montenegro, June 2009, http://www.cb-mn.org/eng/index.php?mn1=publications&mn2=quarterly_reports&mn3=chief_economist_report.

3 "Montenegro Early Parliamentary Elections March 29, 2009 OSCE/ODIHR Election Observation Mission Final Report," OSCE, Warsaw, June 10, 2009, http://www.osce.org/documents/odihr/2009/06/38110_en.pdf.

4 Boris Ristović, "International Freedom of Information Day Press Release," MANS, September 27, 2009, http://www.mans.co.me/en/arhiva/2009/09/international-freedom-of-information-day.

5 Law on NGOs, Article 20, stipulates that NGOs must establish the NGO such as managing board or the assembly.

6 Erna Mackic and Nedjeljko Rudovic, "Montenegro Makes History With War Compensation Offer," BIRN Justice Report, January 26, 2009, http://www.publicinternationallaw.org/warcrimeswatch/archives/wcpw_vol03issue38.html.

7 During the war in the former Yugoslavia (1991–92), prisoners mainly from neighboring Croatia were kept in the Morinj detention facility. According to the indictment, the camp guards did not provide conditions in accordance with the Geneva Conventions and the prisoners were subjected to various forms of abuse and torture. In cooperation with Croatian judicial authorities, the Montenegrin prosecution organized for all witnesses (Croatian citizens) to appear before the court in Podgorica and give statements.

8 "Montenegro 2009 Progress Report, Accompanying the Communication from the Commision to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2009–2010," Commission of the European Communities, Brussels, Section 1336, October 14, 2009, http://ec.europa.eu/enlargement/pdf/key_documents/2009/mn_rapport_2009_en.pdf.

9 Report of the Judicial Council for 2009, pp. 49, 50.

[10] "Montenegro 2009 Progress Report, Accompanying the Communication from the Commision to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2009–2010," Commission of the European Communities, Brussels, Section 1336, Page 11, October 14, 2009, http://ec.europa.eu/enlargement/pdf/key_documents/2009/mn_rapport_2009_en.pdf.

[11] Report of the Administrative Court for the period January 1–October 30, 2009.

[12] "The Fifth Report on Realization of Measures from Innovated Action Plan for Implementation of Program of Fight Against Corruption and Organized Crime (2008–09) for Period 01 Jaunuary–30 June 2009," Montenegro National Commission for Monitoring of Realization of Action Plan for Implementation of Program of Fight Against Corruption and Organized Crime, July 29, 2009, http://www.mans.co.me/en/wp-content/uploads/2009/08/NC_FIFTH-REPORT_ENG.pdf.

[13] *Montenegro 2009 Progress Report* (Commission of the European Communities, 2009), 12.

[14] Nebojsa Medojevic, "Money Laundering," *Vijesti*, October 29, 2009.

Poland

by Tomasz Pisula

Capital: Warsaw
Population: 38.1 million
GNI/capita: US$16,710

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	1.75
Civil Society	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50	1.50
Independent Media	1.50	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00	2.25
Governance*	1.75	2.00	2.00	2.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.50	2.75	3.25	3.50	3.25	3.25
Local Democratic Governance	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.00	1.75
Judicial Framework and Independence	1.50	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25	2.50
Corruption	2.25	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75	3.25
Democracy Score	1.58	1.63	1.75	1.75	2.00	2.14	2.36	2.39	2.25	2.32

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

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

Executive Summary

Poland observed a number of historical anniversaries in 2009—the seventieth anniversary of the outbreak of World War II, the thirtieth anniversary of Pope John Paul II's first pilgrimage to Poland, and the twentieth anniversary of the country's first democratic elections—providing Poles with the opportunity to evaluate the first two decades of regained independence. While overall these evaluations appear positive, the Polish democratic system still faces deficiencies and setbacks.

In 2009, the two, major, center-right parties, the ruling Civic Platform (PO) and the opposition Law and Justice (PiS), clashed in the run-up to the 2010 presidential elections. The partisan conflict took a visible toll on the functioning of the executive branch and brought into question the independence of the media. It also tainted the popular sense of achievement made since 1989 with both camps claiming to be the only legitimate heirs to Solidarity and promulgating mutually exclusive versions of recent Polish history. The atmosphere of partisan competition distracted authorities from addressing the reemerging threat of high-level corruption undermining popular trust in state institutions. At the same time, the Polish economy largely withstood the pressure of the global economic crisis. Vibrant local governments, assisted with European Union (EU) structural funds, assumed a more active role in improving the lives of citizens.

National Democratic Governance. Although generally disenchanted with politicians and political institutions, Poles firmly support the principles of democracy, capitalism, and the rule of law. However, ongoing conflicts between the prime minister and president, the record high budget deficit for 2010, lack of control over the Agency of Internal Security, and the dismissal of the Central Anticorruption Bureau (CBA) director following his discovery of a corruption plot inside the government demonstrates no improvements in governmental accountability to the public. *Poland's national democratic governance rating remains at 3.25.*

Electoral Process. The June 2009 European Parliament elections in Poland were procedurally transparent and took place in a relatively calm atmosphere, compared with preceding parliamentary and presidential elections. However, complaints were voiced regarding breaches in campaign financing regulations and media partisanship in campaign coverage. *Due to the open and free European Parliamentary elections, Poland's electoral process rating improves from 2.00 to 1.75.*

Civil Society. Polish nongovernmental organizations (NGOs) gained unprecedented resources in 2009, including exponentially increased private tax contributions and EU structural funds, as well as other means of support organized by the Polish state to foster civil society. At the same time, the government threatened to suspend the accreditation of the Jagiellonian University History Department and restrict the university's new construction budget following its acceptance of a master's dissertation critical of the government's chief moral authority, Lech Wałęsa. *While increased funds and resources have contributed to the development of civil society in Poland, political interference in the education system has led to stagnation of the civil society rating at 1.50.*

Independent Media. Despite the wide spectrum of public and private media in Poland, most outlets participated in power struggles by presenting politically biased information. The government made efforts to subjugate public broadcasters directly to the minister of finance and to limit their market share for the benefit of government friendly private media corporations. *A series of highly controversial court decisions infringing on the freedom of public discourse as well as ongoing harassment of investigative journalists by the Internal Security Agency contributed to the worsening of Poland's independent media rating from 2.00 to 2.25.*

Local Democratic Governance. Poland saw another year of improvements in the performance of local governments in 2009. Granted extensive independence from the central government and generously supported by EU structural funds, local governments dynamically invested in local infrastructure ahead of the upcoming 2010 local government elections. *Owing to the increased activity and independence of local governments, Poland's local democratic governance rating improves from 2.00 to 1.75.*

Judicial Framework and Independence. Despite its munificent budget, the judicial system in Poland remained extremely slow and ineffective in 2009. The ongoing case of Krzysztof Olewnik, who was kidnapped in 2001 and murdered in 2003, was marred by the unexplained suicides of key suspects and witnesses. The minister and deputy minister of justice, national public prosecutor, national director of correctional services, regional director of correctional services, and the Płock Prison director were dismissed following the deaths, and criminal charges were brought against one of the prosecutors. Additionally, the minister of justice resigned in October during the gambling law scandal. *These cases illustrate the numerous problems facing the Polish justice system in 2009, and result in the worsening of Poland's judicial framework and independence rating from 2.25 to 2.50.*

Corruption. A corruption scandal, which began at the end of 2009 seemed like a flashback from the wild period of early transformation, with the Polish public witnessing their most trusted politicians running errands for the magnates of a semi-legal gambling industry. The scope of the scandal was evidenced by the

dismissal of four ministers, two state secretaries, the government spokesperson, and the majority whip in Parliament. The resulting conflict between the prime minister and former director of the CBA led to the surfacing of even more material compromising the government. *Owing to the involvement of top government officials in highly questionable affairs in 2009, Poland's corruption rating worsens from 2.75 to 3.25.*

Outlook for 2010. The presidential election will be the key event in 2010. It is expected that the representatives of two main post-Solidarity parties will face off after five years of mounting tensions. Although elections are the hallmark of a vibrant democracy, it is quite likely that the presidential campaign will lead to further politicization of the media and deeper political divides within Polish society.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.50	2.75	3.25	3.50	3.25	3.25

Twenty years after holding the first democratic elections in then-communist Eastern Europe, Poland remains a vibrant democracy with steadily increasing appreciation for its new governance system, as expressed by over 80 percent of Polish society.[1] The overall satisfaction with democracy does not mean that Poles are as unanimous in evaluating the performance of state institutions or particular political parties. From 2005 onward Polish public life was subjected to escalating partisan conflict between the two center-right parties, Civic Platform (PO) and Law and Justice (PiS)—which together enjoy the support of over 72 percent of the population.[2] The origins of this conflict date back to the 2005 presidential elections, which Donald Tusk (PO) unexpectedly lost by a narrow margin to Lech Kaczyński (PiS). As a result, despite earlier promises, the two parties refused to form a parliamentary coalition in 2005 and engaged in infighting that continued into 2009. Indeed, the competition between Prime Minister Donald Tusk and incumbent President, Lech Kaczyński in the run-up to the upcoming 2010 presidential elections was the dominant theme of Polish politics in 2009.

This conflict between the two pillars of the executive branch exposed the fundamental weakness of Poland's constitution, which, due to ambiguous language defining the prerogatives of the president and prime minister, was easily used as a tool in political clashes. Although the constitution clearly designates the president as head of state, supervising the government and representing the country internationally, other paragraphs limit his powers only to areas outside the competences of the government, including foreign representation. Likewise, the president serves as the commander in chief of the Polish military, which is also managed by the national defense minister. These indefinite provisions of the constitution were never considered problematic because the primacy of the president had never been contested. However, the competition between the prime minister and president in 2009 demonstrated the constitution's shortcomings in providing a transparent framework for the organization of the state.

On the other hand, Article 235 of the constitution, requiring that a constitutional amendment must be approved by a two-thirds majority in both houses of Parliament, has acted as an effective safeguard against otherwise likely partisan attempts to change the balance of power in favor of the prime minister or president. The fate of the current constitution will not be resolved until after the 2010 presidential elections. The determination of PO or PiS in building the

necessary broad political coalition to reassert primacy of the president or prime minister in the constitution will depend on whose representative wins the elections.

The partisan divide runs deep in Polish society, largely influencing the popular view of public institutions. Throughout 2009, approval ratings for the main political institutions in Poland were almost parallel with electoral cleavages. In particular, the support for President Kaczyński oscillated between 22 and 27 percent and was almost equal with the support for his party, PiS.[3] The support for the government of Prime Minister Tusk fluctuated around 38 percent, corroborating PO's general popularity rating of 44 percent, but decreased at the end of the year due to the corruption crisis within the government.[4] One of the least popular institutions was the legislature, with monthly approval ratings ranging from 16 to 21 percent for the Sejm (the lower House) and from 22 to 28 percent for the Senate (the upper House). The low approval ratings for Parliament were not unique to 2009, but rather a continuation of low approval throughout the past decades, reflecting the limited acceptance of all-out partisan wars in which both houses have participated since 1989.

The global economic crisis became the focus of immediate political discourse in 2009. Poland achieved an estimated 1.7 percent annual increase in GDP, the only such gain in the entire region.[5] Although Polish politicians were quick to claim the victory, it appears the economy mostly benefited from retained internal consumption, weak financial correlation with global markets, as well as free depreciation of Polish currency, which is not yet in the Euro zone adaptation mode. Since no parliamentary party was willing to raise taxes or introduce spending cuts for the 2010 election year, the government was forced to increase the estimated 2010 budget deficit to an unprecedented US$18.3 billion and initiate the program of selling the last of the remaining state-owned companies.[6] Yet the failure to sell the Gdynia shipyard to a Qatar investment fund with suspected ties to Lebanese arms dealer Abdul Rahman El-Assir, illustrated the general lack of interest of reputable international financial institutions in investing in the region and diminished public hopes of getting a good price for the national "family silver."

Finally, at the end of the year, Poland experienced an extraordinary political crisis beginning with a corruption scandal over the new law on gambling machines, costing the government the dismissal of four key ministers, two state secretaries, the prime minister's spokesman, and the majority whip in Parliament. In a move regarded as personal revenge, Prime Minister Tusk also dismissed the director of the Central Anticorruption Bureau (CBA), who unearthed the scandal. In response, the dismissed CBA director revealed even more damaging facts on the controversial public tender of the Gdynia shipyard. Furthermore, the Internal Security Agency was caught conducting illegal surveillance operations aimed at well-known investigative journalists, illustrating the ineffectiveness of the government's control over the Polish secret services.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	1.75

From the political point of view, the European Parliament (EP) elections of 2009 were a continuation of the general elections in 2007. As expected, the majority of votes were cast in favor of PO (44.4 percent) and PiS (27.4 percent), which together managed to defeat the Alliance of the Democratic Left (12.3 percent) and the Polish Peasants' Party (7 percent).[7] Similar to all preceding parliamentary and presidential elections since 1989, there were no major complaints about the transparency of electoral procedures, supervised by the National Electoral Commission (PKW).

Nevertheless, some controversies arose concerning the role of free media in Polish democracy and campaign financing. Two of the largest private media outlets openly sided with the PO. One large, private, Catholic media corporation supported PiS, while the supposedly nonpartisan Polish Public Television devoted disproportionate attention to the Polish campaign of the new European party, Libertas, which was ultimately ignored by voters. Distrustful of mass media objectivity, the Polish political class welcomed the 2009 elections as a means to verify actual political preferences among the voters, and as a prognostic for the 2010 presidential elections.

The other problematic aspect of the 2009 election was avoiding limits on campaign expenditures, both by individual candidates and parties. The maximum allowable campaign financing for parties is outlined in the electoral code and Law on Political Parties, and this amount is divided among the party candidates. To strengthen campaigns on the local level, many candidates are tempted to supplement their allowances with unregistered financial resources or use supposedly unrelated events for their promotion. Since prosecution is complicated and lengthy, some of the would-be European parliamentarians resorted to such illegal practices. The Stefan Batory Foundation indicated that this phenomenon was visible throughout the 2009 campaign. It also appeared that even the largest parties indulged in the practice. For example, the Warsaw congress of the European People's Party (EPP) inaugurated the party's 2009 campaign and thus provided indirect support for PO (an EPP member and technical organizer of the congress) and its campaign inside Poland. In this way, PO could sidestep Polish electoral regulations against campaigning with foreign funding.

Strict regulations on campaign and party financing arose from the fact that Polish political parties are largely funded from the state budget, a solution adopted in 2001 in order to prevent bankrolling of Polish politics by interest groups. To be entitled to state funding, each party must receive at least 3 percent of the vote in the last general elections, and the annual subsidy is proportional to the total amount of votes received. Over time, electoral thresholds and state funding have proven to be the chief stabilizing factors in Polish politics, radically reducing the number of political parties elected to the Sejm from 29 in 1991 to only 4 in 2007, and 4 to the

EP in 2009. As a result, the political scene in Poland became less chaotic, financially transparent, and more accountable to the electorate. On the other hand, the 2009 elections showed that the current stability of the Polish political scene comes at a certain cost to democracy. The financial resources already at the disposal of all major political parties make it exceptionally difficult for any new political movement to effectively compete in elections.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50	1.50

Development of civil society institutions in 2009, and in the preceding years, also indicates that Polish democracy is entering the consolidation period, gradually ending the transition stage. The original weakness of Polish nongovernmental organization (NGO) life after 1989 resulted not from the unwillingness of Poles to join voluntary organizations, but rather from the chronic scarcity of funding available to thousands of NGOs that sprouted in the first years of freedom, forcing most of them to act as "hobby" organizations.[8] The main change came with Poland's European Union (EU) accession in 2004, providing NGOs with access to ample EU structural funds. In 2009, roughly US$2.5 billion was available to various entities, including Polish NGOs, an amount unimaginable in the early years of independence.[9] Importantly, a large portion of those funds was directed to help establish new civil society organizations, as well as to increase the capacities of existing ones.

In 2009, as many as 7.3 million Poles (over 2 million more than the year before) supported civil society organizations with 1 percent of their annual income tax, donating an astonishing total of nearly US$127 million (31 percent more than in 2008).[10] Such mass donations were made possible by a 2004 amendment to the fiscal law introducing the concept of "public good organizations" (PGOs). The amount of donations has been increasing exponentially each year, starting with US$2.8 million in 2004 and US$12.8 million in 2005.[11] This increase in philanthropy was due to the consecutive governments' efforts to simplify donation procedures, as well as growing public appreciation for the important role that NGOs play in various areas of public life. On the other hand, in 2009, the process of turning over funds to PGOs was suddenly delayed, causing much concern among beneficiaries who suspected that the government was withholding funds to help cover the budget deficit.

Polish civil society also benefits from increasing cooperation between NGOs and the Ministry of Foreign Affairs (MFA), annually contracting dozens of NGOs to undertake prestigious humanitarian and democratization projects abroad on behalf of Polish Aid. In 2009 alone, the total value of projects awarded by the MFA to Polish NGOs amounted to US$5.9 million.[12] Apart from the financial aspect,

the primary importance of this cooperation lies in the fact that the administration officially recognizes the achievements of NGOs in the Polish transition and encourages the replication of Polish experiences in less developed countries.

In April 2009, Poland witnessed a politically based attempt on the independence of universities and the freedom of scientific inquiry. It began with the publishing of a political biography of Lech Wałęsa, the leader of Solidarity and the second Polish president, based on the master's dissertation of Paweł Zyzak, history student at Jagiellonian University. The dissertation included some disturbing facts regarding Wałęsa's cooperation with the communist intelligence in the 1970s, as well as mentioned abuses of power during his presidency, mostly related to a cover-up of his early faults. The majority of these incidents have been widely discussed in the past; however, they received new prominence with Wałęsa's return to politics and his support of Prime Minister Tusk against the Kaczyński brothers.

The book was instantly attacked by the political milieu of the daily paper *Gazeta Wyborcza* and the PO party, but was defended by the PiS camp, eager to question the integrity of one of Prime Minister Tusk's most prominent supporters. Minister of Science Barbara Kudrycka (PO), called for an immediate investigation at the history department at Jagiellonian University, threatening its accreditation. Her action was widely interpreted as an attempt to punish the oldest university in Poland for allowing one of its students to reveal uncomfortable facts from the life of the government's current ally. The prime minister initially supported this initiative, but the protests from academics, journalists, and opposition politicians led him to reverse the decision and denounce the minister's overzealousness. Nevertheless, three weeks later the government attempted to scrap almost US$63.4 million (two-thirds) of public funds for the construction of Jagiellonian University's new campus. Eventually, the government-sponsored changes to the Multi-year Program for the Creation of the Third Campus to Celebrate the 600 Years of the Rejuvenation of the Jagiellonian University Law were rejected by the Polish Senate.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.50	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00	2.25

Over the last two decades, Polish media have played a crucial part in shaping the country's social and political reality. Due to their prominent position, media outlets have often assumed the role of independent political actors or have been encouraged to act as such by politicians. Consequently, the partisanship of Polish media has left little space for independent and fully reliable information.

In particular, 2009 was a year of political battle for the state-owned Polish Public Television (PPT), the principal broadcaster in Poland in terms of nationwide accessibility and popularity. PPT is managed by political appointees whose tenures usually extend beyond the life spans of consecutive governments. As such, the winner

of the sudden 2007 elections, the PO party, faced a public media run by some of its political opponents, mostly from PiS and, later, the League of Polish Families (LPR). In 2009, PPT often appeared to act in an intentionally partisan manner, for example, by spending excessive air time on the EP campaign of the Polish branch of Libertas, banning news coverage of the dismissal of the PPT chairman (from LPR), or signing unprofitable cooperation agreements with Catholic TV Trwam. By contrast, during the campaign and after the elections, PO enjoyed enthusiastic support from two private media moguls, ITI and Agora, with some of the most popular media—TVN, TVN24, and *Gazeta Wyborcza*—at its disposal.

It is uncertain whether private media would have been as fervent in their support of PO if it were not for the party's electoral promise to scrap the public media tax, one of the main sources of financing for public broadcasters, the private media's chief competition. That solution had three major implications: first, it would make all public media directly dependent on resources allocated by the finance minister and thus susceptible to direct influence of any present government; second, with decreased funding, public media would inevitably lose some of their current market share, facilitating expansion of private media outlets; third, some of the public funding was to be shared with private broadcasters to finance their educational and cultural programs. Needless to say, most large private media were interested in seeing all those changes take place and eager to support their proponents, facilitating favorable political developments rather than just reporting on them. The 2009 draft of the new media law was prepared in Parliament under the supervision of member of Parliament (MP) Śledzińska-Katarasińska (PO), who, at the same time remained formally employed by *Gazeta Wyborcza*. Eventually, the media law was vetoed by the president, and since PO does not have sufficient votes in Parliament to revoke the president's decision, the law is unlikely to return in its current form.

In 2009 the judicial system delivered verdicts evaluating arguments used in public discourse, thereby threatening freedom of speech. Some of the most controversial cases involved presidential advisor and university professor, Andrzej Zybertowicz, and *Gazeta Wyborcza's* Chief-Editor Adam Michnik. Zybertowicz was sued by Michnik in 2007 for saying that Michnik's principal political argument was his imprisonment during communism, and again in 2009, for calling him a defender of communist intelligence agents.[13] In 2008, the court delivered a decision on the first case, forcing Zybertowicz to publish apologies and pay punitive damages. In response, over 5,000 people signed an *Open Letter in Defense of Freedom of Speech*[14], which was later presented to the ombudsman to be used in a request to annul the verdict.[15] In 2009, the courts decided again in favor of Adam Michnik, leading many of his opponents to complain about the legal infringement on the freedom of speech.[16]

Another case involved Alicja Tysiąc, who in 2009 filed a defamation lawsuit against the Catholic weekly *Gość Niedzielny*. Tysiąc was denied a legal abortion on therapeutic grounds in 2000 due to conflicting medical opinions. In 2007, with

the support of Polish pro-choice organizations, she won a lawsuit against Poland in the European Court of Human Rights (ECHR) in Strasbourg, with justices deciding that Poland had violated Article 8 of the European Convention on Human Rights by failing to provide an effective appeal framework from medical opinions in abortion requests. Tysiąc was to be compensated with US$30,000, though other health damage claims were rejected.[17] *Gość Niedzielny*, criticized the ECHR judgement and claimed Tysiąc would be "compensated for being unable to kill her child."[18] That article led to a lawsuit in 2009, with the court deciding in favor of Tysiąc, declaring that abortion indeed is the killing of an unborn child; nevertheless to speak of it as such in particular cases might be degrading for persons directly involved. *Gość Niedzielny* was sentenced to pay a hefty compensation. The Catholic Church and conservative media viewed the sentence as a gag order, prohibiting them from freely expressing their fundamental beliefs.[19]

A separate, problematic issue in regards to the protection of freedom of speech is the existence of Article 212 of the penal code, punishing libel with up to two years in prison. Furthermore, this allows for the implementation of the code of penal proceedings, under which plaintiff's interests are automatically represented by a Public Prosecutor's Office, making it easier and less costly to win than in a civil lawsuit. In 2009, this was used as a legal base for a lawsuit in yet another politicized dispute, with abortion activist Wanda Nowicka suing pro-life advocate Joanna Najfeld for a comment Najfeld made about Nowicka on a television program. The case is expected to be resolved in 2010.

The Polish judicial system has been disturbingly slow with resolving the case of investigative journalist Wojciech Sumliński, an expert on post-communist intelligence services. In mid-2008, Sumliński, who was working on a book on criminal activities of Military Intelligence Services (WSI, disbanded in 2006), was arrested by the Internal Security Agency (ABW) and charged with offering bribes to officials screening WSI's former agents. The arrest had the appearance of revenge of former WSI and current ABW personnel on Sumliński, who over the years published extensively on their unlawful behavior. The only witness in this case is a former high ranking communist WSI officer, currently employed by ABW. The arrest and prolonged investigation prevented the publication of Sumliński's book. The manuscript and all of the supporting documents have been confiscated indefinitely. Under tremendous pressure, Sumliński suffered a breakdown, attempted suicide, and eventually lost all means of providing for his family. A year after the initial arrest, the Prosecutor's Office has still not brought an indictment, making the case impossible to resolve in court by the end of 2009.

An alarming offshoot of the Sumliński case was the discovery of illegal ABW recordings of phone conversations between *Rzeczpospolita* investigative journalist Cezary Gmyz and TVN24 journalist Bogdan Rymanowski, both friends of Sumliński. Instead of being destroyed, the unauthorized recordings were declassified and have turned up as evidence in a private lawsuit against Gmyz brought by the ABW deputy director.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.00	[illegible]

It is symbolic that one of the first decisions of the 1989 Parliament was the recreation of local councils and the decreeing of local elections in May 1990, which became the first entirely free elections in postwar Poland. From the very beginning, local governance based on a mixture of democracy and principles of subsidiarity was seen as the most effective remedy to communist state-enforced centralization, bringing change to Poland from the grassroots.

Since 1990, representatives at all levels of local governments have been elected in direct elections under proportional or majoritarian representation, depending on the size of the constituency and type of elected body. The constitution, adopted in 1997, asserts that local councils (*gmina*) are the foundation of the administrative division of Poland and have all of the administrative powers unless otherwise reserved to the central administration. The purpose of these provisions is to shift the balance of power as far from the central government and as close to citizens as possible, allowing democratically elected local representatives to make key decisions affecting local communities. The next major breakthrough came in 1999 with a new administrative division of Poland that introduced three independent levels of self-government: nearly 2,500 *gmina*, over 300 districts (*powiat*), and 16 regions (*województwo*). This system resembled the administrative structure typical to EU member states, which was then crucial from the standpoint of Poland's EU aspirations.

Elections to local government have since become the most regular element of Polish politics, taking place every four years and combining national party politics with local characteristics. The balance between what is local and what is partisan shifts towards the latter with each rising level of local government. In the 2006 local elections, almost 72 percent of representatives elected on the *gmina* level and 82 percent of *gmina* heads and city mayors ran on behalf of local committees. On the district level, over 42 percent of representatives came from party lists; nevertheless, 58 percent of elected officials were still backed by local committees. Yet on the regional level, over 98 percent of elected representatives ran on behalf of national political parties and less than 2 percent represented local committees.[20] In 2006, almost two-thirds of all local council presidents and city mayors were re-elected for a second term. On one hand, the astonishingly high reelection ratio could serve as proof of the institutional success of local governance in Poland. On the other hand, it could also be interpreted as an effect of the prevalence of patron-client relationships on the local level.

In reality, partisanship is also visible on the local, *gmina* level. Since Poles are suspicious of politicians, most candidates in local elections prefer to focus directly on the interests of their local constituencies instead of promoting partisan agendas. However, it does not mean that they do not support, or are not supported by major political parties. Furthermore, in the past many of the supposedly nonpolitical

local election committees were established to rebrand local communist elites and offer them a second chance in public service. In fact, for many years the most visible political divide in local governments has been between the local communist nomenclature fighting to preserve its influence and contenders, mostly supporters of a variety of post-Solidarity political movements.

Still, party politics is not the main focus for Polish local governments, and by 2009 most local authorities understood that their verifiable effectiveness could be the key to success in the next elections. The upcoming 2010 local elections provided a very strong stimulus for all levels of local government throughout Poland. The current availability of EU structural funds gives them an unprecedented opportunity to invest in local infrastructure and to radically improve standards of living for their citizens. For the first time ever, the success of local administration does not depend on the availability of funds but on their strategic use. This particular emphasis on the dynamism of investments is visible in the annual ranking of local governments, prepared by a team of experts for *Rzeczpospolita* daily and BGK Bank. The results of the 2009 edition indicated that the overall performance of the majority of Polish local governments improved and, furthermore, that the gap between the best and average local governments was diminishing. The vast majority of local governments have proven to be motivated and innovative in taking advantage of the historic EU opportunities. On the other hand, the ranking also revealed a negative trend in local governments, with the poorer areas of central and eastern Poland visibly falling behind the more affluent west.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.50	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25	2.50

The 2009 annual report of the government Ombudsman for Civil Rights (RPO) directed attention to problematic areas within the justice system, some of which have persisted since 1989. The most serious is the excessively long duration of legal procedures in Poland, some extending years and even decades. The report described this phenomenon as a new, extrajudicial form of punishment—the perpetual defendant. The slowness of procedures forces those unjustly accused to wait years for their final acquittal. In other cases, it is responsible for failing to deliver justice even to those guilty of the worst crimes. Out of 47 countries under the jurisdiction of the European Court of Human Rights, Poland ranked 6 in terms of number of complaints related to the length of legal procedures.

The dysfunction of the Polish justice system appears to arise from factors other than a lack of judges, legal personnel, or an adequate budget for the judiciary. In his report, the Polish ombudsman cited a European Commission for the Efficiency of Justice study, which states that Poland has 26 judges per every 100,000 citizens and is thus among the best staffed in Europe, compared with 11.9 judges per 100,000 citizens in France or only 7 in the United Kingdom. The European average for

personnel supporting judges per 100,000 citizens is 56, whereas in Poland it is 83. The ratio of budget spending on the judiciary and GDP per capita makes Poland a European leader.[21] These numbers suggest that the problems with Poland's justice system lie in the legal procedures themselves or in the organization of the judiciary's work.

Another structural problem inherited from the past and still visible in 2009 is the vast number of Polish laws. Since 1989, Parliament adopted almost 3,000 laws and over 20,000 decrees, out of which 58 percent were intended to modify preexisting regulations. As a result, the Polish legal system is incoherent and difficult to enforce. Through the years, the inconsistency and weak enforcement of Polish laws caused thousands of people annually to seek justice at the ECHR. The number of cases filed at ECHR in 2009 alone amounted to 5,050, setting a record for the past 5 years. The ECHR statistics show that, with the exception of Italy, this high number of filings is typical for young, not fully developed democracies.

The ongoing crisis of the Polish judiciary was exemplified in 2009 by the still unsolved case of Krzystof Olewnik, the son of a wealthy businessman who was kidnapped in 2001, held for ransom, and subsequently murdered in 2003. The first key witness died, allegedly of natural causes, shortly before a scheduled final deposition in 2006. In 2007, one of the already apprehended murderers committed suicide in custody. The second of the kidnappers committed suicide in 2008 inside a maximum security prison cell. In January 2009, the third of the murderers was strangled in a maximum security cell of the same prison. In reaction to the third unexplained death, Prime Minister Tusk dismissed the minister and deputy minister of justice, the national public prosecutor, and the director of correctional services. The regional director of correctional services and the director of the infamous prison resigned at the same time.

In July, the attorney for the policemen accused in the case suffered an unusual burglary in her house, losing only the case-related documents and her work laptop computers. Also in July, the correctional officer on whose watch the second "suicide" occurred took his own life. After a brief investigation, the deputy minister of justice declared that his death was due to personal problems. In October, *Rzeczpospolita* alleged that the key public prosecutor in the case might have been stalling the investigation and leaking information to the criminal underworld.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.25	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75	[illegible]

Poland's transition has featured a conciliatory relationship in which the communist elite have negotiated mutually satisfying agreements with leaders of Solidarity. One of the consequences of this arrangement was the vulnerability of the new democratic order to the influence of informal groups of interests, mostly of communist and/or

criminal backgrounds. The trauma of the lawlessness of the early 1990s has made corruption one of the key issues of Polish public discourse, even though corruption has visibly decreased with the ongoing maturation of Polish democracy.

In a conservative Polish society, political corruption eventually proves costly to parties that are caught red-handed. In particular, the center-right electoral triumph of 2005 was a sign of popular disenchantment with the moral decay of the post-communist Social Democrats. The subsequent preterm elections of 2007 and the victory of the PO occurred primarily because of a publicized corruption plot in the Ministry of Agriculture, discovered by the newly created CBA, the hallmark project of the PiS. Soon after being nominated as prime minister, Donald Tusk made a series of negative comments about the CBA and its director, Mariusz Kamiński, promising a prompt investigation into CBA's activities. The results of that investigation were never published, however criticism soon stopped. It was speculated that retaining the services of the CBA provided an external watchdog to inhibit the emergence of potential corruption plots within the prime minister's government.

One of the worst political scandals in Poland's post-1989 history began in August 2009, when the CBA discovered contacts between two gambling industry magnates and close partners of Prime Minister Tusk: Zbigniew Chlebowski, the Majority Whip; Grzegorz Schetyna, the Minister of the Interior; and Mirosław Drzewiecki, the Sports Minister. CBA established that the gambling magnates informally insisted on introducing beneficial tax changes into the new gambling law and that at least one of the politicians promised them favorable results. Immediately after the initial discovery, CBA notified the prime minister, warning of a possible secret agenda among some top government officials. Soon afterwards, it became clear that the observed individuals knew they were under surveillance.

The director of the CBA was charged two weeks later with misconduct in a case from 2007, which could have served as a legal pretext for his dismissal. Assuming that the government had decided to silence the affair, the CBA informed all relevant state institutions and the media about the discovered gambling law conspiracy, and released transcripts of phone conversations between the gambling machine magnates and the officials. Prime Minister Tusk dismissed the sports minister, the deputy minister of economy, the minister of internal affairs and administration, the chairman of PO's parliamentary club (majority whip), and two state secretaries from the prime minister's chancellery. Additionally, after only eight months in office, Minister of Justice Andrzej Czuma resigned in October in connection with the scandal, as well as for evading private debts and the repayment of bank loans in the United States.

For some of the incriminated politicians, this fall from grace was padded, as in the case of the minister of internal affairs who replaced Chlebowski as majority whip in the Parliament, allowing him to supervise the parliamentary investigation of the scandal in which he had played one of the key roles. The gambling affair gave Prime Minister Tusk an opportunity to get rid of not only those politicians directly responsible, but also those awaiting due dismissal for lesser faults, such as the prime

minister's spokesman and former coordinator of Secret Services, who for years was provided with free housing in a palace by a German entrepreneur.

Immediately after accepting the dismissals and while claiming the innocence of his government, Prime Minister Tusk removed the director of the CBA on the previously announced charges of misconduct. Avenging the inevitable dismissal, the CBA director revealed that the failed public tender on the Gdynia shipyard was initially rigged by public officials and that its winner, the Qatar investment fund, was a front for Lebanese arms dealer Abdul Rahman El-Assir, a longtime trading partner of the government-managed arms industry. He also alleged that El-Assir's participation in the tender was intended to improve PO's standing in the 2009 EP elections by creating the appearance that there still could be a chance to revive the Polish shipyard industry and to retain its employees. This alleged move set off another public outcry over what came to be known as the "Shipyard Scandal."

These corruption scandals, later topped by the ABW's illegal operations against investigative journalists, known as the "Phone Taps Scandal," visibly shook Pole's confidence in the political class. By the end of 2009, the hopes once vested in the parliamentary investigative commission to explain what exactly happened with the gambling law were largely gone due to the forced dismissal of opposition members from the commission. This contradicted the principles of all preceding investigative commissions, which had ensured the representation of all political factions. It also indicated that the gambling commission is unlikely to play as significant a role in improving Polish public life as the Rywingate or Orlen commissions once did.

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Romania

by Laura Stefan, Dan Tapalaga and Sorin Ionita

Capital: Bucharest
Population: 21.5 million
GNI/capita: US$13,380

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75
Civil Society	3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50
Independent Media	3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00
Governance*	3.75	3.75	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75	4.00
Local Democratic Governance	n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00
Corruption	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00
Democracy Score	3.67	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36	3.46

** 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

After lagging behind other Central European countries for most of its transition due to a hesitant break with its Communist past, on January 1, 2007, Romania succeeded in becoming a member of the European Union (EU). Disappointment followed fast as the governing center-right coalition disintegrated in 2007, and ministers who had led the process of EU accession were pushed aside. Starting in mid-2005, Romania's political life was effectively deadlocked in a conflict between Prime Minister Călin Popescu Tăriceanu and President Traian Băsescu, and ended with Tăriceanu losing office in the 2008 parliamentary elections.

In 2009, the country held presidential and European elections, as well as a series of referendums in the midst of economic constrictions and high political tensions. On October 13, the government of Prime Minister Emil Boc collapsed after a vote of no confidence, a first in Romania's post-transition history. The new government and president failed to reach an agreement regarding the nomination of a new prime minister, leaving the government in a political and administrative stalemate. With the reelection of President Băsescu, in what has been called the most turbulent of elections in the 20 year history of free elections in Romania, Emil Boc returned as prime minister.

Following eight years of robust economic growth, in 2009, the global economic crisis presented the government with a serious challenge: to demonstrate Romania's capacity to adjust to new, harsher economic circumstances in the midst of political tensions and an unstable governing coalition. In March, the government asked the EU and the International Monetary Fund (IMF) for a stabilization loan, which was approved in May, but the government struggled to implement the adjoining conditions. The economic downfall also contributed to further worsening of professional standards within Romania's media sector.

National Democratic Governance. In May, the government agreed to a series of reforms and to drastic spending reductions in the public system as conditions for receiving a loan from the IMF and the EU, but reform efforts were halted by the collapse of the government and the turbulent presidential election in the fall. Political tensions were exacerbated by the government's abuse of power in issuing an inordinately high number of emergency ordinances, and by requesting the Constitutional Court to decide on political matters. In late September, the president dismissed Interior Minister Dan Nica of the Social Democratic Party, which sparked a prolonged political crisis, including the October 13 vote of no confidence against Prime Minister Emil Boc's government. The government and the president failed to appoint a new prime minister prior to the presidential election, plunging the government into a political and administrative stalemate that

jeopardized further financial assistance from the IMF and EU. *Romania's national democratic governance rating worsens from 3.75 to 4.00.*

Electoral Process. In 2009, Romania held presidential and European Parliament elections, as well as a referendum for adopting a one-chamber legislature. Along with record low voter turnout, there was evidence of serious fraud and manipulation in numerous polls. The newly created, independent, election oversight institution, the Permanent Electoral Authority, proved inefficient. International observers deemed the process to be mostly fair and in accordance with international standards. However, both local and international monitors credited the open bias of the media in contributing to the most turbulent presidential election in Romania's post-transition history. *Due to fraud, manipulation, biased media coverage and poor electoral management Romania's electoral process score worsens from 2.50 to 2.75.*

Civil Society. Romanian civil society, especially heritage protection and anticorruption groups, continued to engage in meaningful campaigns in 2009. However, political parties continued to create alternative groups intended to usurp the influence of independent civil society. *Due to the persistence of economic and political pressures on civil society, Romania's civil society rating remains at 2.50.*

Independent Media. Romanian media carried out impressive anticorruption investigations in 2009. However, the financial crisis and conflicts between the president and publishers politicized the media. The National Audiovisual Council made more attempts to enforce media standards. An initiative to reform public television and radio broadcasters was blocked in Parliament, while 22 journalists signed a letter to the head of Romania's public television broadcaster demanding an end to unprofessional and unethical leadership. *Due to political interference and lowered professional standards within the media sector, Romania's independent media rating worsens from 3.75 to 4.00.*

Local Democratic Governance. Local democratic governance reforms were stalled in 2009 due to political infighting. The central government undermined local autonomy by attaching various unfavorable conditions to grants and financial transfers initially meant to shield local budgets from the financial downturn. The collapse of the governing coalition led to two rounds of purges of civil servants in local bureaucracies, demonstrating the highly political nature of these positions. *Due to the absence of any positive reforms, Romania's local democratic governance rating stays at 3.00.*

Judicial Framework and Independence. Romania's legislature adopted new civil and criminal codes to comply with EU requirements. On the downside, judges went on strike for higher wages and made rulings that would help benefit themselves financially. *With a balance of positive and negative trends, Romania's judicial framework and independence rating remains at 4.00.*

Corruption. Romania's anticorruption agencies were active in 2009. For the first time, Parliament agreed to release files on parliamentarians who faced criminal charges. The National Anticorruption Directorate launched investigations against a minister close to President Băsescu, ending years of speculation on the immunity of the president's party. *While the consolidation of the anticorruption establishment is a positive step forward, the fruits of these actions will only become visible next year, thus Romania's corruption rating remains at 4.00.*

Outlook for 2010. The fragile parliamentary majority may be the main obstacle for an efficient government in 2010 when Romania must apply a series of reform measures and massively cut public sector spending. The extended political crisis of 2009 blocked the delivery of the third and fourth installment of the IMF loan, amounting to over US$2.5 billion in total. Romania was late in voting on its 2010 budget, which further loan installments depend on. The IMF postponed its evaluation visit to Romania until after the December 2009 elections.

As the parliamentary majority is currently very slim, and the loan is conditional on structural reforms to bring public expenditure under control, the government may not have the capacity to pass vital laws through Parliament.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75	4.00

After the November 2008 elections, an unlikely coalition of the Democratic Liberal Party (PLD), the Social Democratic Party (PSD), and the Conservative Party (PC) led Romania. President Traian Băsescu, who heads the PLD, argued that the coalition between these long-time rivals was needed to ensure a parliamentary majority of nearly 70 percent and to allow for effective crisis management.[1]

In December 2008, President Băsescu chose Theodor Stolojan, an economist from the PPLD who served as prime minister from 1991 to 1992, to head the government. Stolojan resigned after five days, before the formation of a new government, explaining that he wanted to leave room for a new, younger generation of politicians. Following Stolojan's resignation, President Băsescu chose Emil Boc, the leader of the PLD, and then mayor of Cluj-Napoca, to form a new government.

At the outset, despite the approaching economic crisis, the president and the new government were reluctant to pursue harsh economic policies. Only after the first quarter, when the country's economy contracted for the first time in nine years, did the government begin to take action.

After initially rejecting the idea of accepting a foreign loan to deal with the country's domestic economic strife, in March the government asked the International Monetary Fund (IMF), the European Commission, and the World Bank for a loan of almost €20 billion (US$24.8 billion). The loan was approved in May, but coalition partner PSD, as well as the opposition, expressed concerns about the unpopular measures Romania would have to take in order to comply with the loan's conditions.

In compliance with the Memorandum of Understanding with the IMF and the European Union (EU), Romania committed to a series of public sector reforms to be carried out on an established calendar. Measures included the reform of public sector wages, fiscal responsibility guidelines, and the pension system. Meanwhile, the government also committed to drastically reduce spending in the public system, requiring the state to lay off many public sector employees.

The government met IMF targets within the first six months, but the looming electoral campaign and tensions within the governing coalitions blocked the process of reform. The government, however, managed to impose several unpopular measures to boost budget revenues. Most significantly, it introduced a lump sum tax, which forced firms to pay the state a fixed, quarterly sum. The government assumed responsibility in Parliament for a set of laws: the Education Law, the Unified Public Payment Law, and a bill aimed at limiting the number of governmental agencies.

The laws passed through this procedure (but the Education Law was later declared unconstitutional by the Constitutional Court). The National Liberal Party (PNL) and the Democratic Union of Hungarians in Romania (UDMR) challenged the new laws at the Constitutional Court. This delayed the implementation of the reform measures required by the IMF deal.

The PSD withdrew from the governing coalition after the prime minister replaced Dan Nica, PSD member and interior minister, who was also serving as deputy prime minister in late September. Nica blamed the PLD for setting the stage for electoral fraud, but failed to produce any evidence; the PSD's withdraw ensued. This followed months of increased tension, particularly after the PSD voted with the opposition to open parliamentary investigations against the PLD's Monica Iacob-Ridzi, the Minister of Youth and Sports, and Elena Udrea, the Minister of Tourism. The PSD launched a press campaign alleging that the two ministers had used public funds to improve their own images during a year of government financial woes.

Nica's dismissal sparked a prolonged political crisis. The PSD left the governing coalition and joined an alliance with the National Liberal Party. Following the change in the parliamentary balance of power, the Boc government lost a no-confidence vote on October 13 and collapsed. This was the first instance of a post-1989 government in Romania that fell due to such a vote. The new parliamentary majority, led by the PSD and the PNL, with the support of the UDMR and representatives of ethnic minorities, proposed Klaus Iohannis, mayor of Sibiu, for the position of prime minister. President Băsescu rejected the nomination and opted for Lucian Croitoru, a former IMF staff member and advisor to the governor of Romania's central bank. The opposition accused the president of ignoring a parliamentary majority of over 60 percent with his nomination, however, the constitution only requires the president to consult with the party holding a parliamentary majority before choosing a prime minister. The constitution does not provide for a situation in which a coalition—and not one party—holds a parliamentary majority. The Parliament nevertheless failed to confirm Croitoru, and Băsescu put forth a second nomination, Liviu Negoiţă, a district mayor of Bucharest and a PLD member. Since the presidential electoral campaign was in full swing, the nomination did not reach Parliament, and Negoiţă did not become prime minister. The absence of a government weighed heavily on Romania's economy; spending accelerated, and the IMF loan was put on hold. The government entered a political and administrative stalemate until after the December 6 presidential elections.

Once President Băsescu secured his second term in office, Negoiţă resigned and the president nominated Boc to return as prime minister. The DLP and the UDMR formed a new government, and managed to garner a slim majority in Parliament.

In 2009, the government continued to assume the role of the Parliament by abusing of its right to issue emergency ordinances—it issued 86 during the first 6 months of 2009—in cases when an emergency intervention of the government was not needed.[2] The Constitutional Court was also frequently called on to rule on purely political matters, as the struggle between Băsescu and his opponents frequently pushed the interpretation of the constitution to its limits. The court,

which since 2007 has been the chief political referee, declined on grounds of lacking jurisdiction to vote on the constitutionality of the no-confidence vote in October. The PLD had brought the matter before the court on the basis of parliamentary regulations, claiming that PNL could provoke no more than one vote of no confidence per session.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75

Romania held presidential and European Parliament (EP) elections in 2009. Turnout for EP elections, the first elections for a full term in the EP since the country's accession in 2007, saw record low rates. At 27 percent, these elections had the lowest turnout for any post-1989 election in Romania and one of the lowest turnouts in the entire EU.[3]

From a total 32 seats for Romania, the SDP-CP Alliance received 11, the PLD received 10, the PNL received 5, the UDMR received 3, and the Greater Romanian Party (PRM) received 3.[4] Elena Băsescu, a former model and daughter of the president, won a seat as an independent candidate, though many suspect she received help from the PLD. The entry of the PRM, a radical, populist party led by Corneliu Vadim Tudor, into the EP, was the greatest surprise of the election. Despite not reaching the 5 percent required threshold in national elections, PRM managed to make it into the EP by uniting with the New Generation Party, another radical populist party. The New Generation Party is headed by Gigi Becali, a controversial business man known for racist, xenophobic, and populist outbreaks, who recently faced charges of kidnapping, tax evasion, and bribery.

The EP electoral campaign was marked by a lack of public debates on European issues; candidates instead focused on domestic problems. As was the case in the 2008 general and local elections, allegations of vote fraud were rampant; some alleged that bribing of voters and multiple voting took place on a large scale. As a result, Parliament adopted legislation making multiple voting illegal.

The Permanent Electoral Authority (AEP), a newly created independent institution which overviews the electoral process, proved inefficient. Electoral lists, for instance, were not checked before the presidential elections. According to AEP data, the institution received 95 requests from criminal investigation bodies to verify people suspected of having voted without the right to or having voted multiple times during the June 7 elections.[5] In August, police reported they had forwarded more than 80 criminal files to prosecutors while another 100 were still in preliminary procedures.[6]

On October 22, President Băsescu signed a decree for the organization of a referendum on November 22—simultaneously with the presidential elections—over the consolidation of the current, two-chamber parliament into a single-chamber legislature and the reduction of the number of members of Parliament (MPs) to

300. As popular trust in the Parliament is very low, members of the PSD, the PNL, and the UDMR accused the head of state of pandering to populist demands and reducing the number of MPs for his own electoral interest. The referendum's proposal was not a topic of public debate. It was passed with a turnout of 50.9 percent, but only serves consultative purposes, as the Parliament decides on all changes to the constitution.

After leaving government, the PSD continued to warn of electoral fraud in the upcoming presidential elections. A group of Romanian nongovernmental organizations (NGOs), led by Pro Democracy and the local chapter of Transparency International (TI), warned that holding the referendum on the same day as presidential elections and displaying referendum posters with a picture of the president and anti-Parliament rhetoric would violate the neutrality of the poll. In response to these allegations, the president invited an Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) mission to observe the elections.

The electoral campaign for the 2009 presidential elections was considered one of the most turbulent in the 20-year history of free elections in Romania. In the last weeks of the campaign, news channels repeatedly broadcasted a video posted on YouTube of President Băsescu apparently hitting a child, which was later proven to be fake footage.[7]

In the first round of elections on November 22, the incumbent president, supported by the PLD, came in first with 32 percent of the vote. Mircea Geoană of the PSD came in second with 31 percent, and Crin Antonescu of the PNL came in third with 20 percent. Turnout reached 54 percent. The incumbent president also won the second round, but at less than one percentage point above his rival. Turnout in the second round stood at 58 percent.[8]

On election night, Mircea Geoană claimed victory at the PSD party headquarters as three exit polls declared him the winner of the elections. Soon after, President Băsescu also claimed victory. The Central Electoral Office confirmed that the incumbent had won the elections with 50.3 percent of the vote, compared with Geoană's 49.6 percent. While Geoană won more votes in Romania proper, the president won more votes abroad, especially from Moldovans holding dual citizenship.[9]

Geoană brought charges against President Băsescu to the Constitutional Court and called for a recount of annulled votes. He demanded that the state carry out the second round of the elections again. In response, the court ordered a recount of the annulled votes. It showed that of the 138,476 registered annulled votes, 2,247 were valid votes. Of those valid votes, 1,260 were for President Traian Băsescu and 987 were for Mircea Geoană. On December 14, the Constitutional Court validated the results of the election.

International organizations deemed the 2009 presidential elections more or less fair. An OSCE report published on December 7 noted Romania's "overall 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."[10]

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50 ↓↓

Romania's civil society sector witnessed contradictory developments in 2009. On the one hand, it withstood the economic crisis remarkably well, no extremist or intolerant organizations rose to exploit social hardship, and no violent protests took place to endanger the social cohesion. On the other hand, lack of funds and corruption rendered much of the civil society sector inefficient.

Genuine networks of civic activists, who are well motivated and working largely on a volunteer basis, struck roots and scored important achievements in 2009. For example, a broad organization of NGOs, initiated in 2008 to encourage Bucharest's mayoral candidates to adopt a code of good conduct, continued to monitor the Bucharest local council and lobby for stricter legislation in environmental and cultural heritage protection. The Coalition for Clean Universities, a group of NGOs, unions, and students, published a ranking of levels of integrity in Romania's 42 public universities, leading to some improvements in the transparency of higher education institutions. In September, the "Clean Urbanism" Network organized street protests and public campaigns against the Bucharest city council's controversial development plans and ultimately blocked the project. Similar success was achieved in fighting a large mining project (Roşia Montană) in the Apuseni Mountains, despite strong political support for the plan. Such successes helped establish the nonprofit community as serious actors, alongside the authorities and businesses.

Large and professional NGOs have become credible partners of central and local governments in providing direct social assistance to vulnerable groups, including orphans, the elderly, and the disabled. Though these groups have existed for many years, grants over the last two years from the European Social Fund allowed some to scale up their operations.

Apart from EU support and partnerships with Romanian authorities, service-providing NGOs have witnessed a small but encouraging inflow of funds from local private charities. Companies are more likely than in past years to set up foundations or donate directly to causes of public interest, and the media appears more open to cover such initiatives.

Conversly, whistle blowing, democracy promotion, and anticorruption watchdog groups have been increasingly difficult to support, as most private and bilateral funding was phased out after Romania joined the EU in 2007. Political parties set up NGOs of their own, but these organizations only monitor their political competition. The PLD, for example, founded the Institute for Popular Studies in order to lend logistical support to the campaign for President Băsescu's referendum. The Liberal Party has used their Group for Social Investigation to exclusively attack the president and his supporters. Additionally, even supposedly independent NGOs are not free from government interference. The National Integrity Agency (ANI) is currently investigating Victor Alistar, the head of TI Romania, for simultaneously serving as the executive director of TI and as a public

servant. The Prosecutor's Office may look into allegations that Alistar forged the signature of the president of TI on a document which confirmed that Alistar could suspend his civil service contract while keeping his post and working for TI.

Romania's legislation requires government approval for establishing an NGO, except in the case of a court decision. Discussions continue to arise over a draft law banning the use of words such as national, institute, and academia, in their names. Such a law would effectively dismantle some of the country's most effective civil society organizations. An extreme right-wing senator put the draft law forward in 2006 and Parliament passed it with changes in 2008.[11] In 2009, the new government overturned the law following strong public pressure, but various parliamentarians have tried to resurrect it.

Additionally, the country's professional and labor associations have failed to consolidate and truly represent the interests of their members. For example, SoJust, an organization of magistrates, was posited to become an effective advocate for judicial reform and an independent whistle blower. However, over the past two years, the organization has failed to fulfil these roles and instead has allied itself with conservative judicial groups on the common goal of salary rises.

Romania's trade unions largely did not react to wage cuts and layoffs resulting from the country's economic crisis. Paradoxically, unions of the public sector organized protests prior to real cuts that took place in the last two months of the year, raising suspicion over the motivation behind the strikes.

Conflicts of interest plague the country's trade unions. Investigative journalists have exposed many trade union leaders as having long-term and strong political connections and using their positions for pursuing private business interests. Most of the 11 vice presidents of Frăţia, a large confederation, are also PSD representatives in Parliament or in local councils. Many suspect that these union leaders coordinate the timing of their protests with their party's political agenda.[12] The trade union of Bucharest's metro system set up a private firm to deliver services to the public metro company, avoiding legal procurement procedures. Other union leaders with significant personal wealth sit on executive boards of various corporations. Such developments have reduced the legitimacy and effectiveness of Romanian trade unions as credible social dialogue partners.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	[illegible]

The economic crisis, which overlapped with two nationwide polls, affected the professional standards of Romania's media. Massive layoffs have reduced the editorial independence of journalism. Managers reported a 50 percent decline in advertising revenue, and media trade union representatives reported the closing of 50 local and national press outlets and the layoffs of 1,500 journalists.[13] Oligarch-controlled media groups are involved in a hunt for state advertising, which developed

simultaneously with defamation campaigns against many electoral candidates.

As a result of the economic crisis, the agenda of media groups has moved away from the public interest and now focus mainly on the political and economic interests of their owners. More often than not, these owners are at odds with the president, as he, even prior to the economic crisis, publically accused media outlets of manipulating the public. President Băsescu has verbally attacked individual journalists, calling one a "stinking gypsy."[14]

Cătălin Tolontan, editor in chief of *Gazeta Sporturilor*, issued an investigative report proving that a minister bought editorial space at several television channels to further the agenda of his party under the cover of a public campaign for a youth event. The investigation led to the resignation of PLD-member Monica Iacob-Ridzi, the country's youth minister, who became the subject of an inquiry by the National Anticorruption Directorate. Iacob-Ridzi was also a key promoter of Elena Băsescu. The broadcasts under review featured Elena Băsescu and Iacob-Ridzi herself. Yet, channels whose owners are in open conflict with the president received the lion's share of profits from this scandal. Allegedly, politicians frequently use public funding to secure positive news reports on television. Elena Udrea, the former tourism minister, and Radu Măzare, the mayor of Constanţa, are accused of funding television programs with public money in order to secure a positive image.

Some media groups promote ethically dubious tabloid journalism. For example, following the arrest of Gigi Becali, businessman and soccer club owner turned politician, television channels launched defamation campaigns against the judges who issued the arrest warrant, defending Becali who at the time was a candidate for European Parliament.[15] Allegations exist that Becali pays for media support.

A September 2009 Oxford Analytica report claimed, that the Romanian media has degraded in recent years: "Having been a force that raised expectations and strengthened civic awareness, much of the media now seems merely to be an extension of business interests."[16] The independent press organizations have shown little initiative thus far to address this problem. One month before the presidential elections, a group of media organizations agreed on a joint Code of Ethics for the media sector. However, it is unlikely media outlets will seriously comply with the new code.

In 2009, the National Audiovisual Council (CNA) issued numerous fines to television news channels for not complying with audiovisual legislation and journalistic principles. In total, during the first 10 months of 2009, CNA issued 31 fines and warnings to Antena 3; 39 to Antena 1; 33 to Realitatea; 53 to Oglindă Television; 12 to B1 TV; 10 to the Romanian Television Network (RTN); and 1 to the country's public television channel (SRTV).[17]

Romania's public television channel has come under serious criticism. Twenty-two journalists issued an open letter to Alexandru Sassu, RTN's president and general manager, urging him to put a stop to "legal and professional abuse" and to "give control...back to the taxpaying public."[18] They claimed that Madalina Radulescu, the interim head of the news department since 2007, did not have the ethical and professional authority necessary for such a position and called for

her replacement.[19] The RTN Ethical Commission deemed Madalina Radulescu responsible of poor editorial decisions, but nevertheless Radulescu continued to serve as the head of the news department. The Parliament is currently blocking an initiative to reform public television and radio channels. If passed, the initiative is unlikely to result in substantial changes.

International observers accused the Romanian broadcast media of providing unprofessional and biased coverage during December's presidential campaign. An OSCE report issued shortly after the elections alleged that Realitatea TV and the Antena network provided coverage, "which was not balanced and lacked impartiality." The report also accuses some newspaper outlets of providing biased coverage of the campaign.[20]

Cătălin Macovei, the head of ANI, accused journalists Bogdan Chireac and Sorin Roşca Stănescu of using blackmail to obtain information on ongoing investigations against politicians within the agency to be used in the electoral campaigns. Professional associations condemned the conduct of Chireac and Stănescu, recommending publicly in an unprecedented move in post-1990 Romanian media, that the two no longer be presented publicly as journalists.[21] The media outlets where Chireac and Stănescu appeared announced it would drop their services, but they returned after the elections.[22]

Presidential candidates attacked media group owners during the campaign. The attacks were consequential; following the election, Sorin Ovidiu Vântu, the owner of Realitatea-Caţavencu, announced that the group would exit the print media business and instead focus on electronic media and on expanding to Moldova. Realitatea-Caţavencu closed four newspapers in late 2009 and early 2010.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.00

When the new cabinet with a true parliamentary majority took office at the beginning of the year it planned significant measures in the area of local democratic governance. These structural reforms had been on the agenda for quite some time, but the previous minority government failed to institute the changes.

By and large, the new cabinet sought to decentralize power and resources in the areas of education, public health, and law enforcement. Additionally, it aimed to transfer jurisdiction over assets, such as land, real estate, ports, and airports, to local councils.

In March, the prime minister and the minister of administration and interior again raised the issue of decentralization and an action plan was drafted. Since this promising start, the process has stalled completely. The government failed to implement any of the proposed measures. This failure can be attributed to two factors. First, intensifying political squabbles within the ruling coalition

made it increasingly difficult to reach agreements over the critical details of the decentralization process. Second, the global economic crisis increased financial uncertainty of all public budgets, pressuring decision makers to play safe and shelve decentralization plans.

On the bright side, the economic crisis failed to hit local budgets as hard as was expected by the end of 2009. In fact, as was the case in most of Western and Central Europe, until late 2009 public revenues declined less dramatically on the local than the national level.[23] This protected the locally-elected councils and mayors from the direct impact of the crisis and allowed them to maintain basic service provision at reasonable levels.

On the other hand, the central government insulated local budgets from the effects of the crisis by buoying local governments with grants and other financial transfers. The central government often attached various conditions to this money, leading to a de facto reduction in local autonomy, thereby undermining the decentralization process.

In 2009, no substantial progress was made in improving the transparency and accountability of local governing bodies. Implementation of national transparency laws outside the capital is uneven, and local governments often tolerate large deviations from the rules. Local political parties, for example, often siphon off public money through business clients with party affiliations.

The waves of elections in 2009 brought the issue of local governance to the forefront. Local party branches visibly pressured local institutions with partisan appointments. Local bureaucracies experienced two rounds of purges of the civil service, correlating with the coalition's formation and break up, respectively. This illustrates that, despite legal guarantees of impartiality, the country's civil service is highly politicized, especially on the local level. Nevertheless, local and county institutions did not fare worse than their much more heavily endowed counterparts at the national level in terms of public accountability. A study, conducted by the Romanian Academic Society, found that many central ministries, agencies, and public companies are more opaque and politicized than local institutions.[24]

As anticipated, the introduction of direct elections for county council presidents in 2008 contributed to the consolidation of the local power networks of the country's main political parties. The PSD's decision to join then leave the governing coalition clearly demonstrated this trend, as the balance of power between various territorial groups largely determined these strategic choices. This development may lead to more pluralism and the emergence of genuine links with real interests of communities; however, it is too early to predict such a positive outcome. Alternatively, it could result in the emergence of territorial monopolies merging political and economic power.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00

It has been a troubling year for the Romanian judiciary. The first strike over judicial salaries took place in September. Key decisions were made on appointments to the highest positions in the system—president of the High Court of Cassation and Justice (HCCJ) and prosecutor general—but the decisions were heavily contested. Furthermore, Parliament worked extensively on four new codes that will shape the Romanian legal framework in the years to come.

After the national elections in late 2008, the two parties in the ruling coalition were unable to come to an agreement on a suitable minister of justice and citizenship freedoms. In the end, they chose to retain Cătălin Predoiu, who was originally selected as minister of justice in March 2008. Predoiu was a member of the PNL, but left the party and became independent upon joining Prime Minister Boc's cabinet in December 2008.

In recent years, magistrates increased their income through court decisions that added bonuses to their salaries.[25] The Constitutional Court ruled these decisions unconstitutional, but the ruling was not made in time to prevent the latest salary increases. Estimates show that the unpaid debts to judges and prosecutors are significant—according to the general prosecutor, the debt solely for prosecutors amounts to approximately US$400 million.[26] Also, through court decisions, the salaries of judges and prosecutors were increased by roughly 65 percent.[27] The tensions between the judiciary and the government over the payment schedule became obvious between May and July, culminating in a de facto strike of judges over salaries in September. The court blocked cases and threatened to boycott the presidential elections. In addition to these debates, the entire government, including the judiciary, discussed the new Unified Public Payment Law, which unifies and simplifies the pay scales in the public sector. The judiciary, including the representatives of the Superior Council of Magistracy (SCM) strongly defended the benefits (the confidentiality bonus of 15 percent and the neuropsychological risk bonus of 50 percent) gained through court decisions which led to the roughly 65 percent increase in their salaries. By defending the same points on the salary issue and by arguing for an increase of the judicial budget, members of the SCM managed to divert a wave of discontent from the magistrates. With the entire judiciary paralyzed by the strike, the government found itself in a weak negotiating position. This paralysis resulted in enormous costs for an economy already hit by the crisis. The government met most of the judiciary's demands and modified the Unified Public Payment Law accordingly.

Romania was faced with choosing a new prosecutor general in 2009. The minister of justice nominates a candidate and the president confirms the appointment with consultation with the SCM. In late September, the minister of justice proposed Laura Codruţa Kövesi for another term as prosecutor general. The

SCM interviewed Kövesi, and advised the president not to confirm her, most likely as a result of Kövesi's outspoken criticism of the SCM. On October 2, the president, disregarding the opinion of the SCM, reappointed Kövesi as prosecutor general.

The government also had to choose the president of the HCCJ. The procedure is as follows: the HCCJ proposes potential candidates to the SCM; then, the judges section of the SCM holds public interviews and makes a proposal to the country's president, who may accept or refuse the candidate; if he refuses the candidate, he must provide an explanation for his refusal. The SCM repeatedly prolonged the mandate of Nicolae Popa, the HCCJ's previous president, in order to delay a decision. President Băsescu claimed that this tactic was used so that the new president elected in December could decide on the appointment. However, Popa retired in September after reaching the magistracy's mandatory retirement age of 70. The selection procedure started while Lidia Bărbulescu, the vice president, took over the interim management of the HCCJ. The HCCJ proposed five candidates to the SCM, which decided that only four complied with the eligibility requirements for the position. After conducting interviews, the SCM decided to propose Bărbulescu for the position, despite media allegations that she exerted undue pressure on judges, attempted to hinder the investigatory activities of the National Council for the Study of the Communist Intelligence Service and the NIA, and engaged in patronage politics. The president refused to appoint her, using his prerogative under the law, and the nomination process was reopened.

Drafts of four codes—the civil code, the criminal code, the civil procedure code, and the criminal procedure code—were submitted to Parliament in late 2008. However, neither chamber approved nor rejected the drafts before the new government was appointed, and as a result, the procedure came to a halt. In early 2009, after a lively debate within the ruling coalition about whether the codes should be adopted through regular parliamentary debates or through a special constitutional procedure under which the government takes responsibility before Parliament on a proposed bill (if a motion of no confidence passes, then the government falls and the bill is rejected—otherwise the bill is adopted and the government continues to function)—an intermediary solution was chosen. The Parliament will set up two special committees—one on criminal matters and another on civil matters—in order to discuss the draft codes and make necessary amendments. Afterward, the Parliament may either approve the drafts, or the government may assume responsibility for them. In February, the Boc government adopted the four draft codes and sent them to Parliament; however, the civil sector complained of the lack of meaningful consultations on the substance and potential of the codes. Two parliamentary committees discussed the civil code and the criminal code, and the government assumed responsibility of the final version in June. The parliamentary committee began debating the civil procedure and criminal procedure codes in the fall, but were unable to adopt them by the end of 2009.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00

In February, the president, at the recommendation of the minister of justice, reappointed Daniel Morar as chief prosecutor of the National Anticorruption Directorate (DNA). The rest of Morar's management team was appointed in July. This decision ensures continuity of the DNA's proactive approach in the investigation of high level corruption cases. The DNA carried out investigations of systemic corruption, such as illegal networks to obtain driving licenses and media allegations of misuse of public funds by senior officials. In corruption cases related to the country's football industry, the DNA continued to indict high-level officials, including the former prime minister and other former ministers, local and county-level officials, heads of state-owned companies, and law-enforcement and judiciary representatives. The DNA also promptly launched investigations against Monica Iacob-Ridzi, following public outrage over her public relations expenses. As Iacob-Ridzi is close to the Băsescu family, the decision to investigate her demonstrated the independence of DNA.

While some convictions were pronounced by the courts, many high-level corruption cases are still pending. The European Commission Mechanism for Cooperation and Verification criticized the long duration of trials, highlighting the automatic suspension of trials when one party invokes a constitutionality challenge. All attempts to modify the relevant provisions that allow for this automatic suspension of trials have failed. Another area of concern is the lenience shown in the sanctions given by courts for corruption and economic crimes. Also, significant discrepancies between court decisions in similar cases still exist. To address these problems, a non-compulsory sanctioning guideline for the use of judges is under preparation.

Parliament approved all requests of the general prosecutor for the investigations of ministers and former ministers with one notable exception: the criminal file of former prime minister Adrian Năstase. This decision received criticism from the European Commission when reporting on the Mechanism for Corruption and Verification, who stated that the Parliament must "improve its handling of high-level corruption cases and allow the investigation of all appropriate cases by the judicial authorities."[28]

The ANI, which verifies asset and interest declarations of public officials, also began to refer cases to the courts and prosecutors' offices. However, most of the cases involved mid-level officials and the outcomes of the trials are forthcoming. During the last months of 2009, the courts confirmed several files investigated by ANI and applied sanctions to the individuals involved. This is a positive development, however, the difficult cohabitation between agency staff and the National Integrity Council (its politically-appointed board) proved to be detrimental for the agency's activities. The media published accusations made by both parties, eroding the credibility of this newly-established body.

Corruption was a hot topic in the debates over the new criminal code. In the initial form sent by the government to Parliament, the code undermined corruption investigations by dramatically shortening the duration of the statute of limitations and decriminalizing certain behaviours that are now treated as corruption. These modifications were not featured in the initial drafts published for consultation on the Ministry of Justice's Web site, thus concerns were raised about a possible source for later amendments. The general prosecutor, the chief prosecutor of the DNA, and several NGOs complained about these amendments to the criminal code. The amendments were debated within the parliamentary judicial committee, which hesitated before amending the code as requested by the prosecutors and the NGOs. The amendments to the criminal code left the special legislation on corruption untouched, thus complying with the obligation undertaken by Romania within the Cooperation and Verification Mechanism not to modify the legal and institutional framework on anticorruption.

In an unprecedented decision, during the summer of 2009 the European Commission decided that, while the three-year-long safeguard mechanism for Romania and Bulgaria came to an end, they would continue to monitor Romania in the field of judiciary reform and corruption. The decision received political criticism in Romania, particularly from the PSD and opposition parties. However, a significant part of the media and civil society, concerned that without EU conditionality Morar would lose his post as chief prosecutor of DNA, welcomed the decision.

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Russia

by Robert W. Orttung

Capital: Moscow
Population: 142.0 million
GNI/capita: US$15,460

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75
Civil Society	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75
Independent Media	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25
Governance*	5.00	5.25	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50	6.50
Local Democratic Governance	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50
Corruption	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50
Democracy Score	4.88	5.00	4.96	5.25	5.61	5.75	5.86	5.96	6.11	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

Over the past decade, Russia's government has become increasingly authoritarian. Boris Yeltsin's presidential tenure from 1991 to 1999 saw competitive, but tainted, elections, relatively free television discussions, an incipient civil society, and somewhat decentralized political power. However, it laid the groundwork for increasingly authoritarian rule with the 1993 tank assault on the Parliament, a super-presidential constitution, the first Chechen war, and extensive corruption. With the price of oil rising since 2000, Vladimir Putin was able to provide the country improved living standards and a higher international profile, but fewer of the Yeltsin-era gains in media freedom, electoral competition, and decentralization. High levels of corruption and a lack of judicial independence remained constant under both presidencies. Under Putin, the state greatly increased its control over the economy, in particular, over the lucrative energy sectors. While the Russian population is generally well-educated, it remains politically inert. With little prospect for change in the current leadership, the country continues to sink into a stagnant form of authoritarianism at home. As has been the case for almost two decades, Russia actively tries to undermine democratic developments in neighboring countries.

Since neither Prime Minister Putin nor President Dmitry Medvedev have ruled out the possibility of running for president in 2012, the current system seems likely to continue into the foreseeable future. According to the present model, leadership is focused on improving the Russian economy and maintaining a highly centralized political system. A culture of impunity is imbedded in Russia, where human rights activists and opposition journalists are killed, and the perpetrators are typically neither found nor prosecuted. This sends a strong signal to potential activists to avoid political engagement. The government has also failed to address on-going instability in the North Caucasus and its repressive tactics only seem to attract new recruits to the insurgency.

National Democratic Governance. While pundits continue to discuss the nature of the relationship between Prime Minister Putin and President Medvedev and the latter's ability to implement a program of modernization, all aspects of national governance remain intact from Vladimir Putin's presidency. Russia's key political problems include the insurgency in the North Caucasus and violence against journalists and human rights defenders. The Kremlin appears either unwilling or unable to address these issues. *Russia has an authoritarian system of government that gives its citizens few tools to hold their leaders accountable. Russia's rating for national democratic governance remains at 6.50.*

Electoral Process. 2009 marked a new low for elections in Russia. On October 11, Prime Minister Putin's United Russia won more than 70 percent of the seats in regional and local elections. Unaffiliated candidates won most of the other seats. The level of falsifications was so high that it provoked the usually quiescent, quasi-opposition parties in the Duma to stage a walkout. *This year the authorities continued to tinker with the electoral legislation, making it easier to eliminate unwanted candidates, and to ensure that there will be no surprises in the 2012 presidential elections. Russia's rating for electoral process remains at an abysmal 6.75.*

Civil Society. This year social activists continued to face physical threats and difficulties exercising their right to assembly. Nevertheless, there were numerous social protests during the year, particularly against government restrictions on imported cars. The authorities laid the legal-institutional groundwork for a crackdown on historians who challenge the state-supported portrayal of the past. However, in a positive development, the courts ruled a 2008 police raid of Memorial's offices in St. Petersburg illegal. Additionally, bloggers found new ways to use the Internet to mobilize groups and the frequency of racially-motivated crimes appeared to drop. *While there are some positive signs, the overall atmosphere for NGOs remains extremely difficult in light of the strict 2006 law governing their activities. Moreover, activists clearly remain vulnerable to attacks by unknown assailants in a system that fails to punish such perpetrators. Russia's rating for civil society remains at 5.75.*

Independent Media. Russia's main television broadcasters remain under tight central control, though free discussion continues on less popular outlets, such as Ekho Moskvy and opposition Web sites. Censorship increased and violence against journalists continued. *While future trends do not look promising as a business with close ties to the Kremlin is buying many of Russia's most popular Web sites, and regional leaders, like Chechen President Ramzan Kadyrov, use the threat of slander charges to pressure critical activists, Russia's rating for independent media remains at 6.25.*

Local Democratic Governance. Little changed in the area of local governance over the course of the year. Although the idea of returning to direct gubernatorial elections remains popular, Russia's leadership has no intention of restoring this practice. Rather, President Medvedev introduced superficial changes, allowing the top party in each region to prepare a list of gubernatorial candidates from which the president selects. Additionally, governors and city councils have new powers to remove elected mayors. *Local governments often lack the resources to meet their obligations and are subject to the political and budgetary whims of higher officials. The federal government has yet to effectively quell the violence in the North Caucasus. Russia's rating for local democratic governance remains unchanged at 5.75.*

Judicial Framework and Independence. Russia's court system remains under the shadow of prominent political cases, such as those surrounding Anna Politkovskaya and Mikhail Khodorkovsky. The former demonstrated the prosecutors' inability

to prepare an effective case, while the latter showed how the legal system is used for political purposes. Investigations into the death of lawyer Sergei Magnitsky in pre-trial detention revealed that the authorities denied him medical care in order to secure testimony against his client, Hermitage Capital Management, which alleged that corrupt officials had stolen its assets and public funds. *Judges remain beholden to their superiors and are pressured to produce convictions. Security services are increasing their ability to monitor private correspondence. Russia's penitentiaries remain unreformed with torture a common practice. Russia's rating for judicial framework and independence remains unchanged at 5.50.*

Corruption. Russia is one of the most corrupt countries in the world. Although President Medvedev has devoted considerable attention to the problem, his actions have had little effect. The long-festering problem of corruption in the police force became the focus of public attention in November when Aleksei Dymovsky, a police major in the Black Sea port city of Novorossiisk described the force's widespread abuses in a YouTube video addressed to the prime minister. The activity of organized crime syndicates has increased. At the same time, the authorities have continued to carry out illegal "corporate raids" on businesses. The decision to close the vast majority of Russia's casinos has not impacted this general trend. *Due to the growing prevalence of bribe-paying, the failure of the authorities to address widespread police corruption, and the growing use of sophisticated legal and illegal means to pressure business, Russia's rating for corruption deteriorates from 6.25 to 6.50*

Outlook for 2010. The global economic crisis changed the trajectory of Russia's economy from rapid growth to sharp contraction, which will undoubtedly put additional pressure on the federal and regional governments to increase spending to reduce social tensions. Russia's economy remains dependent on fluctuations in energy prices, though prices are currently high enough to maintain the status quo. Strains are likely to appear in the political system as the 2012 presidential elections approach, forcing Prime Minister Putin and President Medvedev to lay out their future plans. The most likely immediate source of problems for the regime includes an incompetent response to a natural disaster or large-scale industrial accident, a flare in North Caucasus violence, the exposure of direct links between officials and political assassinations, a dramatic decline in police discipline, or a spike in organized crime activity. The regime grows more fragile as it becomes less sensitive to society's feedback.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50	6.50

Russia has an authoritarian form of government, designed to secure the political and economic power of the current incumbent leaders who exert extensive control over society rather than being accountable to it. The formal system laid out in the constitution, which defines the president as the most powerful player, has little relation to the informal practices of the current system. Vladimir Putin established the overall framework of the political system during his presidency (2000–2008) and his successor, Dmitry Medvedev, has done nothing to change its core features. In December, Prime Minister Putin announced at his annual public question and answer session that he would "think about" running for president again in 2012.[1] Nevertheless, in the current Russian political system, there are several competing centers of power, which produce pluralism if not democracy.

The efforts of President Medvedev to modernize the country's economy have proceeded without any real democratization of the political system. Regardless of his intentions, he lacks the political base that would allow him to implement his ideas. Rather, Putin-era personnel, typically with strong connections to Russia's security agencies, maintain extensive control over the key levers of political and economic power.

There are few checks and balances of executive power. Prime Minister Putin controls the United Russia party, which uses his personal authority to maintain a super majority in the national Parliament and to dominate the regional executive and legislative branches. The Parliament plays no important, independent role in Russian politics.

The national system of governance ensures political stability through repression. The state fosters a culture of impunity by failing to prosecute those responsible for the murders of prominent individuals who dare to oppose it. A number of high profile murders took place in 2009, including the assassinations of Stanislav Markelov (human rights lawyer), Anastasia Baburova (journalist), and Natalia Estemirova (outspoken critic of Ramzan Kadyrov's Chechnya). Furthermore, in his November 12 address to Parliament, President Medvedev warned the opposition not to use democracy as a cover to "destabilize the state and split society."

The on-going insurgency in the North Caucasus, where hundreds of security officers, fighters, and innocent citizens are killed each year, continues to be the country's most formidable challenge. In Chechnya, the Kremlin-installed president, Ramzan Kadyrov, has established unquestioned rule over the once rebellious region and largely, but not completely, has eliminated opposition fighters. In Ingushetia, Dagestan, and parts of Karbardino-Balkaria, the authorities face rampant violence

from the insurgency. In Ingushetia, fighters seeking independence and the establishment of an Islamist state launched an attack on the president that left him in a coma for several weeks and blew up a police station, killing more than 20 policemen.

The global economic crisis is unlikely to provoke political change in the short to medium term; the government has too many economic and coercive tools to prevent it. Economic deprivation or a potential break in the social contract through which Russian citizens trade loyalty to the regime for increased standards of living, is unlikely to be a source of social protest.[2] According to the Bank of Finland, while real incomes grew 10 percent per year during Putin's presidency, they declined through 2009, dropping 5 percent year-on-year in September. The Russian government has increased public spending to address this decline.

With the state controlling television and limiting the topics allowed for popular debate, Russia has few ways of generating new ideas. The absence of competitive elections also means that young people with innovative solutions face numerous obstacles in implementing change. The practice of setting up a "personnel reserve", basically lists of individuals compiled by the Chief of the Presidential Administration, Sergei Naryshkin and his first Deputy, Vladislav Surkov, to identify highly-qualified people is a poor substitute for open competitions.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	[illegible]

Russia's electoral system continues to deteriorate, allowing the authorities to control the outcomes of elections while depriving citizens of an important opportunity to hold public officials accountable. As a result, an increasing number of voters simply stay at home during the elections. Official turnout for the regional and local elections on October 11 was just under 40 percent, and turnout for the Moscow city legislative elections held the same day was 35.6 percent.[3] In some parts of the North Caucasus, turnout was suspiciously high, exceeding 90 percent, raising concerns about ballot stuffing. In such conditions, the electoral system no longer provides valuable feedback to leaders, but rather tells the authorities what they want to hear.

Russia again fine-tuned its electoral legislation in 2009 making it easier for authorities to disqualify unwanted candidates from competing in elections. Federal legislation eliminated the possibility to pay a cash deposit to participate in the election. Instead, candidates must collect signatures in order to run. The authorities frequently abuse this procedure as a way of disqualifying opposition candidates with allegations that an unacceptably high percentage of the signatures they collected are invalid. In the Moscow city elections, the authorities ruled that 100 percent of the signatures collected by Ilya Yashin of the opposition party Solidarity (Solidarnost) were invalid.[4] Ultimately, none of the seven Solidarity candidates and only one of four Right Cause candidates was registered. In his November 12 address

to Parliament, President Medvedev called for abolishing the signature requirement in the future, but without setting a timeline for doing so or identifying a better method for putting candidates on the ballot.

In nine regional parliamentary elections held in March, Prime Minister Putin's party, United Russia, won a majority of seats but was down by about 10 percent of its usual support base.[5] United Russia candidates also did poorly where there was real competition from other parties.

Yet in October, United Russia scored a crushing victory in elections for three regional Parliaments and a variety of local offices in 76 regions. According to the Central Electoral Committee, of the 42,361 regional and local offices filled that day, United Russia won 29,687 or 70 percent.[6] Unaffiliated candidates won 24 percent of the seats, while the Communist Party, Just Russia, and the Liberal Democrats took 3, 2, and less than 1 percent, respectively. The extra-parliamentary opposition won a handful of seats across the country. According to the Central Electoral Commission's data, United Russia candidates had a much easier time gaining registration: only 0.5 percent of their candidates were denied a place on the ballot, while similar figures for Patriots of Russia were 54 percent; Pravoe Delo, the Kremlin-initiated rightwing party, 26 percent; and Yabloko, the opposition party, 33 percent. The election results were so obviously falsified that Duma members from the Communist Party, Liberal Democratic Party, and Just Russia walked out of the parliament in a short-lived protest.

Even in the current harsh electoral conditions, some signs of competitiveness remain, with the courts responding to challenges to United Russia's sweeping victories. In Moscow, Yabloko party leader Sergei Mitrokhin proved in court that election results were falsified in the precinct where he had voted, as precinct figures claimed that there had been zero votes for Yabloko and no spoiled ballots. Similarly, in Derbent, Dagestan, the city court cancelled mayoral election results after the incumbent United Russia mayor won 67 percent of the vote, despite the fact that one third of the polling stations remained closed on election day. Additionally, where local mayoral elections are held more or less openly, the challenger replaces the incumbent in approximately one out of every two races.[7] The disputed October 11 mayoral election in Astrakhan ended in weeks of protests after Just Russia's opposition candidate, Oleg Shein, claimed that incumbent Mayor Sergei Bozhenov of United Russia, had stolen the election. The city electoral committee had originally denied Shein registration, but ultimately registered him.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75

The Russian state continues to exert intense pressure on Russian civil society, making it difficult for citizens who disagree with government policy to found organizations, assemble to express their points of view, and influence state

decision-making. According to the Charity Aid Foundation, there are currently more than 215,000 nonprofit organizations in Russia.[8] But rather than joining an active civil society organization, most Russians prefer to send letters to the country's top leaders or appeal to Prime Minister Putin during his televised call-in shows, seeking high level intervention to solve their various problems.[9]

Opposition activists continue to face physical attacks, sometimes deadly, and pressure from the state. The body of Andrei Kulagin, the head of Justice, a regional organization seeking better conditions in Russia's prisons and colonies, was discovered near Petrozavodsk on July 22, two months after his disappearance. Albert Pchelintsev, leader of the Movement Against Corruption, Deceit, and Disgrace, was shot in the face in Khimki, near Moscow, that same week. Pchelintsev had received repeated threats seeking to silence his criticism of local officials. In March, unknown assailants assaulted Lev Ponomarev, the head of For Human Rights.

Russia's 2006 nongovernmental organization (NGO) Law places harsh restrictions on the activities of nongovernmental organizations. This legislation forces groups to deal with extensive red tape even as they face entangling law suits, physical attacks, and hostile statements from officials. In July, President Medvedev signed into law amendments to simplify registration and reporting procedures, and to make inspections less frequent. The legislation also limited the range of documents that the state could request from organizations. While a positive move, these changes are only initial steps in improving the overall atmosphere for social organizations.

The global economic crisis has created an even more difficult fundraising environment for NGOs. Over half of the country's NGOs claimed revenue drops of 25 percent or more in the last year, and almost a quarter of these organizations said that they are likely to close as a result of poor economic conditions.[10] On July 15, Prime Minister Putin produced a list of 14 domestic foundations whose grants are tax free under Article 217 of the tax code. In 2008, the government had produced a list of 12 foreign funders who could work tax-free financing Russian science, education, culture, and arts. The government has yet to provide criteria to explain why some organizations are tax exempt and others are not.

The Russian government provided 1.2 billion rubles (approximately US$40 million) to a select group of non-political NGOs and has made progress in promoting aid to the disabled.[11] On May 6, a St. Petersburg court upheld an earlier court ruling declaring that the police raid of the city's Memorial office on December 4, 2008 was illegal because no lawyer had been present at the time of the raid. The court order forced the police to return Memorial's databases, which included extensive information about victims of Stalin-era repression. The court did rule, however, that the raid was "justified" even though it was carried out in an illegal manner.

The economic crisis gave steam to social protest movements and trade union activity. According to a Web site associated with opposition leader Gary Kasparov, Russians took part in a wide variety of public demonstrations focusing on environmental, urban planning, road building, and local political issues.[12]

Automobile associations, especially the Association of Initiative-taking Citizens of Russia (TIGR) and the Federation of Automobile Owners of Russia, were particularly active in challenging governmental attempts to restrict car imports. Lacking institutionalized ways to influence state policy, the organizations used street protests to make themselves heard.

Although less organized than NGOs, bloggers have begun using the Internet to put pressure on the authorities. Members of a newly-formed group, Aging with Joy (Starost v Radost), organized an online protest after an activist wrote a post about poor conditions in a care facility for the elderly in Yamm, Pskov Oblast. As a result, the governor was forced to intervene, removing the incompetent director and relocating the residents to facilities with better conditions. Such actions demonstrate the possibilities and limits of civil protests in Russia; while the activists were able to provide concrete help to needy individuals, it frequently takes a national effort on behalf of people who do not politically threaten the regime to make change.

The government undermined pluralism by seeking to impose what it considered an acceptable version of Russian history. On May 14, President Medvedev issued a presidential decree creating a Commission for Countering Attempts to Falsify History to the Detriment of Russia's Interests. The commission includes professional historians, members of the Duma and Public Chamber, and representatives from the foreign and domestic security services, the Ministry of Defense and the Ministry of Foreign Affairs. The commission seeks to expose "falsifications" of Russian history that can allegedly hurt the country and develop measures to counter them.[13] Russian critics denounced the decree as reflecting a totalitarian ideology aimed at defending Stalin's record, and called for a full investigation of the Stalin era. In a similar vein, authorities filed a case against Professor Mikhail Suprun and Police Colonel Aleksandr Dudarev for collecting information about German and Polish political prisoners held in the Soviet Union during and after WWII. The authorities accused Suprun and Dudarev of illegally revealing the victims' personal data. In September, the Federal Security Service (FSB) searched Suprun's apartment and confiscated his computer.

The SOVA watchdog group that tracks racist and neo-Nazi attacks reported a drop in hate crimes during 2009. Over the course of the year, at least 60 people were murdered, including anti-fascist activist Ivan Khutorskoy, and no fewer than 306 were injured in violent hate crimes. In 2008, at least 110 people died and 486 were injured.[14] Despite the declining numbers, neo-Nazism remains a serious problem in Russia. SOVA found that law-enforcement officials, the mass media, and pro-government youth groups promoted xenophobia. Additionally, while the overall number of attacks dropped in 2009, the difficulties spurred by the economic crisis increased the number of attacks against immigrants and fueled rumors that immigrants were committing criminal acts.

Also in 2009, President Medvedev signed an order introducing religious education into public schools. The plan is to conduct pilot programs in 18 regions and to introduce religious education in all regions in 2012. Starting in the spring of 2010, parents of students in the fourth and fifth grades can choose for their

child to learn about one of three new subjects twice a week: the religious culture of one religion (Orthodox Christianity, Islam, Judaism or Buddhism), the history and cultural background of the world's great religions, or the foundations of secular ethics. Critics worry that introducing religion into public schools will inevitably favor Orthodox Christianity, as the new head of the church, Patriarch Kirill, is one of the most powerful leaders in the country.[15] At the same time, the U.S. Commission on International Religious Freedom placed Russia on its watch list of 11 countries after the Justice Ministry created an Expert Religious Studies Council with wide powers to investigate religious organizations for an array of reasons, including extremism.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	[illegible]

The country's media outlets remained under extreme pressure in 2009 and the issue increasingly became one of international concern. Anastasia Baburova, a journalist for *Novaya Gazeta* was murdered in January as she apparently tried to protect Stanislav Markelov, a human rights lawyer who fought Russian abuses in Chechnya. Natalya Estemirova, a human rights activist who worked closely with Anna Politkovskaya, and Vyacheslav Yaroshenko, editor of the Rostov-on-Don newspaper *Korruptsiya i Prestupnost* (Corruption and Crime), also died at the hands of assassins.

According to the Committee to Protect Journalists (CPJ), Russia is the third most dangerous country in the world for journalists and ninth worst for prosecuting crimes against journalists.[16] Furthermore, of the 17 journalists murdered since 2000, the masterminds behind the assassinations remain at large in every case and the actual killers have been convicted in only two cases.[17] In June, the International Federation of Journalists reported that the Russian authorities are much quicker to prosecute the killers of journalists who are murdered in ordinary homicides than those killed while working.[18] All of the murdered journalists were involved in investigative reporting that threatened powerful interests in business, government, law enforcement, and criminal groups. The result is extensive self-censorship and selectivity among journalists. For example, the national media rarely offers any serious discussions of the problems facing "Monotowns," or cities that exclusively depend on the output of one factory. The Russian media rarely covers the brutality of the pro-Moscow Chechen leadership, preferring instead to focus on the success of Kadyrov's stabilization policies.[19]

Unacceptable obstacles often prevent journalists from doing their work. RusHydro expelled an Interfax reporter from its Sayano-Shushenskaya hydropower plant, where a flood killed 75 people on August 17, because the journalist refused to let the company edit his report.[20] Internet journalist Mikhail Voitenko received

threatening phone calls and fled Russia after writing investigative articles for his Web site about the *Arctic Sea*, a Russian cargo ship that disappeared for a couple of weeks while at sea during the summer. Similarly, the pro-Kremlin youth group Nashi held rallies outside the house of Alexander Podrabinek, a journalist whose publications its members claimed insulted WWII veterans. One of Podrabinek's articles praised dissident veterans who fought against the Soviet authorities, whose abuses he denounced.[21]

Russia's most influential television broadcasters remain under tight state control. At the same time, politically sensitive discussions, relatively free of censorship, take place on the radio station Ekho Moskvy, and through the Internet. Approximately one quarter of Russian households are connected to the Internet, but access is greatly concentrated in the larger cities. The possibility of greater state oversight on the Internet remains. Over the course of the year, Alisher Usmanov's investment company, Digital Sky Technologies acquired control over key Russian portals and Web sites including: LiveJournal, Mail.ru, VKontakte and Odnoklassniki.ru, —popular blogging, e-mail, and social networking Web sites, respectively. Visits to these sites make up over 70 percent of all page views.[22] The authorities have discussed blocking Internet phone services like Skype, claiming that they cut into the business of cell phone providers.

Like their counterparts in other countries, the struggling Russian media was hit hard by the economic crisis. Newspaper and magazine revenues fell by 45 percent in the first half of 2009. Nevertheless, during that period, advertisers spent 5 percent more on the Internet than they had the previous year.[23]

Regional media continue to work in difficult conditions. Content providers generally rely on external funders, either the local governor or businessmen. In addition to the revenue lost due to the economic crisis, some regional governments have also cut media budgets. Most newspapers are willing to sell space to politicians, businessmen, and even organized crime syndicates. Self-censorship is pervasive among journalists and editors in the regions. Nevertheless, despite these hardships, many of the newspapers that provide political and economic information were less affected because they receive support from businessmen who are, in some cases, insulated from the crisis.

The authorities use charges of slander to silence critical activists. On October 6, a Moscow court found Oleg Orlov, the head of Memorial, guilty in a defamation suit for claiming that Chechen President Akhmad Kadyrov was responsible for the murder of Natalia Estemirova. Memorial had to publish a refutation on its Web site and pay 50,000 rubles (US$1,700), while Orlov faced a fine of 20,000 rubles (US$700). The Moscow police also opened a criminal case against Orlov later that month on similar charges. Orlov protested his innocence, saying he claimed that Kadyrov was not "involved" in the murder, but culpable for it.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75

The centralization of political and economic power away from the regions was a defining reform of the Putin era. During his tenure as president, Putin made it difficult for regional interests to gain representation at the federal level through his reform of the Federation Council, and current President Medvedev has proposed no real solution to fix this problem. In 2005, direct gubernatorial elections were replaced with presidential appointment of governors following the formal approval of regional legislatures. President Medvedev modified this process by requiring the political party with the most seats in the regional legislature—typically Prime Minister Putin's United Russia—to nominate at least three potential candidates for governor, from which the president must select one. Since the Kremlin began appointing governors it has replaced approximately half of the regional executives.[24]

On November 10, President Medvedev used the first gubernatorial appointment based on party recommendations to remove Sverdlovsk's Eduard Rossel, a 72-year-old Yeltsin-era heavyweight governor who had held the position for 18 years and was an independent politician with his own base. The president replaced him with former deputy transport minister Alexander Misharin, a 50-year-old career railway engineer, likely to be much more dependent on the Kremlin.

A June poll conducted by the Levada Center revealed that an estimated majority of 57 percent of Russian voters support the return to gubernatorial elections. 20 percent prefer the current practice, and 23 percent voiced no opinion.[25] The president has said that he is firmly opposed to returning to a system in which governors are directly elected by the people.[26]

Governors hold significant power in their regions as long as they maintain stability and deliver the necessary votes for the Kremlin. While governors have lost control over local law enforcement and some financial flows, they still maintain important levers of power by controlling some budgetary funds, local public property, and the ability of individuals to conduct business. In an innovative move, President Medvedev appointed former opposition leader Nikita Belykh governor of Kirov Oblast and has given him some visibility. Belykh is tasked with the challenge of improving the quality of life in one of Russia's most depressed regions. But, as a liberal, he faces enormous opposition from the local legislature, which has blocked him from installing his own team of assistants.

Local governments remain underfunded and constantly struggle to maintain control of the resources they currently possess. In May, the president signed into law a provision allowing governors and city councils to initiate the removal of elected mayors for a wide range of reasons.[27] Perm Governor Oleg Chirkunov was the first to use the new provision in July, when he ousted Yury Vostrikov, the Mayor of the city of Chaikovsky, accusing him of not carrying out his duties diligently. The courts turned down Vostrikov's appeals to be reinstated. City Duma deputies have also initiated impeachment proceedings in other regions.

Mayoral elections, a slowly disappearing institution, have become the only arenas for real political contests in the country. In March, Prime Minister Putin's United Russia lost mayoral elections in Smolensk and Murmansk and nearly lost in Tomsk. In Sochi's mayoral election, opposition candidate Boris Nemtsov put up a fight, but never had a chance against the United Russia incumbent in the city set to host the 2014 Olympics. In Derbent, the court overturned the apparent victory of a United Russia incumbent. At the end of the year, United Russia sought to end the direct election of mayors through new legislation.

The North Caucasus remained mired in violence throughout 2009 even after Moscow's April decision to lift the special anti-terrorist regime it had imposed on the region. After Natalia Estemirova's murder, Zarema Sadulayeva, an activist who headed an organization aiding disabled children and victims of the military campaigns in Chechnya was killed along with her husband, Alik Dzhabrailov, on August 11. On October 25, Maksharip Aushev, a prominent Ingush opposition leader and rights defender was murdered. He had been a close associate of Magomed Yevloyev, owner of the critical Ingushetiya.ru Web site, who was killed in 2008. Aushev headed the independent Web site Ingushetia.org, the successor to Ingushetiya.ru. In 2009, an Ingushetia court sentenced the policeman who killed Yevloyev to a two-year prison term.

The on-going violence makes clear that Moscow's strategy of buying off local elites in the North Caucasus to promote stability has not worked. The extremists benefit from widespread corruption and the strong-arm tactics of the police and security forces, who continue to antagonize the local population. Many educated people have left the North Caucasus and militant Islamism is on the rise. The bombing of a police station in Ingushetia on August 17 that killed more than 20 people was by far the worst attack in the region in many years. The attack reflects the emergence of a new generation of insurgents, led by Sheikh Said Abu Saad Buryatskii, which is attracted to Islamism and jihadism rather than Chechen independence.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50

Russia's legal system remains under the dark shadow cast by the numerous high profile cases which suggest political and business influence on court cases. According to President Medvedev, "[Human rights abuses] are so numerous because there is no effective judiciary system."[28] Politicians and businesses in Russia typically use the law as a means to advance their interests. In a positive development, the Constitutional Court confirmed the existing ban on the death penalty on November 20, pointing out that Russia's international commitments required such a move.

Hermitage Capital Management lawyer Sergei Magnitsky died on November 16 in pre-trial detention, after accusing officials of financial misconduct. His

untimely death provided evidence that the authorities had tortured him and denied him medical care in order to secure testimony against his client. Hermitage alleged that corrupt officials had stolen its assets and public funds. Following Magnitsky's death, the president removed Federal Penal Service leaders in Moscow and other regions, announced a reform of the Interior Ministry, and removed a key official who was allegedly involved in the fraud surrounding the Hermitage case. At the end of the year, President Medvedev signed a law allowing courts to sentence some criminals to house arrest. However, there is little money to carry out this reform. There is also no sign that the government will replace the current prison guards, whom critics charge with torturing inmates. Moreover, the fact that the president did not dismiss the high-ranking official who put Magnitsky in prison casts doubt on whether President Medvedev has the institutional clout to overhaul Russia's law enforcement system.

The failed effort to bring the murderers of Anna Politkovskaya to justice is emblematic of the problems facing Russia's legal system. Neither the gunman nor the individual who ordered her murder have been found. On February 19, three men accused of helping to organize the murder were found not guilty. The verdict reflected the failure of the investigators and prosecutors to put together a convincing case. Nevertheless, in June the Supreme Court overturned the conviction and ordered a retrial, and in September, the court called for a new investigation to find out who had ordered the murder.

Likewise, the cases of Mikhail Khodorkovsky and Platon Lebedev returned to the spotlight. As the two men came near to the end of their eight-year prison terms, the authorities filed a new set of charges against them and launched a second trial against Khodorkovsky. According to defense lawyers, the charges against Khodorkovsky and Lebedev are absurd since, among other things, prosecutors claim that the two men physically took possession of and embezzled more than 350 million metric tons of oil.[29] The European Court of Human Rights ruled that Lebedev's original arrest was illegal at the end of 2009, and the Russian Supreme Court confirmed that decision.

The year saw fewer jury trials, more pre-trial detention, more closed hearings, and more use of confessions obtained under torture.[30] Fewer than 600 cases a year go before juries in Russia. Jury trials require much higher standards of evidence and debate than those taking place before judges, who tend to be more sympathetic to the prosecution. Judges have ignored European guidelines on pre-trial detention and often do not provide reasons for imposing this form of restraint. Convictions are frequently based on confessions obtained through torture, and the Supreme Court has prohibited revealing the reliability of evidence to jurors. In August, President Medvedev proposed reducing the use of jury trials for cases involving organized crime. Activists complained that the proposal shielded police who use brutal methods to extract confessions. In 2008, Russia barred juries from hearing cases dealing with terrorist, kidnapping and other acts.

In an unusual display of criticism, Constitutional Court Justices Anatoly Kononov and Vladimir Yaroslavtsev openly declared that judges were not

independent in Russia since they faced extensive pressure from the executive branch. Kononov, who had been on the Court since its founding and was well known for his dissenting opinions, was forced to resign from the court as a result; Yaroslavtsev remains on the bench.

Judges have little scope for independence in controversial or politically important cases because they are beholden to their superiors (court chairmen) for promotions and a variety of perquisites. Court chairmen are picked by the president and beholden to the executive branch. None of the recent reforms introduced into the Russian legal system address this fundamental problem. The court chairs typically assign cases to judges, and can chose reliable judges for important cases. The court chairs also give bonuses up to 200,000 rubles (US$7,000) to judges. With salaries varying between 18,000 (US$600) and 30,000 rubles (US$1,000), such bonuses can be a vital part of a judge's income.[31] On April 2, the Supreme Court overturned the removal of Volgograd Judge Elena Guseva, who had refused to provide regular reports to her chair on all cases involving officials or governmental bodies. This represented a positive development, but one that is unlikely to introduce much change into the system. However, in October, legislation replaced a three-year probationary period with lifetime appointments for Russian judges.

Other forms of pressure are extensive. Acquittals make up less than 1 percent of the cases heard by judges, and "not guilty" verdicts are reportedly 30 times more likely to be challenged by higher courts than convictions.[32] This places clear pressure on judges to secure convictions. Additionally, on June 2, President Medvedev replaced the election of the Constitutional Court chairman and his deputies behind closed doors by the members of the court with presidential appointment and Federation Council approval, giving the executive more leverage over the court.

Witnesses are frequently subject to threats with little protection from authorities. Nearly half of the 10 million people who testify each year in criminal trials receive threats, according to Oleg Zimin, the head of the Interior Ministry's Witness Protection Program.[33] The authorities provide protection for only 20,000 of these 5 million.[34]

Disillusioned with the domestic judicial system, many Russians appeal to the European Court of Human Rights (ECHR), where they often prevail. Russia continues to formally accept ECHR rulings, but rarely changes its practices to reflect them. Human Rights Watch charges that Moscow pays fines to the ECHR on cases dealing with Chechnya, but does not implement ECHR's requested policies. Oleg Orlov, the leader of Memorial, calls these fines a "tax on impunity."[35] Russia continues to be the only country that has not ratified Protocol 14, which streamlines court activities. However, at the end of the year, the president asked the Duma to consider doing so.

The security agencies are increasing their ability to monitor private citizens. On July 21, a Communications and Press Ministry decree came into force that allowed security agents to search mail without gaining a court order. This is in clear violation of Article 23 of the Constitution, which provides privacy of correspondence. Although the Procurator General ruled the decree illegal, on September 11 the

Supreme Court confirmed its legitimacy and on November 19, the Cassation Collegium, an appeals board, let the decision stand. According to the Supreme Court's Judicial Department, requests for search warrants, phone taps, and mail searches have been increasing.[36]

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50

Russia's leaders have defined corruption as a major problem confronting their country, but they continue to adopt measures with little effect. President Medvedev introduced an extensive package of anticorruption reforms at the end of 2008. The signature feature of the proposals forced top public officials to declare their incomes, and many have complied. But critics point out the various loopholes for bureaucrats and that there is no assurance that irregularities will be investigated. A December 4 nightclub fire in Perm that killed more than 150 people put a tragic human face on the problem, demonstrating that corrupt public officials and inspectors often do not do their jobs to protect the public.

International observers rank Russia as one of the most corrupt countries in the world. Since the financial crisis began, 71 percent of surveyed firms said they have fallen victim to economic crime, and nearly half of the respondents live in fear of their assets being stolen, according to PricewaterhouseCoopers. Transparency International (TI)'s 2009 Corruption Perceptions Index ranked Russia 146 out of 180 countries surveyed with an absolute score of 2.2 on the 10-point scale. Similarly, Russia ranked 120th in the World Bank's 2009 "Doing Business" report, which evaluates business-related laws and regulations in 183 countries. The report pointed to Russia's construction sector bureaucracy as the country's weakest area because it takes 704 days, 54 procedures, and more than 2,141 percent of per capita income to acquire permits for a project.[37] Furthermore, Ikea suspended new investments in Russia for two months complaining about corruption among local utility companies and courts.

TI's Russia chapter has reported an increase in corruption inside the country, with survey results showing that 29 percent of Russians admitted to having bribed an official in 2009. The comparable figure for 2007 was 17 percent, and the global average is 13 percent.[38] Fifty percent of Russians felt that President Medvedev's high-profile efforts to combat corruption were futile, however, the percentage of those who considered his efforts effective climbed to 21 percent in 2009 from 12 percent in 2007.

The long-festering problem of corruption among the police force was a focus of public attention in November when Aleksei Dymovsky, a police major in the Black Sea port city of Novorossiisk, described the force's widespread abuses in a YouTube video addressed to Prime Minister Putin. Dymovsky claimed that the police ordered false arrests, planted drugs on innocent suspects, and took bribes.

Three days after posting the video, Dymovsky was fired for allegedly slandering his colleagues. Nevertheless, other police officers have followed Dymovsky's example by stepping forward and describing problems on their own city's forces.

In October, even as the extent of police corruption became apparent, the president signed new legislation on organized crime to give the state additional powers in dealing with the problem. Authorities can now arrest syndicate leaders who help plan, but do not commit, crimes. They can also arrest syndicate members for attending meetings to coordinate their activities. According to a report released by the president with the proposed law, the amount of criminal activity associated with the mafia has increased in recent years. The October killing of Vyacheslav Ivankov, a criminal leader known as Yaponchik, suggests that a deadly turf war is under way among major, organized crime groups in Moscow. Yaponchik sought to broker an agreement between the groups, but apparently ran afoul of ambitious younger thugs who were not willing to abide by the rules of the older generation. In a surprising move, Russia closed the vast majority of its casinos and banished gambling to four zones far from population centers on July 1. This move was seen as a frontal attack on an industry long associated with money laundering and organized crime.

Doing business in Russia remains a dangerous proposition. Illegal, hostile takeovers through so-called corporate raiding is a big problem for Russian companies. In such raids, outside groups take ownership of a company through a combination of legal and illegal means, including forced bankruptcies, inside connections, police and tax inspector raids, and violence. Additional techniques may involve the use of insiders at banks to take over firms with large assets. In the case of Hermitage Capital Management, police and tax officials appear to have used Hermitage assets to arrange an illegal US$230 million tax refund.[39] Successful entrepreneurs must spend a great deal of resources to protect themselves.

President Medvedev has sought to reduce some of the most egregious links between the state and business and has announced plans to reorganize state corporations dealing with industries ranging from automobile production to developing nano technologies. Prime Minister Putin established the state corporations during his presidency to strengthen the state's hand in controlling entire sectors of the economy. At President Medvedev's order, the Procurator General conducted a study and announced on November 10 that the corporations had used state money ineffectively and inappropriately, violated tender and outsourcing rules, and paid questionable bonuses to employees. This investigation does not affect the state's extensive control over Russia's energy sector.

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Serbia

by Sanja Pesek and Dragana Nikolajevic

Capital: Belgrade
Population: 7.4 million
GNI/capita: US$10,380

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia			Serbia						
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	4.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.50
Independent Media	4.50	3.50	3.25	3.50	3.25	3.25	3.50	3.75	3.75	4.00
Governance*	5.25	4.25	4.25	4.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	4.00	4.00	3.75	4.00	4.00	3.75
Local Democratic Governance	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.50
Judicial Framework and Independence	5.50	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.50	4.50
Corruption	6.25	5.25	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50
Democracy Score	5.04	4.00	3.88	3.83	3.75	3.71	3.68	3.79	3.79	3.71

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

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

Serbia's transition to democracy began in 2000, a decade later than most countries in the region. When the Socialist Federal Republic of Yugoslavia, a federation of six republics, broke apart in 1991, Serbia and Montenegro formed the Federal Republic of Yugoslavia (FRY) in 1992. The extradition of former president Slobodan Milošević in 2001 to the International Criminal Tribunal for the Former Yugoslavia (ICTY) signaled Serbia's determination to reintegrate itself within the international community, although it did little to end political instability within its own borders. The assassination of then Serbian prime minister Zoran Djindjić only two years later highlighted the dangerous divides within and between Serbia's ruling political and security elites. Replacing the FRY in February 2003, Serbia and Montenegro signed the Belgrade Agreement to form a unified state. The 2004 election of President Boris Tadić, a pro-reform and pro-European Union (EU) integration advocate, improved Serbia's political and international prospects. In May 2006, citizens of Montenegro voted by 55.5 percent to terminate their three-year state union with Serbia. Also in 2006, albeit amid controversy, the new Constitution of the Republic of Serbia was accepted. In 2008, a number of significant events took place: Serbia held provincial, parliamentary, and presidential elections; Kosovo unilaterally declared independence; the ICTY indictee, Radovan Karadžić, was arrested and extradited to the UN War Crimes Tribunal in The Hague; and the government faced difficult discussions over EU membership.

There were significant improvements in Serbia in 2009 in the areas of civil society, local governance, and national democratic governance. Parliament passed a number of long-awaited laws, including the Antidiscrimination Law, the Law on Associations, the Vojvodina Statute and the accompanying Law on Transfer of Jurisdiction from National to Municipal Government, as well as the Law on Financing of Political Organizations. In late November, the EU abolished visa requirements for the citizens of Serbia, which will take effect on January 1, 2010. In early December, EU Foreign Affairs Ministers meeting in Brussels removed restrictions against the Interim Trade Agreement (the trade part of the Stabilization and Association Agreement, or SAA) with Serbia after the Netherlands put aside objections following a positive report by the Chief Prosecutor of the ICTY, Serge Brammertz, on Serbia's cooperation with the Hague War Crimes Tribunal. In addition, on December 22, the Swedish presidency of the EU accepted the EU candidacy bid for Serbia's full EU membership. Despite these welcome trends, concerns persist over whether Serbia can maintain full cooperation with the ICTY in apprehending the two remaining fugitives—Ratko Mladić, former military chief of Serbs in Bosnia, and Goran Hadžić, a former Serb leader in Croatia.

National Democratic Governance. In 2009, the Serbian government demonstrated stability and focused on accession to the EU, despite the global economic crisis and other challenges. In November, Parliament adopted the long-awaited Statute of Vojvodina, providing new powers to the autonomous province, including the authority to enter into international and inter-regional agreements, to open representative offices abroad, and to create the Academy of Sciences and Arts of Vojvodina. In December, the EU agreed to resume the interim trade agreement with Serbia and removed visa requirements for citizens of Serbia traveling to EU member states. Following positive reviews from the European Commission and ICTY, Serbia submitted its application for full EU membership in late December. *As a result of achieving long-awaited positive developments in 2009, and despite concerns that the government will continue with uneven efforts toward meeting its domestic and international obligations, Serbia's national democratic governance rating improves from 4.00 to 3.75.*

Electoral Process. While mostly focused on international diplomacy and the consequences of the economic crisis, the Serbian government largely failed to engage the citizenry in its pro-reform agenda, rendering voters vulnerable to the effective populist rhetoric of the Serbian Radical Party (SRS) and Serbian Progressive Party (SNS), as reflected in the results of the 2009 Belgrade municipal elections. During the year, the Law on Election of Councillors, Law on the State Electoral Commission, and Law on the Single Register of Voters were drafted. The new Law on Political Parties, which will establish stricter rules for registration and likely reduce the number of parties, was passed by Parliament in May 2009. *Despite these positive developments, the country's electoral framework remains weak and lags behind European standards, thus Serbia's electoral process rating stays at 3.25.*

Civil Society. After nine years of repeated attempts and persistent lobbying by nongovernmental organizations (NGOs), the Serbian Parliament finally passed the new Law on Associations and the Antidiscrimination Law in 2009. Additionally, NGO advocacy efforts have led to greater cooperation with the government, including a recently announced Government Office for Cooperation with Civil Society. These are significant advances in establishing more stable and favorable conditions for NGOs, human rights defenders, and citizens alike. These achievements are even more remarkable in the context of a year marked by violence and threats by extremist groups against various sectors of civil society. Although trade unions continue to be marginalized, the workers' movement is gaining momentum in its demands for decentralization and the fight against corruption. *Owing to the strengthening role and stability of civil society and increasing cooperation from government structures, Serbia's civil society rating improves from 2.75 to 2.50.*

Independent Media. Serbia's already fragile media regulatory framework was further weakened in 2009 by controversial new laws and amendments that were hastily adopted without public debate. There are growing concerns that this new

legislation could further increase self-censorship, economically weaken the media sector, and jeopardize its independence in relation to the country's political powers. Recent attacks against journalists and media outlets, in addition to previously unresolved murders and attacks, have created a climate where violence against journalists increasingly appears to go unpunished. *Given these negative trends, Serbia's independent media rating worsens from 3.75 to 4.00.*

Local Democratic Governance. In 2009, the Serbian Parliament adopted the long-awaited bill on the Autonomous Province of Vojvodina, which harmonizes the province's jurisdiction with the constitution, conducts a decentralization process, and expands autonomy of the province. However, the accompanying law on the transfer of state property to local authorities has not yet been adopted. Although the national Parliament has yet to pass a number of relevant laws in this domain, this adopted legislation is a crucial first step toward a substantial decentralization of government powers and responsibilities. *Owing to the passage of the long-awaited bill on the Autonomous Province of Vojvodina, Serbia's local democratic governance rating improves from 3.75 to 3.50.*

Judicial Framework and Independence. The significant backlog of civil, criminal, commercial, and administrative cases coupled with the inefficient enforcement of judgments, continue to plague Serbia's justice system. Although some key laws were passed in 2008–09, a number of obstacles must still be overcome in order to establish an independent judiciary. Likewise, progress on domestic war crimes cases has been slow. The entry into force of the 2006 Criminal Procedure Code was postponed for the second time until the end of 2010. *Serbia is making progress in the adoption and implementation of a new legislative framework, but much reform is still needed to bring about the independence, accountability, and efficiency of the judiciary. Thus, Serbia's judicial framework and independence rating remains at 4.50.*

Corruption. In 2009, Serbia made a few small gains in battling corruption with the election of the executive board of the Anti-Corruption Agency by Parliament in April, the arrests and prosecution of a number of high-level corruption cases by the enforcement authorities, and the establishment of internal controls in all law enforcement agencies. However, the processing of corruption cases remains inefficient and rarely results in legal convictions. Additional difficulties are caused by the two-year appointment of a special prosecutor and deputies, which limits their effectiveness and autonomy. Although the agency is expected to become fully functional by January 2010, and steps were taken this year to strengthen its capacity, the current legal framework may prove insufficient in granting adequate powers to the agency. *Despite legislative initiatives in 2009, there are still serious deficiencies in the enforcement of anticorruption laws, leaving Serbia's corruption rating at 4.50.*

Outlook for 2010. Serbia has applied for EU candidacy and membership negotiations are expected to begin in 2010, conditioned on the state's full cooperation with the ICTY as well as continued harmonization of laws with European standards. The government will need to balance international obligations while undertaking major economic and political structural changes in the country. Some of these changes, such as budgetary cuts, reduction in salaries and pensions, as well as job cuts, may face strong public opposition and lead to social unrest.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Yugoslavia			n/a	4.00	4.00	3.75	4.00	4.00	[illegible]

The 2008 parliamentary elections in Serbia gave a clear and decisive tone to pro-European parties and resulted in the new government's efforts toward the country's European Union (EU) integration. On December 19, 2009, citizens of Serbia were granted the capacity to travel freely to the EU. Also in December, the EU agreed to resume the interim trade agreement with Serbia effective January 1, 2010, with the intention to discuss the ratification of the Stabilization and Association Agreement in June 2010. Cessation of the 18-month blockade on the interim trade agreement meant a green light for Serbia to submit its bid for full EU membership, which it did on December 22. These encouragements were based primarily on the October report of the European Commission (EC) stating that Serbia had made significant progress in implementing European reforms, and the December International Criminal Tribunal for the Former Yugoslavia (ICTY) report to the UN Security Council that evaluated Serbia's cooperation with the tribunal as positive.

In 2009, the government adopted numerous laws aimed at further aligning national legislation with European standards. However, this process was not accompanied by sufficient regulatory impact assessments and effective implementation of existing laws and strategies, resulting in "uneven administrative capacity on European integration within line ministries."[1] In addition, these laws, often adopted through an urgent procedure, were not based on sufficient, or in some cases any, public debate. This last criticism appears to reflect on multiple aspects of Serbian government performance, from fiscal transparency to security.

While the Provincial Assembly of Vojvodina adopted a draft Statute of Vojvodina in October 2008, the national Parliament only adopted it on November 30, 2009. The delay resulted from political and party divisions in the approach to decentralization in Serbia, and generated long and heated debates about territorial integrity, the meaning of citizenship, and the Serbian constitution. The adopted Statute provides new powers to the Autonomous Province of Vojvodina, including the power to enter into international and inter-regional agreements and to open representative offices abroad, and provides for the creation of the Academy of Sciences and Arts of Vojvodina (VANU).

The global economic crisis impacted Serbia in 2009 with a high foreign trade deficit, decreased direct foreign investment, decreased earnings (despite already having the lowest average wage in the region), and a rise in unemployment. The government made efforts to mitigate these negative effects early in the year by approaching international financial institutions to secure loans to inject liquidity into the financial sector. Although it subsequently adopted two packages of

loans at preferential interest rates, the government also made adjustments to its original financial crisis relief plan in order to respond to International Monetary Fund (IMF) requirements. This legislation, which reduced salaries for all elected and appointed public servants until the end of 2009, was just one of the measures that the government passed in its effort to balance further cuts in public-sector spending and employment in order to meet IMF-agreed budget deficit targets amid the heightened risk of public backlash and social discontent.

According to the IMF's 2009 Report on Observance of Standards and Codes (ROSC)–Fiscal Transparency Module, Serbia has made "solid advances" toward compliance with the IMF's Code of Good Practices on Fiscal Transparency. For example, it cites the passage of laws for fiscal management, the establishment of taxpayers' rights, and adherence to a precise budget calendar. Serbia's clear budget process, careful supervision of revenues and expenditures, and the availability of fiscal information to the public also earned praise. Despite this progress, the IMF asserts that, "there are still some major shortcomings" with Serbia's adherence to the code. Boundaries between national and regional budgets are unclear, as are responsibilities within the general government. The IMF regards one of the major deficiencies in Serbian fiscal governance to be the lack of a functioning Supreme Audit Institution (SAI) to make independent external audits of the government's financial statements.

Despite greater involvement in general oversight of the Parliamentary Committee for Security and Defense in 2009, civilian oversight of the security forces remained insufficient. The actions of the committee included periodic hearings with the civilian and military intelligence services and field visits to security agencies. However, it did not hold debates on military budget spending and procurement.

After a public dispute broke out between the army chief of staff and the minister of defense regarding the pace and nature of defense reforms in December 2008, the Serbian president, in line with his constitutional powers, dismissed the army chief of staff and appointed a replacement in February. In March, the government adopted a strategic defense review that provided the framework for medium- and long-term defense planning. The Ministry of Defense demonstrated greater openness to consultations with civil society on preparing the new military strategies. Although the government adopted two key reform documents in April—the military strategy and the defense strategy—the Laws on Alternative Service and Conscientious Objection, Military Intelligence, and Military Security Agencies, and the Law regulating Trade in Arms and Military Equipment had not been adopted by year's end.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			3.50	3.25	3.25	3.25	3.25	3.25	3.25

Compared to 2008—a year that included all major elections in Serbia (presidential, parliamentary, and local), a crisis of government caused by Kosovo's unilateral proclamation of independence, and obligations related to EU integration—2009

was a rather uneventful electoral year with just a handful of Serbian municipalities holding elections.

As part of the reform of electoral legislation, the Ministry for Public Administration and Local Self-Government prepared drafts on the following laws: the Law on Election of Councillors, the Law on the State Electoral Commission, and the Law on the Single Register of Voters. Passage of these laws is expected to significantly improve the transparency and accountability of elected officials, increase direct citizen participation, and help Serbia's EU accession through legislative harmonization with European standards.

In May, Parliament adopted the new Law on Political Parties that increases the number of signatures required for registering a party from 100 to 10,000 (or 1,000 for parties representing minorities). These dramatically stricter rules for registration are expected to reduce the number of parties (442 are registered with the Serbian Ministry of Public Administration and Local Government, and 133 with the old federal registry) while strengthening oversight of party financing.[2] The new registration process started in July with renewals required every eight years.

The electoral framework remains one of the weakest aspects of the Serbian government. Although providing for mostly fair elections, it has yet to be revised in line with European standards, especially regarding the control that parties constitutionally have over member of Parliament (MP) mandates ("imperial mandate"). The current procedure triggered a major political and legal dispute following the 2008 split within the Serbian Radical Party (SRS), leading to the formation of a new party, the Serbian Progressive Party (SNS), with a separate caucus in the Serbian Parliament.

In an interview with the Belgrade daily *Vecernje Novosti*, President Boris Tadić commented that laws governing elections and the registration and financing of parties needed to be amended along with parts of the constitution, such as the section defining the number of MPs: "I personally see no reason why Serbia should have 250 MPs, because 150 are enough for a country this size," stated Tadić. He linked the problem of excessive government with the current election law, which "allows a large number of parties to participate in elections, enter Parliament with ease, and set conditions for entry in the government."[3]

The results of the June 7 local elections held in three Belgrade municipalities (Kosjerić, Voždovac, and Zemun) were seen by some as a political bellwether and used as basis for creating new coalitions. In Voždovac, Tomislav Nikolić's SNS won the majority of votes with 28.8 percent; while the pro-European coalition of Democratic Party (DS), G17+, and the Serbian Renewal Movement (*Srpski Pokret Obnove*, or SPO) won 28.3 percent; and Former Prime Minister Koštunica's Democratic Party of Serbia (*Demokratska Stranka Srbije*, or DSS) won 12.3 percent. In Zemun, SNS won 34 percent; DS coalition 27.71 percent; SRS 10 percent; and DSS 7 percent. As the party winning the largest percent of the votes, SNS declined to share power with DS and instead, it offered its cooperation to DSS and the SRS.[4] The second-round elections in Voždovac on December 6 mirrored some of the results from the first round and generated further encouragement for SNS.

Yet, the question remains just how indicative the results of the local elections truly were—with only 150,000 municipal voters participating—in a country of nearly 7 million total voters. The emergence of SNS as a much stronger political contender than SRS suggests the continued and deeper shift of conservatives toward Europe. The strong ranking of SNS in voter opinion polls might also indicate that its platform of social welfare resonated with at least one-third of voters in Serbia in a year of global economic crisis.

During 2009, the Serbian government remained invested in the political developments in Kosovo. Not recognizing Kosovo's independence, both the government and President Boris Tadić discouraged Serbs in Kosovo from taking part in the Kosovo local elections in November, albeit not as forcefully as in previous years. For their part, ethnic Serbs in Kosovo's north largely boycotted the elections, while the turnout of ethnic Serbian voters in the south of Kosovo, and to a degree in central Kosovo, was much more pronounced; they even secured a few positions including mayor of Gračanica.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			2.75	2.75	2.75	2.75	2.75	2.75	2.50

In Serbia, nongovernmental organizations (NGOs) have long functioned under an unfavorable legal framework. On July 8, after nine years of repeated attempts, a new Law on Associations was finally adopted by Parliament. The new law was drafted by a working group within the Ministry of State Administration and Local Self-Government with considerable NGO participation and in accordance with European standards and best international practice. According to a report by the EU-funded Technical Assistance to Civil Society Organizations the new law "provides, for the first time, the complete legal framework for creation, status, and operations of associations in Serbia. It also enables international NGOs to operate legally in Serbia, something which officially [had] not been regulated for previously."[5]

According to the new law, an association is a voluntary, nongovernmental organization established with the aim to promote and realize general public interests that are not prohibited by the constitution or other laws. Associations may acquire property through collection of membership fees, contributions and donations, legacies, subsidies, interest on savings accounts, rent, and dividends. The law also regulates the status and activities of foreign associations. NGOs have welcomed the new legislation as a modern tool for strengthening civil society.

The Serbian civic sector has actively lobbied to improve tax and fiscal measures for non-profit organizations. Among these, a Law on Funds and Foundations, a Law on Volunteering, and legislative means of providing NGOs with fiscal benefits (coordinated by the Ministry of Finance in cooperation with the Center for Development of the Nonprofit Sector and the Balkan Community Initiative Fund)

have been drafted with NGO cooperation but have yet to be passed. Additionally, new tax regulations are planned for the near future. Due to NGO lobbying, the government recently announced that it will institute a Government Office for Cooperation with Civil Society, which is expected to establish a more stable and favorable environment for civil society development.

Although the right to freedom of assembly and association is guaranteed by the constitution and has been further enhanced by the new Law on Associations, much improvement is still needed to advance civil freedoms. Amnesty International's 2009 Serbia report on human rights defenders (HRDs) highlights the ongoing failure of the authorities "to conduct prompt and impartial investigations into physical attacks and death threats made against HRDs, resulting in impunity for the perpetrators."[6]

Along with HRDs and ethnic minorities, the lesbian, gay, bisexual and transgender (LGBT) population faced physical intimidation, threats, and hate speech during 2009. In September, the Gay Pride Parade in Belgrade, the first since 2001, was cancelled one day prior to the event. Following months of public discussions and threats by extremist groups, the city government feared that police could not provide adequate security for the parade participants and thus banned all public gatherings in the city center during that period. The Serbian government received domestic and international criticism for not publicly condemning the threats of violence or affirming the right of the LGBT population to demonstrate. The State Secretary for Human and Minority Rights, Marko Karadžić, was alone in his public defense of LGBT rights and received death threats, with little reaction from the government. The Belgrade Pride Committee filed an appeal on the parade ban at the Constitutional Court, but by year's end there was no progress in the case.

A wave of violence ensued prior to and after the cancellation of Belgrade Pride 2009, resulting in the death of Bris Taton, a young French national, and a number of brutal assaults against foreigners in Serbia's capital. NGOs and minority parties organized public protests against violence in early October, and groups such as Youth Initiative for Human Rights were active during the year in battling hate speech in the media. Additionally, the state prosecutor submitted a request to the Constitutional Court to ban the most prominent extremist organizations. In October, the Constitutional Court began examining the case.

A coalition of NGOs from the countries of the former Yugoslavia was formed to pressure their respective governments into establishing a regional commission on war crimes and other severe violations of human rights. If successful, this commission would set a precedent as the first multilateral cross-border truth commission worldwide. The coalition plans to organize a petition of a million signatures in early 2011 to be sent to the governments of the countries of the former Yugoslavia, demanding the formation of a regional commission that could serve as an official, independent, and extrajudicial body focusing on the victims of the military conflict in the region between 1991 and 2001. In 2009, the European Parliament (EP) called for an EU-wide day of commemoration (July 11) of the Srebrenica genocide in a resolution adopted by 556 to 9 votes.

During the year, an increasing number of students protested tuition rates. Furthermore, a survey of 4,700 youth, conducted in July by the Center for Free Elections and Democracy and the Ministry of Youth and Sports, indicated that 30–50 percent of citizens in Serbia under the age of 30 would like to live abroad, listing lack of information, employment opportunities, living standards, and poor quality of education as the main reasons.[7] This, however, is a 10 percent improvement from similar research in 2007.

Additionally, numerous worker protests were held in 2009 (some 109 protests occurred in Belgrade in November alone) as a new worker movement began to solidify around two main political goals, decentralization and the fight against corruption, under the umbrella of the Coordination Committee of Workers' Protests (KORP). KORP pushed for a law that would regulate the return of property taken from municipalities and towns by former Serbian President Slobodan Milošević in 1995; this would include, not only land and infrastructure, but also shares in state-owned companies. A number of local governments supported the KORP initiative, and many more are expected to join in 2010.

In early March 2009, responding to pressure from traditional churches and religious communities in Serbia, the government withdrew the draft Antidiscrimination Law from parliamentary procedure. This move was met with sharp criticism from civil society organizations, as well as minority political parties and international institutions. The law, adopted later that month, included inadequate definitions related to discrimination. According to the 2009 European Commission (EC) Progress Report on Serbia, a number of the law's, "exceptions are wider than allowed under European standards, and the rights of NGOs and associations to pursue discrimination before the courts still need to be clarified."

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			3.50	3.25	3.25	3.50	3.75	3.75	4.00

In Serbia, print media are available throughout the country, cable television is spreading, and foreign programs are accessible through cable and satellite. The rapid expansion of blogs, cable, Internet, and SMS mobile text messaging continued, with the Internet used by around 30 percent of the population. There were no registered cases of restrictions on access to domestic and foreign media in 2009, and foreign magazines are sold freely and extensively.

Although Serbia has a plurality of news sources and domestic and foreign news media, this does not translate into plurality of information. A number of television stations, which are partly or wholly state-owned depend on the whims of the powers that be, whereas independent media outlets, which have been weakened economically by the global financial crisis, depend on advertisers and their interests.

Serbia has three national news agencies: two private and one state-owned. Although the services of all three are inexpensive and would be welcome by media

outlets, most do not have funds available for a subscription, reflecting on the economic standing of most media. Veran Matić of B92 commented in *Eurozine*, "Those media outlets that are run or controlled by the state thanks to its majority stake, often in conjunction with prominent financial oligarchs, enjoy preferential treatment in the form of subsidies, tax allowances, and other benefits..." He continued, "Big business interests confront us with another serious problem—investigative journalism. Any in-depth investigation into how certain businessmen earned their first million, for instance, frequently carries with it the risk that business relations will be severed, contracts broken, and advertising withdrawn."[8]

Media reforms in Serbia have not been conducted in full compliance with international standards. International Freedom of Expression Exchange's (IFEX) Media Sustainability Index panel in December 2009 assessed the media situation in Serbia with its lowest mark since the study began in 2001, noting a grave deterioration of the media's economic and social position as well as high political interference in media activities. Many areas are not yet regulated, such as unlawful media ownership concentration, and there has been a cessation in regulation of cable and satellite distribution and the privatization of media. Decisions taken by the national regulatory authorities for broadcasting, the Republic Broadcasting Agency (RBA), are not transparent, nor is the RBA sufficiently independent in its work. Self-regulation of print media has also failed.

Leading media companies, journalist associations, the International Press Institute, the Organization for Security and Cooperation in Europe (OSCE) Mission in Serbia, and the South East Europe Media Organization (SEEMO) expressed concern that amendments to the country's Law on Public Information, passed in August 2009, could lead to the introduction of increased self-censorship and even the closure of some media organizations. Likewise, the draft Law on National Minority Councils, also passed in August, is considered by many to be contrary to media laws and is creating additional problems in media privatization and the functioning of the media market. Other important laws, such as the Law on Unlawful Media Concentration and Transparency of Media Ownership and the new Law on Copyright and Related Rights, which would improve the situation of the media, are not yet on the parliamentary agenda although they have been prepared for quite some time.

By amending the Personal Income Tax Law, the parliamentary majority raised taxes on fees, further impoverishing journalists and other media staff. A number of journalist associations in Serbia estimate that, "the Law Amending the Personal Income Tax Law, adopted by the National Parliament of the Republic of Serbia at the end of April, reduced by half, and in many cases completely revoked, standardized tax-deductible expenses in payment of author's fees to authors and holders of related rights. These changes have an especially adverse effect on media outlets, which due to the characteristics of their business activities conclude numerous author contracts."[9] By amending the Broadcasting Law in May, the parliamentary majority also gained mechanisms of absolute control over the election of council members of the RBA. All of these media laws were passed without prior public debate.

To ease the economic blows suffered by media, in June 2009 the government passed the Conclusion on Regulatory Measures for Assistance to the Media in Crisis, yet it has failed to put in place the necessary mechanisms to implement these measures. The RBA has somewhat reduced its fees, but without an equal effect on all broadcasters. The results of the competition of the Ministry of Culture for the co-funding of media projects have yet to be disclosed, but these funds are not sufficient to improve the country's media situation.

In June, Serbia's war crimes prosecutor launched a probe into the role of journalists in stoking war crimes during the 1991–1995 wars in the former Yugoslavia. This initiative, "to investigate the role of media in inciting ethnic hatred and encouraging war crimes during the Yugoslav wars of the 1990s could reach people who have since risen to positions of prominence," suggested the Institute for War and Peace Reporting.[10] The investigation grew out of testimony heard during Belgrade trials on the massacre of 200 Croats at the Ovčara farm near Vukovar in 1991 and the murder of 25 Bosniaks in Zvornik in 1992, when some of the accused said that certain reports from electronic media incited them to commit the crimes.

A number of criminal attacks on journalists occurred during 2009. In January, the automobile of Svetlana Lukić was demolished while she was hosting the radio program *Peščanika* (which has, since its inception in 2007, covered topics of sociopolitical relevance that the great majority of media does not cover, including war crimes, dealing with the criminal past, minority rights, and organized crime); the authorities have not yet investigated all of the previous attacks on others involved in the program. A bomb attack on Radio Television Pink occurred in October. Brankica Stanković, writer of the TV program *Insider*, received death threats after an investigative piece commenting on the powerlessness of the Serbian state in the face of extremist organizations was aired on channel B92. Stanković was put under police protection and received support from a number of political figures, including the president, as well as media organizations, NGOs, and journalist associations. The police detained a number of suspects, but it remains to be seen how the authorities will resolve this case in a climate where attacks against journalists increasingly appear to go unpunished. Meanwhile, the murder cases of three journalists—Slavko Ćuruvija in 1999, Milan Pantić in 2001, and Dada Vujasinović in 1994—also remained unsolved.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			n/a	3.75	3.75	3.75	3.75	3.75	3.50

On November 30, Serbia adopted the draft of the Statute of Vojvodina after five days of heated debate in the national Parliament and exactly 397 days after the statute was passed by the Vojvodina Parliament. The Statute was later proclaimed at a Vojvodina assembly on December 14, and the accompanying law on the province's

jurisdiction was also passed. However, without the Law on Return of Assets to Local Self-Governments, Vojvodina's autonomy is not complete and, as such, not in line with the constitution. Still, the strengthening of the legal framework is underway, including a new law on local elections and laws on the state electoral commission and electoral poll. The Serbian government has to yet to adopt much needed bills on public property and amendments to the law on public debt.

In July, an explosion occurred in a mainly Serb-populated neighborhood of the predominantly ethnic-Albanian town of Preševo, injuring a woman and a child, and damaging a number of apartments. This marked the second serious incident to occur in the Preševo Valley region of southern Serbia in a week's time, following a grenade attack near Bujanovac that injured two police officers. Although key Albanian leaders are now participating in the Coordination Body, the EC reports that problems persist with regard to the integration of Albanians into the public administration and the integration of Serbs into local governments in Preševo and Bujanovac. The situation improved somewhat toward the end of the year. On December 4, an Agreement on the Implementation of Projects (valued at US$7.9 million) in 13 cities of central and southern Serbia was signed in Bujanovac. Milan Marković, Minister of Public Administration and Local Self-Government and President of the Coordination Body for the Municipalities of Preševo, Bujanovac, and Medveđa attended the signing of the Agreement on Implementation of the Joint Program of the UN Agencies in Serbia and the Serbian Government.

Additionally, the Coordination Body has committed to pay 6 million dinars (approximately US$90,000) to the municipalities for financial assistance to persons with special needs, single mothers, and orphans. The Serbian government has also undertaken the maintenance of crucial infrastructure investment in the region, despite having to slash budgets due to the global economic crisis. In an interview in *Balkan Insight*, Skender Destani, speaker of the local assembly in Preševo and leader of the Democratic Union of the Valley, reported that 80 percent of the €1 million (US$964,800) allotted for investment in Preševo in 2009 had come through the Coordination Body and was being invested in infrastructure and roads.[11]

Since the beginning of conflicts in the former Yugoslavia, some 2,000 violent crimes, including murder, kidnapping, torture, and brutal assaults, have been committed against the Bosniak population in Sandžak, according to the Helsinki Committee for Human Rights. Municipal structures lack the capacity to fully enforce minority rights in Sandžak, and as a result, according to the UN Special Commissioner for Human Rights, 60,000–80,000 Bosniaks (from a population of 224,446 as of the 1991 census) have left Sandžak since 1992 due to state terror. Underdeveloped infrastructure, rising unemployment, lack of accountability for crimes committed, and overall demoralization of the population has created the current impasse. Divisions within the Muslim community continued in 2009, and there were several outbreaks of violence. According to data published by the World Bank, the current population of Sandžak is categorized as 'actively poor'.[12] Sandžak, much like other regions in Serbia, is expected to greatly benefit from the passage of a law regulating the state's return of property to local self-governments (expected in 2010).

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			4.25	4.25	4.25	4.25	4.50	4.50	4.50

On December 16, the Serbian High Judicial Council published its selection of 1,531 permanent judge appointments and proposal for 876 new judges to be approved by Parliament. This large undertaking is just one aspect of judiciary reform initiated with the adoption of a new legislative package in December 2008, which included laws on the High Judicial Council, judges, organization of courts, State Prosecutorial Council, and the public prosecution service. These laws are designed to strengthen the independence of the judiciary and bring it closer to European standards.

In April 2009, two new bodies were established: the High Judicial Council and the State Prosecutorial Council, responsible for electing and promoting judges and prosecutors, including defining criteria and implementing a general reappointment procedure. The structure of the High Judicial Council was designed to ensure the fair representation of judges and reduce political influence—apart from the three ex-officio members of the Council, six are judges appointed by Parliament. Although the autonomy of the prosecution service was strengthened by extending the mandate of deputy prosecutors to permanent posts upon appointment by the new State Prosecutorial Council, there are still some concerns. Despite certain improvements under the new legislation, the procedure for the election of public prosecutors and their deputies remains subject to parliamentary influence.

One key controversy and weakness that has been extensively discussed arises from the 2006 Constitution that stipulated that all members of the High Judicial Council be elected, directly or indirectly, by the National Assembly. Many believe this procedure presents a risk of politicizing the appointments, which is of particular concern as the first new High Judicial Council has full responsibility for implementing the reappointment procedure for all judges.

The Law on Seats and Territorial Jurisdictions of Courts, also adopted in December 2008, introduced major changes to the court system to be applied as of January 2010 that greatly reduce the previous number of courts and, consequently, judges. The new Serbian court network consists of 34 basic courts (instead of the previous 138), and as of January 1, 2010, a number of other court functions will be performed by 26 higher courts, four courts of appeal with general jurisdiction, specialized commercial and administrative courts, and the Supreme Court of Cassation. The significant backlog of civil, criminal, commercial, and administrative cases coupled with the inefficient enforcement of judgments, is evidence of the need to streamline court procedures and improve court management systems.

The Serbian Ombudsman's offices, at both the state and provincial levels, saw increased activity in 2009, likely due to increased public awareness of the existence and responsibilities of the ombudsman. During the year, these offices issued numerous opinions and recommendations, visited relevant institutions,

and proposed amendments to legislation. However, the Commission of the EU Communities reported that, "State authorities have not provided all the resources necessary for the offices to carry out their mandates fully, and there has not been sufficient follow-up to the Ombudsman's recommendations. At the local level, offices have been established in only 11 cities and municipalities."[14]

The reappointment of judges and prosecutors encountered major challenges. The criteria are not fully in line with the Council of Europe's Venice Commission's recommendations and, being difficult to assess in practice, leave room for political influence over the procedure. Furthermore, the extremely short deadline of only five months, which had been set for the reappointment of over 2,000 judges, put the objectivity of the procedure in question and created an opportunity for long-term politicization of the judiciary. Although the Serbian Constitutional Court confirmed the constitutionality of the reappointment procedure in July 2009, following an appeal filed on March 3 by the Serbian Judges Association, the December reappointment decisions of the High Judicial Council left over 700 judges outside the new court system, challenging the criteria and the transparency of the selection process.

In a December 2009 survey regarding the Serbian Office of the War Crimes Prosecutor, 50 percent of those polled gave its work and communications a positive rating, though actual progress on domestic war crimes prosecution and sentencing remained slow.[15] Insufficient financial and political support contributed to the low number of processed cases and final judgments by the Serbian War Crimes Chamber. In mid-December, Serbian media reported on new death threats addressed to Serbian War Crimes Prosecutor Vladimir Vukcević, and other government officials.

The adoption of the Law on Amendments to the Criminal Procedure Code in 2009 again delayed the implementation of the 2006 code, which was postponed for the second time until the end of 2010.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Yugoslavia			5.00	5.00	4.75	4.50	4.50	4.50	4.50

In 2009, corruption and economic crime in Serbia remained major issues for public policy. According to a United Nations Development Program (UNDP) poll conducted in October, corruption was the third most concerning issue (after unemployment and poverty) for the citizens of Serbia.[16] This first corruption benchmarking survey used methodology developed by Transparency International (TI) to examine the incidence rates and perception of corruption in Serbia. According to TI's Corruption Perceptions Index (CPI), Serbia made only minimal progress in 2009, ranking 83 with a CPI score of 3.5, an improvement from 2008 when it shared the ranking 85 with Montenegro, Albania, India, Madagascar, Panama, and Senegal, with a CPI score of 3.6.[17]

The sectors most vulnerable to corruption were public procurement and other large public expenditures, as well as taxation, customs, and licensing. According to the UNDP poll, citizens most often reported paying bribes to secure access to public services to which they were entitled. These findings suggest that Serbia has yet to build a culture of intolerance for corruption and that better legal protection is needed for whistle-blowers, anticorruption activists, investigators, and journalists fighting the systemic aspects of corruption in the country. The same applies to control over conflicts of interest, where a large proportion of public officials still fail to meet their reporting obligations.

According to Predrag Jovanović, Director of Serbia's Public Procurement Office, an estimated US$137.9 million had not been reported, due mostly to lax use of procurement procedures and processes.[18] The fact that there is no clear plan for implementing the international conventions that have been ratified only further deteriorates the slow and inefficient fight against corruption in Serbia.

Yet there were small victories in the fight against corruption in 2009, including the election of the executive board of the Anti-Corruption Agency by Parliament in April; arrests and prosecution of a number of corruption cases involving oil industry executives and a mayor; bribery investigations of surgeons, university professors, and soccer club managers; and the establishment of internal controls in all law enforcement agencies. Still, the overall processing of corruption cases remained inefficient, with only a few final convictions. The short terms of the special prosecutor and deputies (two years) continue to limit their effectiveness and autonomy.

In addition, in 2009, the Anticorruption Agency was allocated premises, budgetary resources (albeit insufficient), and initial technical and administrative assistance, with plans to be fully operational by January 1, 2010. The Law on the Anticorruption Agency, adopted in October 2008, defined the Agency's operations and responsibilities, such as the implementation of this law and the Anticorruption Strategy.

As an independent body of the government of Serbia, the agency's responsibilities include resolving conflict-of-interest disputes, registering all government officials and their possessions, international cooperation in the fight against corruption, and control of political party financing. This last responsibility is expected to use the legal framework set by amendments to the Law on Political Party Financing that were also adopted in October 2008 but not implemented until October 2009, meaning that, as of October 1, political parties were required to submit expense reports from election campaigns along with their regular financial reports. The agency, however, will only be able to oversee political party reports once it becomes fully operational (after January 1, 2010). Yet, no high hopes are vested in the process since the parliamentary committee, under the current deficient legislation, lacks the power to investigate reports fully or to sanction political parties that fail to uphold their obligation to submit reports.

The effectiveness of law enforcement and judicial authorities in Serbia remained low in 2009. Other independent regulatory institutions—such as the

State Audit Institution, the Committee for the Suppression of Conflicts of Interest, the Anticorruption Council, the Competition Protection Commission, the Public Procurement Office, and the Commission for the Protection of Bidders' Rights—continued to face difficulties in carrying out their mandates due mainly to a lack of resources and inadequate official follow-up to their decisions and recommendations.

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Slovakia

by Grigorij Mesežnikov, Miroslav Kollár, and Michal Vašečka

Capital: Bratislava
Population: 5.4 million
GNI/capita: US$21,460

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	2.25	1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50	1.75
Civil Society	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75	1.75
Independent Media	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75	3.00
Governance*	2.75	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.50	2.75	3.00
Local Democratic Governance	n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.25	2.50	2.50
Judicial Framework and Independence	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75	3.00
Corruption	3.75	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25	3.75
Democracy Score	2.50	2.17	2.08	2.08	2.00	1.96	2.14	2.29	2.46	2.68

** 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

Twenty years after the fall of the Communist regime, Slovakia has a pluralistic democratic political system and functioning market economy. From 1993 to 1998 democratic political forces were threatened by the authoritarian practices of nationalist and populist parties that ruled the country. The situation dramatically changed for the better following the 1998 parliamentary elections, which brought to power a broad coalition of democratic political forces that promptly remedied the undemocratic practices of the previous administration. Over the next eight years, two consecutive pro-reform administrations implemented extensive structural reforms, which created favorable conditions for successfully completing the process of European Union (EU) and NATO integration.

The 2006 parliamentary elections brought to power a ruling coalition consisting of three forces: self-declared social democrats from Smer-Social Democracy (Smer-SD), radical nationalists from the Slovak National Party (SNS), and ideologically ambiguous national populists from the People's Party-Movement for a Democratic Slovakia (ĽS-HZDS). Under the pretext of building a welfare ("social") state, the new administration led by Smer-SD Chairman Robert Fico revised the country's economic policy by discontinuing the process of liberal-oriented economic reforms, halting privatization of remaining enterprises with government investment, and introducing sterner elements of government regulation.

In 2009, the ruling parties further concentrated their power with populist rhetoric, statist approaches, and clientelist practices. Several serious corruption scandals negatively affected the country's domestic politics. Use of the so-called ethnic card in domestic politics complicated bilateral relations between Slovakia and Hungary, as well as interethnic relations within Slovakia, provoking extreme nationalists who organized anti-Roma rallies and incited violent acts against Roma citizens.

National Democratic Governance. State institutions were relatively effective and the political system remained stable throughout 2009. At the same time, disturbing trends inherited from the previous year intensified as the ruling coalition continued to apply a majoritarian interpretation of democracy, consistently rejecting all legislative initiatives submitted by the opposition. The effectiveness of Parliament's control mechanisms continued to deteriorate, and rampant party clientelism continued to defy the principle of impartial governance. *Owing to the government's continued efforts to retain and consolidate power by divisive and undemocratic means, Slovakia's national democratic governance rating worsens from 2.75 to 3.00.*

Electoral Process. In 2009, Slovakia held presidential, European Parliamentary, and regional elections. In the second round of presidential elections in April, incumbent President Ivan Gašparovič defended his post with the support of the two largest ruling parties. The ruling parties used the ethnic card, dividing the population and endangering bilateral relations with Hungary. In the elections to the European Parliament, six mandates were clinched by center-right parties representing the European People's Party, who defeated Smer-SD, which represented the Party of European Socialists with five mandates. The Smer-SD and ĽS-HZDS coalition gained the highest number of deputy mandates and governor positions in the regional elections in November, which were marred by alleged vote-buying targeting voters of Romany origin. *Owing to the intense use of the ethnic card by the ruling parties in the presidential elections and efforts by some ruling party candidates to buy votes in regional elections, Slovakia's electoral process rating worsens from 1.50 to 1.75.*

Civil Society. Slovakia's civil society is independent and vibrant, with a predominantly positive public image. Yet the government remains distant and untrusting towards nongovernmental organizations (NGOs) and unresponsive to public policy research and advocacy groups. At the same time, the most visible threats to the sector and the attempts to change legislation concerning the legal status of NGOs dissipated in 2009. For the first time in twenty years, membership in trade unions grew. Antiracist organizations called on the Minister of Interior to increase preventive police actions against growing extremist and racist organizations. Prime Minister Fico's calls for strengthening patriotism among Slovakia's youth raised concerns about the secular and non-partisan character of the Slovak education system. *Civil society in Slovakia remains vibrant despite the government's unresponsiveness to calls for collaboration, while the growth of extremist and racist organizations continues to be monitored by the police and NGOs. The balance of positive and negative trends leaves Slovakia's civil society rating unchanged at 1.75.*

Independent Media. The ruling political elite, courts, and regulatory bodies increased pressure on Slovak media and journalists in 2009 with more sophisticated methods, moving from verbal attacks and disparaging the journalistic profession to taking libel actions. Courts decided these disputes against the media, awarding exorbitant indemnifications to plaintiffs (mostly politicians and judges) that threatened the economic existence of individual media. These trends were reflected in the increasingly negative perception of independent media in Slovakia by domestic as well as foreign watchdog institutions. The legislation adopted in 2009 further deteriorated conditions for free competition and free performance in the journalistic profession. *Owing to deepening problems in the media sphere, Slovakia's independent media rating worsens from 2.75 to 3.00.*

Local Democratic Governance. The public administration reform Slovakia carried out between 2001 and 2005 created favorable conditions for the future

development of local and regional self-governance. Thanks to the decentralization process and taxation reform, self-governance bodies acquired extensive decision-making powers as well as necessary funding to perform them. In 2009, however, most self-governance bodies struggled with serious financial problems caused by the global economic crisis, particularly a perceptible decline in tax revenues. Their situation was not made any easier by the central administration, which failed to adequately address their complaints and legitimate demands. *Slovakia's local democratic governance rating remains at 2.50.*

Judicial Framework and Independence. Negative trends prevailed within the Slovak judiciary in 2009, as judges who criticized the existing state of affairs faced administrative pressure. A former justice minister was appointed chairman of the Slovak Supreme Court, inviting doubts about the legitimacy of his nomination and election by the Judicial Council. The generally unsatisfactory situation provoked protests from individual judges; however, their displays of discontent were punished by disciplinary actions or discrediting tactics. The Constitutional Court came under pressure from the government when adjudicating. The principle of equality before the law was undermined by the preferential treatment accorded to leading government politicians by judicial and government bodies. In the second half of 2009, radical nationalist and extremist groups stepped up their activities aimed against the Roma. *Owing to increasing government pressure on the judiciary and prevailing negative trends undermining its independence, Slovakia's judicial framework and independence rating worsens from 2.75 to 3.00.*

Corruption. In 2009, no headway was made in combating corruption in Slovakia; on the contrary, most negative trends deepened. The incumbent administration continued to lack a strategy to combat corruption and clientelism as it failed to approve or draft any relevant anticorruption legislative initiatives. Public funds were often redistributed based on party affiliation. A number of corruption cases surfaced related to nontransparent public tenders and EU structural funds, and independent media revealed several serious scandals of corruption or clientelism involving high government officials. Prime Minister Fico was reluctant to demand personal and political responsibility for these incidents from among the elite government ranks; it took a concentrated effort by the media and general public to force personnel changes in his cabinet. *Owing to the incumbent administration's passive approach to combating corruption, absence of relevant legislative initiatives, prevalence of overt party and political clientelism, and numerous corruption scandals, Slovakia's corruption rating worsens from 3.25 to 3.75.*

Outlook for 2010. The ruling coalition's performance in the first half of 2010 is unlikely to bring any changes to Slovakia's overall sociopolitical development, with an expected continuation of the previous year's trends—political confrontation between the government and the opposition, non-consensual execution of power, attacks by government officials on independent media, and displays of ethnic

nationalism in appeals to the electorate. Slovakia is scheduled to hold its next parliamentary elections in June 2010. Voter preferences for the dominant ruling party hover at relatively high levels; however, if center-right opposition parties manage to reverse their recent trend toward fragmentation by effective coalition strategies, they will be able to compete with Smer-SD for the decisive position in forming the new government. A new formation of the ruling coalition is likely to bring about changes in the country's post-election development.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.50	2.75	[illegible]

The Slovak Republic is a stable democracy with a generally effective system of governmental checks and balances. The cabinet reports to the legislative assembly, which has the right to recall it. The president may veto laws adopted by the Parliament; in order to pass vetoed legislation, the Parliament is required to subsequently muster a qualified majority. The Constitutional Court acts as an independent judicial body protecting the constitution. Citizens enjoy direct participation in the political process through elections and political party activities.

Since the collapse of the Communist regime in 1989, Slovakia has not seen any violent attempts to usurp political power and all political players respect the fundamental rules of parliamentary democracy. However, between 1993 and 1998, a coalition of authoritarian and nationalistic parties attempted an illiberal, undemocratic concentration of political power. Since the return of democratic forces in 1998, the execution of power on all levels has not departed from the basic constitutional framework. After parliamentary elections in June 2006, a new ruling coalition was formed comprising Smer-Social Democracy (Smer-SD), the People's Party-Movement for a Democratic Slovakia (ĽS-HZDS), and the Slovak National Party (SNS). The two minor parties—ĽS-HZDS and SNS—were directly responsible for authoritarian behaviors by the government in the period 1994–1998.

Since 2006, independent analysts observed trends toward the deteriorating quality of democracy in Slovakia. A number of these were aggravated in 2009, including excessive concentration of power in the hands of the ruling coalition, its non-inclusive and non-consensual style of governance, displays of a majoritarian system in Parliament (the wholesale rejection of opposition-initiated proposals and restrictions on Parliament's control role by the government majority), and a preference for party and personal interests over the public interest in filling top state administration posts. These trends were perhaps most perceptible in the judiciary, fuelled by long-neglected inefficiencies in the court system as well as activities of Štefan Harabin, Chairman of the Supreme Court and former Justice Minister, who continued to put off judicial reform and to apply repressive measures against judges who criticized his or the judiciary's performance. Particularly disturbing were efforts by the executive to limit the independence of judges and their public criticism of problems within the judiciary.

In 2009, President Ivan Gašparovič displayed unambiguous support for the ruling coalition and the government. In one of his speeches, delivered in a closed meeting at the Smer-SD party gathering in Košice, he labeled himself as an "informal" member of the party.[1] By doing so, he violated the constitutional principle of impartial governance. Similarly, during the year, the ruling coalition used clientelistic practices in allocating public funds. There were numerous nontransparent transactions in various ministries and government agencies, raising public suspicions about corruption and conflicts of interest among officials. There were also overt cases of nepotism within government ranks. Some of these corruption and clientelism scandals included cabinet members, and even influenced the power ratio within the ruling coalition.

The country's public and political discourse grew increasingly confrontational in 2009, especially in statements by ruling-coalition leaders against its critics, labeling them "enemies of the state." Prime Minister Robert Fico, for instance, used the term "sabotage" when commenting on the April 2009 presidential elections; Fico threatened that unless independent journalists ceased their "biased coverage," which he claimed harmed Slovakia's "national and state" interests, their actions would be discussed by the Security Council of the Slovak Republic.[2] Although this threat was more a rhetorical exercise designed for voters, it contributed to tensions within society.

The National Council is a sovereign representative body and autonomous from the executive. It has sufficient resources and capacities for the creation and enactment of bills, as well as adequate control powers. Parliamentarians frequently demand explanations from cabinet members and exercise oversight of state and public institutions. In 2009, ruling-coalition deputies ignored committee sessions where opposition members of Parliament (MPs) initiated votes on inspecting ministries or other control procedures, thereby undermining Parliament's oversight responsibility with respect to the executive. Likewise, executive bodies showed reluctance in supplying requested information to parliamentary inspections of ministries suspected of nontransparent spending.

Government authority is solid and indisputable throughout Slovakia, and domestic political development is free from displays of dominance by the military, foreign powers, or other power groups. The country's stability has not been threatened by internal military conflicts or insurgencies, and currently there is no danger of such conflicts. Political party activities within the armed forces and other state institutions are forbidden.

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 chairman for seven-year terms. Though funded by the state budget, the NKÚ is free from political influence.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.25	1.75	1.50	1.50	1.25	1.25	1.50	1.50	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, fair voting, and the transparent scrutiny of votes. Election regulations fully provide for political system development, sufficient stability of the party system, and independence of political parties from the state. Since 1989, Slovakia has held six parliamentary elections, five municipal elections, three regional elections, three presidential elections, and two elections to the European Parliament (EP). International and domestic monitors declared these elections free and fair. However, in the first round of regional elections in November 2009, serious violations took place in eastern regions of the country that put in doubt the fairness of the elections and the legitimacy of some results.

Parliamentary elections are based on a proportional system with the following thresholds to qualify: 5 percent for single parties, 7 percent for coalitions of 2 or 3 parties, and 10 percent for coalitions of 4 or more parties. The electoral rules in Slovakia also include a system of preferential votes (voters can select a maximum of 4 "preference boxes" on the ballot). A candidate who receives more than 3 percent of preferential votes of a party receives preferential treatment in the allocation of mandates. Elections to the EP use a proportional system. The minimum quorum to qualify for the assembly is 5 percent of the popular vote, which applies to both individual parties and party coalitions. Elections to local and regional self-governments use a modified majority electoral model. Slovakia's president and regional governors are elected using a majority model with two rounds, whereas mayors are elected in one-round elections.

In 2005, Parliament passed the Law on Political Parties, which requires a party to submit a petition of 10,000 signatures to register for parliamentary elections. The Law on Elections to the National Council of the Slovak Republic, passed in 2004, introduced a deposit of 500,000 koruna (about US$20,000), which is refunded to all parties that receive at least 3 percent of the popular vote; other party deposits are forfeited to the state budget.

In 2009, 53 political parties were reregistered with the Ministry of the Interior. There is a relatively low level of public participation through party membership (totaling approximately 100,000 out of 4.2 million eligible voters). The parliamentary party with the largest membership is ĽS–HZDS (35,000 members); followed by Smer-SD (15,636 members); Christian Democratic Movement (KDH, 14,964 members); Party of Hungarian Coalition (SMK, 11,750 members), Slovak Democratic and Christian Union–Democratic Party (SDKÚ-DS, 6,119 members); and SNS (1,500 members). The extra-parliamentary Communist Party of Slovakia (KSS) has 8,930 members.[3]

Since the 2006 parliamentary elections, several members of Parliament defected from SDKÚ-DS, KDH, SMK, ĽS-HZDS, and SNS parliamentary caucuses as a

result of conflicts within the parties. As of the end of 2009, the ruling coalition of Smer-SD, SNS, and ĽS–HZDS controlled a total of 84 seats in the 150-member assembly (Smer-SD controlled 50 mandates, the SNS 19 mandates, and the ĽS–HZDS 15 mandates). Opposition parties combined for 52 seats (SDKÚ–DS controlled 28 mandates, SMK 15 mandates, and KDH 9 mandates). There were also 14 independent deputies who went on to found new parties; for instance, 4 former KDH deputies founded KDS (Slovakia's Conservative Democrats), 5 former SMK deputies established the Most-Híd (Bridge) Party, and 1 former ĽS-HZDS deputy founded New Democracy. Most independent deputies, however, vote in unison with the opposition.

Six parties from Slovakia are represented in the EP. In the June 2009 elections, Smer-SD received 32 percent of the vote and clinched 5 mandates; the SDKÚ-DS received 17 percent (2 mandates); the SMK received 11.3 percent (2 mandates); the KDH 10.9 percent (2 mandates); the ĽS-HZDS 8.9 percent (1 mandate); and the SNS 5.5 percent (1 mandate). The five members of European Parliament (MEPs) from Smer-SD became members of the Progressive Alliance of Socialists and Democrats; the six MEPs from SDKÚ–DS, KDH, and SMK were incorporated into the conservative European People's Party; the MEP for ĽS–HZDS became a member of the Alliance of Liberals and Democrats for Europe, a faction associating centrist parties; and the MEP from SNS joined Europe of Freedom and Democracy, a faction of nationalistic and Euro-skeptic parties.

The most recent presidential elections in Slovakia were held in March–April 2009. In total, seven candidates ran in the first round. Second round candidates were Ivan Gašparovič and Iveta Radičová. Gašparovič is a joint candidate of two of the ruling parties Smer-SD and SNS, and progovernmental, extra-parliamentary party Movement for Democracy (HZD). He gained 46.7 percent of votes. Radičová is a joint candidate of 3 opposition parliamentary parties SDKÚ–DS, SMK, and KDH and extra-parliamentary party Civic Conservative Party (OKS) who gained 38.1 percent of votes. In the second round, Gašparovič obtained 55.5 percent and was elected president.[4] The campaign was accompanied by a strong wave of ethnic nationalism, provoked by the ruling parties which supported the incumbent president and tried to discredit Radičova by playing the "ethnic card" (with anti-Hungarian sentiments). In the southern part of the country, with its mixed Slovak and Hungarian population, leaflets with erroneous content were distributed by unidentified persons shortly before the elections. These leaflets propagated the promise, allegedly given by Radičova to ethnic Hungarians in Slovakia, to introduce territorial autonomy as compensation for supporting her candidacy. Although Radičova publicly distanced herself from the fabricated leaflets, nationalists from the ruling parties accused her of betraying "Slovak national interest" in favor of Hungarians and Hungary.[5]

Although citizens are quite active in Slovakia's political life, there has been an overall decline in voter participation. Traditionally, the highest turnout is recorded in parliamentary elections (70.1 percent in 2002 and 54.7 percent in 2006). The presidential elections in 2004 recorded a turnout of 47.9 percent (first round) and

43.5 percent (second round); in 2009, turnout was 43.6 percent in the first round and 51.7 percent in the second round. In the 2009 regional elections, voter turnout was 22.9 percent (first round) and 18.4 percent (second round). In the EP elections of 2004 there was a turnout of 17 percent and 20 percent in 2009.[6]

In the November 2009 regional elections, the ruling parties (Smer-SD, ĽS–HZDS and SNS) gained 184 deputies among regional assemblies (out of 408 mandates). Opposition center-right parties and their allies SDKÚ–DS, KDH, SMK, OKS, KDS, Most-Híd, and the new Freedom and Solidarity Party (SaS) gained 155 mandates. Other parties won 14 mandates, and independent candidates gained 55 mandates. In seven, self-governed regions, the representatives of the ruling parties, Smer-SD and ĽS–HZDS, were elected governors, while the opposition parties' candidate won in one region.

Ethnic minorities encounter no institutional obstacles to participating in political processes. About 15 percent of Slovak citizens belong to various ethnic minorities. Ethnic Hungarians form the largest minority, making up nearly 10 percent of the country's total population.[7] Traditionally, ethnic Hungarians have a high rate of political mobilization; as a result, this minority is represented effectively, mainly through SMK. The SMK enjoys a solid position in some regional and local self-governance bodies, especially in regions and localities with a higher concentration of ethnic Hungarians. In 2009, several former members of the party, led by its former chairman Béla Bugár, founded the Most-Híd Party, which made appeals not only to ethnic Hungarians living in Slovakia but also to Slovak voters. Public opinion polls indicated that the new party's voting preferences were comparable with those of SMK; both parties hovered just above the 5-percent electoral threshold.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75	[illegible]

In Slovakia, the state protects the rights of the independent civic sector. This is by and large a result of legislative changes made by previous governments; the current government respects the position of Slovak NGOs but often tries to minimize their influence through legal and political means and is distrustful of some NGOs working on public policy. Yet, 2009 saw the disappearance of the most visible threats to civil society and attempts to change the legislation regulating the legal status of NGOs, thanks in part to Slovakia's EU membership. Civil society initiatives protecting public interests also began to mobilize and interconnect their activities.

Slovak civil society is dynamic, and the public holds a positive opinion of NGOs. National minorities are represented mainly by cultural and civic organizations. Whereas the Hungarian minority is well represented at all levels, the number of Roma organizations is much lower. Cooperation between "Hungarian" and "Slovak" NGOs is widespread, yet scarce among Roma NGOs. Women's rights

organizations do not encounter major obstacles in their activities, although their public image is often influenced by various stereotypes. Religious groups play the most significant and visible role in charitable activities.

Extremist and racist organizations operate illegally. During 2009, the Slovak police continued systematic coverage of neo-Nazi, right-wing, and left-wing extremist groups, taking preventive actions against them. Anti-racist NGOs criticized the Ministry of Interior and Police for preferring to act against public expressions of extremist ideas (for example, during football matches) rather than carrying out intelligence work on well-organized, small, illegal groups, especially as the incidence of racist attacks increased during the year.

The legal and regulatory environment for civil society is free of excessive state pressures. The basic legislative framework for NGOs is provided by the constitution, guaranteeing freedom of expression (Article 29), freedom of assembly (Article 28), and freedom of association (Article 29 and 37), as well as other laws. Registration of NGOs is easy, and beginning in 2009, nonprofit organizations could draw support from the introduction of a 2 percent tax donation.

The NGO sector in Slovakia has a well-developed infrastructure, training and research base, and is generally well stabilized. There are many informal coalitions and networks formed on an ad hoc basis. Assistance from western democracies at the private and public level was instrumental in developing a vital civil society until 2004, when structural funds and other EU sources brought new opportunities and challenges to Slovak NGOs. The system of financial reimbursement upon completion of projects, which directly endangered many NGOs in previous years, has been modified and moderated. Nevertheless, the prevailing opinion of most NGOs is that the European Commission, in spite of the significant financial resources available, does not posses a sustainable model for supporting civil society activities.

Slovak think tanks, research organizations, and watchdog groups are perceived by some state officials as a threat to the stability of the government and are increasingly, verbally attacked by public officials, including Prime Minister Fico. Such attacks were particularly evident in 2009 against think tanks analyzing government policies and environmental organizations criticizing changes in environmental laws. Meanwhile, Slovak NGOs received extensive and mostly positive coverage from public and private media during the year. Blogs and Internet-based information sources also played an increasingly important role in mobilizing the public.

Slovak trade unions operate freely. Though membership in the Confederation of Trade Unions (KOZ) had been shrinking in the past, it increased slightly during 2009 to 475,000 employees, the first time since 1989. This was likely due to the global economic crisis and rising levels of unemployment in Slovakia. The image of trade unions, however, remains predominantly negative in all segments of the population, explained by the involvement of KOZ in party and government politics and the trade unions' leadership style. Even twenty years after the fall of the Communist regime, the public still does not perceive trade unions as part of broader civil society.

The education system in Slovakia is free of political influence and propaganda. The Ministry of Education continues, albeit slowly, to implement multicultural measures into the primary- and secondary-school curricula. Prime Minister Fico speaks frequently about the need to strengthen a sense of patriotism among Slovak youth. During 2009, this populist rhetoric was not reflected in legal norms, and for the time being, the prime minister's plans did not affect the secular and non-partisan character of the Slovak educational system.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75	[illegible]

Protection of the freedom of speech in Slovakia is embodied in the constitution. The new Press Act passed in 2008, which replaced an obsolete law from 1966, features provisions that strengthen the right to correction and the right to response. On the one hand, these provisions increase the chance to respond to false information published by the media and set the record straight; on the other hand, the obligation to publish a response regardless of the original information's truthfulness creates inadequately favorable conditions for members of the political elite. In the first year of the law, members of the political elite were its primary users—while in 2009 the exercise of the provisions was not so extensive as to constitute a real threat to freedom of speech. Reporters Without Borders ranked Slovakia 44 (out of 175 countries) in its 2009 press freedom index, citing adoption of the new Press Act as one of the main reasons; however, the country came in third place in 2007.

Slovak journalists are protected from victimization by state or non-state actors, and the legal system allows little room to punish journalists for "irresponsible" journalism with respect to government bodies. Nevertheless, 2009 brought libel actions in which courts decided against media owners (mostly print media) and in favor of plaintiffs (mostly politicians and judges). Prime Minister Fico and Justice Minister Štefan Harabin, who became the Slovak supreme court chairman in 2009, were particularly agile in this respect and collected tens of thousands of euros from these rulings.

This increasing pressure was criticized by a number of institutions, including the International Press Institute (IPI). In its press freedom audit released in March 2009, IPI recommended improving the country's media environment by promoting "a dialogue between the media and the judiciary and strengthen self-regulation bodies such as the Slovak Press Council." IPI also recommended nullifying libel articles in the Criminal Statute and deleting the right to response from the controversial Press Act.

There have been several cases of direct meddling in program content by the Slovak Television public broadcaster (STV). General Manager Štefan Nižňanský cancelled a story that was to be broadcast on *Reportéri* because the Minister of Labor, Social Affairs and Family might have found its content objectionable (Nižňanský

had formerly worked as the minister's media advisor). The Council for Broadcasting and Retransmission also reproached STV for breaching the principle of objective news coverage when Prime Minister Fico was the only guest on *O päť minút 12*, a discussion program aired on May 10.

Slovak media continued to shift toward the Internet in 2009. Online news portals offered greater space for wider participation by professionals and nonprofessionals in creating news content, including video. Social networking is also becoming an increasingly important source of information, even in terms of primary information that is subsequently disseminated via standard news channels. The number of Facebook users in Slovakia increased by thousands in 2009, with more than 500,000 total users in the autumn, more than one-quarter of Slovakia's entire Internet population.

All relevant Slovak media are in private hands. The only exceptions are public service media, Slovak Television (STV) and Slovak Radio (SRo), which are controlled by media councils appointed by Parliament, as well as the state-run press agency (TASR) that also became a public service medium in 2009. The change in its legal status, however, did not change the pressure TASR continues to put on the market, mainly due to hefty state subsidies (amounting to 50 percent of TASR revenues) that allow the news agency to dramatically undercut its competitors amid declining advertising revenues. This reduces the space for free competition and threatens the survival of TASR's only relevant private competitor in the market.

The financial stability of private media in Slovakia depends on the relative size and health of the market more than interference by political powers; consequently, the global economic crisis brought a decline in advertising revenues and increased economic pressure on media owners in 2009. In the case of some print media, this pressure was amplified by the costs incurred from libel lawsuits. In the public service media, legislative solutions came up short as concessionary fees introduced with the new Law on Television and Radio brought in much less revenue for STV and SRo than legislators had calculated. The recent contracts between government and public service media implied the possibility of the government increasing its influence over media content and thus becoming a tool to manipulate the management of public service media; SRo management, which is under permanent pressure of the ruling political elite and regulatory bodies, refused to sign the contract as of the end of 2009, unlike the "docile" management of STV.

The Slovak Syndicate of Journalists (SSN), the country's largest professional association of journalists, adopted more forceful positions on problematic features in the media sphere in 2009 as compared to 2008. The SSN criticized the opportune interpretation of the right to defend personal integrity, good reputation, and name in the media in compliance with Article 19 of the constitution, which conversly allows certain individuals to abuse the provision for personal gain, concluding that it harmed Slovakia's media environment. The SSN also condemned a legal action taken by Prime Minister Fico against the daily *Sme* for publishing his caricature, arguing that the action breached the constitution-guaranteed freedom of Slovak citizens to disseminate, search for, and receive information.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.25	2.50	[illegible]

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 (institutions of executive power) and self-governments (elected bodies). There are three levels of elected bodies: central (Parliament), regional (regional assemblies), and local (municipal councils).

As part of public administration reform, a massive block of powers was transferred in 2001–05 from central government bodies to local and regional bodies, which now address issues in education, health care, social affairs, transportation, culture, regional development, tourism, and the environment. In order for local and regional self-governments to perform their delegated powers, the central government provides them with necessary funding through fiscal decentralization, or the right to collect local taxes, increasing the gross income of self-governance bodies in recent years. As a result, municipalities decide independently about 72 percent of their total revenues; regional self-governments are allowed to allocate 59 percent of their total revenues.

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 Supreme Audit Office (NKÚ) controls all funds expended by self-government bodies and supervises the financial management of legal entities established by self-government bodies. In June, Parliament passed an amendment to the law on property of municipal and regional self-governments that introduced an obligation for local and territorial self-governance bodies to sell and/or rent out their property through public competitions or auctions. The amendment is expected to increase self-government revenues and the transparency of public spending.

Most self-governance institutions have adequate capacities to manage their operations; professional training continues to improve due to various education projects initiated and implemented by the government, self-governance associations, NGOs, and international partners. The situation is significantly better in cities and larger towns, while smaller municipalities often face a lack of qualified human resources. According to data supplied by the Association of Slovak Towns and Villages (ZMOS), approximately 800 out of the total 2,928 municipalities did not have Internet access in 2009, whereas 1,921 municipalities maintained an official Web site.[8]

Due to the impact of the global economic crisis on Slovakia, including tax revenue deficits, local self-governance bodies proposed their own ideas for redistributing certain types of taxes. According to current legislation, revenue generated by the income tax for individuals is redistributed in the following ratio: 6.2 percent goes to the central government, 70.3 percent to municipal self-governments, and 23.5 percent to regional self-governments. In July, leaders of the Union of Slovak Towns (ÚMS) and the K8 Association of Regional Mayors

called on the central government to amend tax legislation so that self-governance bodies could redistribute 100 percent of these revenues in the ratio of 75 percent for municipal self-governments and 25 percent for regional self-governments. They also proposed new local fees for investors, significant real-estate tax increases, an amendment to allow self-governance bodies to increase their credit burden, and new measures to further untie the hands of self-governance bodies in handling their budget funds. According to self-governance associations, self-governments were forced to reduce their number of employees by 25,000 as a result of the substantial decline in income. Currently, Slovakia's self-governance bodies employ 180,000 people through various types of labor arrangements.

In October, mayors of regional capitals reported that implementation of the Law on Social Services, which took effect in January, caused serious problems to self-governance bodies, and actually limited social services by stipulating a model of reimbursement that was unsuitable for self-governments. In the same month, the K8 Association criticized the Finance Ministry's call for the computerization of services. Mayors pointed out that the cabinet required them to provide electronic services that self-governance bodies cannot afford to provide. Representatives of the ÚMS declared that, contrary to its initial promises, the cabinet had not adopted measures aimed at a faster and more efficient drawdown of financial aid from EU structural funds for self-governments and that the actual rate of receiving financial aid had not exceeded 20 percent.

In 2009, Parliament and the government adopted an amendment to the law on property of municipal and regional self-governments that facilitated property transfers from state administration to municipal and regional self-governments, as well as legal ways of selling and renting out their property. The amendment was initiated and drafted by opposition deputies and became the sole case in 2009 of Parliament approving a legislative initiative proposed by the opposition.

In 2002, the cabinet established the Government Council for Public Administration as an advisory institution in public administration issues, with representatives of central and local state administration bodies, regional and local self-governments, associations of towns and villages, regional assemblies, and academic experts. The council's chairman is the interior minister, and detailed information on council deliberations is published on the Ministry of the Interior's Web site. The council analyzes public administration measures and the potential impact of proposed legislation.

The constitution and relevant laws allow citizens to exercise their right to vote at regional and local levels. Deputies of municipal councils and regional assemblies, mayors, and regional governors are elected in direct, free, and democratic competitions, which are open to candidates from political parties, as well as independent candidates. Elections to local and regional self-governments are held every four years and are open to independent observers. Candidates represent a broad spectrum of opinions, and political parties play an important role in local elections, such as those held in November 2009.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75	

The Slovak Constitution, 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. However, women and other groups (for example, citizens of Roma origin) are inadequately represented in public posts.

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 2009, controversies in the decisions of the Constitutional Court reflected the overall political atmosphere in the country, highlighting confrontations between the ruling and opposition parties. For instance, the court decision on the constitutional nonconformity of the Special Court of Justice invited speculations that the court had yielded to political pressure from Justice Minister Štefan Harabin. Equally questionable was the handling of a motion filed by MPs regarding the constitutional conformity of the Expropriation Act. Although the motion was filed in January 2008, the Court had still not taken up the issue over a year later. After the Court accepted the motion for adjudication in mid-November 2009, it refused to suspend the challenged law while its primary provision, the construction of highways, had already begun, potentially compromising the independence of the Court's ruling.

Interethnic relations in Slovakia, particularly Slovak-Hungarian relations, deteriorated further in 2009, with amendments led by the ruling parties to the State Language Act, which took effect on September 1. Politicians and leaders of civic associations representing ethnic Hungarians living in Slovakia called the amendments insensitive and unaccommodating to citizens of Hungarian origin, arguing that the law supported assimilation of ethnic minorities and reduced the standard of minority rights implementation.

The security of the Roma living in eastern Slovakia also deteriorated in 2009 due to increased activity by extremist and radical nationalist groups threatening violence against ethnic minority groups. In the second half of the year, these groups organized public events to express solidarity with local inhabitants who, according to them, suffered from the rising tide of "Romany criminality." In order to prevent violence, the police emphatically intervened in these public events. In its recent report on Slovakia, the European Commission Against Racism and Intolerance (ECRI), an independent monitoring body of the Council of Europe, notes "a

worrying increase, since the coalition government comprising the Slovak National Party took power in 2006, in racist political discourse chiefly against the Hungarian minority as well as against, inter alia, Roma and Jewish people."[9]

The ECRI report praised Slovakia for making progress in the field of antidiscrimination and asylum legislation, as well as for passing certain strategic documents, for instance the Mid-Term Development Strategy for the Romany Ethnic Minority, a new schooling act, and a new action plan for combating racism and discrimination; at the same time, it observed that the administrative practice of central and local institutions was not always in line with declared principles. For instance, Slovakia still has not ratified Protocol No. 12 to the European Human Rights Convention that spells out a general ban on discrimination, although the document took effect in 2005.

Slovakia has a 3-tier judicial system—the Supreme Court, 8 regional courts, and 45 district courts—administered jointly by the president, Parliament, Ministry of Justice, Judicial Council, and Supreme Court. The president appoints judges acting on proposals from the Judicial Council, which is the principal body of self-governance within the judiciary. The Ministry of Justice appoints the chairman and vice chairman of particular courts. International monitors have confirmed that the Slovak judiciary is independent to a satisfactory degree.

However, in 2009, Supreme Court Chairman and former justice minister Štefan Harabin continued adapting the country's judicial system to fit his political and personal ambitions and actively resisted the concept of judicial reform implemented in Slovakia between 1998 and 2006. Judges who publicly criticized the lingering problems within Slovakia's judiciary and/or the performance of Harabin faced disciplinary action. Some of the judges even claimed that an atmosphere of fear had begun to settle over the judicial system.

By the end of August, four judges had filed a complaint with the Constitutional Court challenging the legitimacy of the election of Harabin as new chairman of the Slovak Judicial Council and demanded that the court nullify Harabin's appointment as Supreme Court chairman by President Ivan Gašparovič. In early September, 15 judges submitted an open letter to top constitutional officials, the new justice minister, and the Slovak Judicial Council enumerating lingering problems within the judiciary as well as intimidation, victimization, and elimination of judges who dared to criticize Harabin. At the end of September, 86 judges signed a document titled, *Call to Change the Existing Situation within the Judiciary*, and later, 105 judges signed a declaration that harshly criticized Harabin.

The legal actions taken against independent media by Harabin, his kindred judges, and some government politicians challenged the fundamental principle of equality before the law. Most courts decided these lawsuits against independent media, ordering them to pay exorbitant indemnification for alleged damages. Additional grave shortcomings in 2009 included the persistence of clientelistic networks loyal to Harabin that undermined reform efforts in the judiciary, as well as the principle of equal access to justice.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25	[illegible]

Corruption ranks as one of the most pressing and deeply rooted social problems in Slovakia. The greatest challenge to combating corruption is the discrepancy between the relatively solid legislative foundation built by previous governments and the insufficient determination and ability of the incumbent administration to curb the space for corruption within society; on the contrary, some measures adopted in recent years appear to encourage corruption.

Over the past three years, clientelism has become the principal modus operandi of the ruling coalition, as well as individual ruling parties, exemplified by the numerous documented corruption scandals on the national, regional, and local levels. In addition, the incumbent administration's overall focus on strengthening the government's role in the economy and its reluctance to continue systemic, liberal, socioeconomic reforms has contributed to the climate of corruption.

In 2009, there were few legislative and administrative measures adopted that could be evaluated as promoting transparency and combating corruption. However, one example was the amendment to the Law on the Property of Municipalities and Self-Governance Regions that requires local and regional self-governments to sell and lease their property through competitive methods. In April, Transparency International Slovakia called an amendment to the Public Procurement Act "insufficient," arguing that it had not abolished the category of non-priority services, which directly encouraged nontransparent actions. In October, ruling-coalition deputies refused to support an initiative proposed by opposition deputy Lucia Žitňanská (SDKÚ) that sought to introduce a compulsory electronic auction in the procurement process for public administration institutions.

In 2009, successful moves by ruling party deputies to abolish the Special Court of Justice, whose principal mission was to combat corruption and organized crime, drew outrage; the general public pressured the cabinet to eventually draft a bill on the creation of a Specialized Penal Court that would replace the abolished Special Court of Justice and take over its entire agenda. Due to a rare political agreement between Smer-SD and opposition parties, Parliament passed the bill into law in June preventing the widely feared negative change to the institutional foundation of Slovakia's anticorruption activities.

Perhaps the greatest corruption scandal in 2009 involved a nontransparent public tender conducted by the Ministry of Construction and Regional Development. Though never announced in *Vestník verejného obstarávania* (the Public Procurement Newsletter) nor other publicly accessible periodicals, the EU-funded project was awarded to Avocat and Zamedia, a consortium of firms close to the SNS and the only participant in the tender (interestingly, the Minister of Construction and Regional Development, Marián Janušek, had been appointed by SNS). As the media exposed mounting details of the scandal, EU representatives announced that any funds the Slovak government had disbursed to private

companies would be considered "unauthorized costs" that could not be reimbursed. After an investigation, Prime Minister Fico finally agreed to remove Janušek but replaced him with another figure involved in the scandal, Igor Štefanov. Although the police launched a criminal investigation into the case in September, Štefanov still held his executive post at year's end. Another scandal involving the dumping sale of Slovakia's emission quotas by the Ministry of Environment to Interblue Group, an unknown firm registered in the United States with suspected ties to SNS leaders, drew strong criticism from the opposition and civic activists, forcing Prime Minister Fico to sack two environment ministers (eventually prompting the prime minister to bar any further SNS nominees to the post).

Clientelism was suspected in another public tender to award €203.8 million (roughly US$285 million) in EU structural funds organized by the Ministry of Culture and won by the Regional Consulting Company, which apart from being the only tender participant, was not officially registered as a company at the time of the tender. The Ministry of Transport, Post, and Telecommunications refused to publish information on a public tender and to choose the supplier of a highway toll system, despite being the largest government contract awarded in the history of Slovakia—the tender was awarded to the company that offered the highest bid.

Transparency International's 2009 Corruption Perceptions Index ranked Slovakia 56 out of 180 countries surveyed, with a score of 4.5 (on a scale of 0–10 with 10 indicating least corrupt).[10] According to the Office of the Attorney General, a total of 164 people had been prosecuted in Slovakia for corruption-related offenses in 2008 (32 more than in 2007); 98 people were formally indicted of such crimes (15 more than in 2007), and 61 people were convicted (six more than in 2007). The most frequent criminal offense was bribery, indicated as the reason for prosecuting 113 people.[11] A public opinion poll in July 2009 by the Institute for Public Affairs revealed that most people in Slovakia were extremely critical of displays of corruption and clientelism in government policies. Almost three-quarters expressed concerns over corruption, whereas only 5 percent claimed not to notice the problem.[12]

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Slovenia

by Damjan Lajh and Alenka Krašovec

Capital: Ljubljana
Population: 2.0 million
GNI/capita: US$27,160

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009
Electoral Process	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Civil Society	1.75	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.00
Independent Media	1.75	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25	2.25
Governance*	2.50	2.25	2.25	2.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	2.00	2.00	2.00	2.00	2.00	2.00
Local Democratic Governance	n/a	n/a	n/a	n/a	1.50	1.50	1.50	1.50	1.50	1.50
Judicial Framework and Independence	1.50	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75
Corruption	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50
Democracy Score	1.88	1.83	1.79	1.75	1.68	1.75	1.82	1.86	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 has undergone a number of simultaneous transformations since the end of the 1980s: it changed its economic and political system, became an independent state (declared on June 25, 1991), and established itself as an internationally recognized state. As such, 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 tolar was replaced by the euro, and at the end of 2007, Slovenia entered the Schengen Area Association of EU countries that have abolished passport controls at common internal borders. From January to July 2008, Slovenia held the Presidency of the Council of the European Union, the first of the 12 new EU Member States to do so.

In 2009, Slovenia witnessed very poor economic indicators and the government faced criticism for its inability to address the local effects of the global economic crisis. The center-left government has presented itself as more open toward civil society organizations and inclined to a consensual style of politics. Nevertheless, trade unions especially were unsatisfied with the social partnership. As a result, at the end of November, they organized mass protests against the government. Elections to the European Parliament (EP), conducted in June, also sent a warning to the government, with the opposition, the Slovenian Democratic Party (SDP), receiving the highest percentage of votes.

National Democratic Governance. The Slovenian government faced criticism for its inability to sufficiently address the local effects of the global economic crisis, prompting Janez Janša, leader of the opposition SDP, to call for early elections. Yet, during the year, only one, albeit unsuccessful, demand for explanation was leveled at a government official: the Minister of Interior Affairs, Katarina Kresal, in connection with the issue of the "Erased"(persons whose names were moved from the register of permanent residents to that of foreign citizens). In the second half of the year, energies were focused on resolving a border dispute, which allowed Croatia to continue its EU accession process. The resignation of Minister without Portfolio Zlata Ploštajner, who was responsible for local self-government and regional development, caused serious conflicts within the Democratic Party of Pensioners of Slovenia. *Despite strong criticism of its inability to manage the economic downturn, Slovenia's national government demonstrated its relative stability throughout the year, especially in reaching a successful border agreement with Croatia. Slovenia's national democratic governance rating remains at 2.00.*

Electoral Process. On June 7, the second elections to the EP were held in Slovenia. The opposition SDP received the highest percentage of votes, while the governing Social Democrats received a much lower percentage; but it did secure more seats than in 2004. Since the campaign was concentrated around domestic issues, the EP election results could be largely interpreted as the public's signal to the lead governing party that the government's measures to stop or alleviate the economic crisis were not viewed as correct or sufficiently forceful. In addition, voter turnout was very low at just 28.3 percent. *Slovenia's electoral process rating remains at 1.50.*

Civil Society. The center-left government publicly expressed the importance of dialogue and consultation with civil society and appointed a state secretary in the prime minister's office responsible for organizing social dialogue with NGOs. Trade unions, however, were especially dissatisfied with the government's efforts toward social partnership and, at the end of November, organized mass protests against the government. In September, the government appointed the former deputy of the Liberal Democracy of Slovenia, Aleš Gulič, as head of the Office for Religious Communities, triggering protests from the country's largest religious community, the Catholic Church. Also, the new Family Law Bill was proposed, stimulating public discussion and protest over inclusion of same-sex marriage and allowing same-sex partners to adopt children. *Civil society groups within Slovenia remained active and vibrant despite limited opportunities for meaningfully engagement with policy makers, and as a result Slovenia's civil society rating remains at 2.00*

Independent Media. Slovenia's freedom of the press was considerably challenged when the daily newspaper *Dnevnik* received an injunction from the Ljubljana District Court barring it from writing about the past activities of Italian businessman Pierpaolo Cerani. *Dnevnik* appealed and the ruling was overturned. The Ministry of Culture proposed a new Law on Radio-Television Slovenia aimed at reducing government influence on the public broadcaster. *The newly proposed Law on Radio-Television Slovenia raised hopes of reducing government influence on the public broadcaster; the country's independent media rating remains at 2.25.*

Local Democratic Governance. The controversial issue of establishing provinces in Slovenia was put on the back burner in 2009. The Bill on Integrity in the Public Sector, which was put into legislative procedure in October, included a proposal to ban simultaneously holding the offices of National Assembly deputy and mayor of a municipality. Also in October, the National Assembly discussed the Capital City of the Republic of Slovenia Act, which would allow the central authorities to co-fund special projects in the municipality. Coalition members supported the act citing the capital city's need for additional means to implement its tasks, while the opposition reproached the proposal claiming that it represented political payback and put Ljubljana in a privileged position. *Slovenia's local democratic governance rating remains at 1.50.*

Judicial Framework and Independence. In September, the National Assembly adopted four laws to resolve the crisis in the country's judicial wage system, an issue that prompted the "work-to-rule" strike that judges began in 2008. The opposition criticized the government arguing that the proposed salary hike was too high, especially considering the current financial crisis. The problem heated up even more when some judges and jurisdictional officials sought unpaid back wages from the state in October 2009. Also in October, the Minister of Justice put forward a constitutional amendment to clarify the role of the Constitutional Court, strengthen its ability to protect the constitution, and reduce its workload. In December, Constitutional Court Judge Ciril Ribičič ended his mandate and was replaced without controversy by Jadranka Sovdat. *The National Assembly resolution on the judicial wage crisis was welcomed in 2009, but reforms to the Constitutional Court had not been enacted by year's end. Slovenia's judicial framework and independence rating remains at 1.75.*

Corruption. In September, Finnish investigators began an interrogation of Slovenian citizens, including former prime minister Janez Janša, in relation to unproven claims of bribery of Slovenian officials by the Finnish company Patria in order to secure the purchase of armored carriers for the Slovenian army in 2008. While Finland has nearly completed the proceedings, Slovenia has not yet begun investigations. The Bill on Integrity in the Public Sector was prepared but not put into legislative procedure by the end of the year. Prepared by the Ministry of Public Administration, the bill aims to stimulate fair and transparent behavior of civil servants and good practices in decision-making, and establishes the Commission for the Prevention of Corruption as the implementer of these goals. *Slovenia's corruption rating remains at 2.50.*

Outlook for 2010. During 2010, Slovenia will continue to face pressure to resolve the financial and economic crisis affecting the country's increasing unemployment and lagging wages. Controversial debates on adopting the proposed Family Law Bill and Bill on Integrity in the Public Sector will continue. Local elections will be held in 2010 and will likely be heavily marked by the problem of Slovenia's regionalization and the issue of the legality of being both a deputy in the National Assembly and a mayor at the same time. In international relations, Slovenia will continue to resolve its border question with neighboring Croatia.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	2.00	2.00	2.00	2.00	2.00	2.00

Slovenia, according to its constitution (Article 2), is a democratic republic based on the rule of law. The division 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 have argued that referendums in Slovenia are most often used in an undemocratic and illegitimate manner.

The role of the president of the republic is weak and mainly ceremonial, while the government holds executive authority. In 2009, the Slovenian government—led by Prime Minister Borut Pahor and comprised of a four-party coalition including the Social Democrats (SD), Zares, Democratic Party of Pensioners of Slovenia (DeSUS) and Liberal Democracy of Slovenia (LDS)—became the target of various critics, especially the largest opposition party, the Slovenian Democratic Party (SDP), but also from left-oriented intellectuals. Despite being the most ideologically homogeneous (center-left) coalition in post-communist Slovenia, the so-called cluster of center-left parties was internally divided in 2009. Moreover, throughout the year members of Parliament (MPs) and prominent politicians from Prime Minister Pahor's own SD party seriously challenged his decisions.

The government received strong criticism for its inability to effectively cope with domestic shocks from the global economic crisis. During the past few years, the growth of Slovenia's GDP had been relatively high—as high as 7 percent in 2007—due mainly to highway projects and other works in the construction sector. But the country's GDP growth in 2009 fell to –7.8 percent. Also, industrial output declined by 20 percent between May 2008 and May 2009, and this drop in economic activity was greater than the average in the euro zone.[1] A budget passed by the previous center-right government predicted a 2009 deficit of 0.3 percent of GDP, but at the beginning of 2009 the center-left government passed a supplemental budget with an anticipated deficit of 3.1 percent. Just a few months later, the same government made another revision to the budget in anticipation of a national debt of 5.5 percent of GDP. The unemployment rate increased from a relatively stable 6.5 percent in June 2008 to 9.3 percent by October 2009, with an average of 9.1 percent for the whole year. The leader of the opposition SDP, Janez Janša, called for early elections in September and October. Poor working conditions, and economic performance, and, ultimately, the layoff of several thousand workers

by two important Slovenian manufacturers, Gorenje and Mura, also contributed to the call for early elections.

In 2009, an unsuccessful interpellation was made against the Minister of Interior Affairs, Katarina Kresal. The demand was made in connection with the government's efforts to find a solution in line with a 2003 Constitutional Court decision on the so-called Erased. The Erased are citizens of former Yugoslavia who, in 1992, were erased from the register of permanent residents of Slovenia and were moved to the register of foreign citizens. As these individuals did not apply for Slovenian citizenship or permanent residence by a certain date, their legal status has remained in limbo.

Minister without Portfolio Zlata Ploštajner, responsible for the country's local self-government and regional development, resigned in 2009. According to a coalition agreement, DeSUS was responsible for the sector, and proposed Henrik Gyjerkeš as Ploštajner's replacement. The decision over the new minister caused conflicts within the party, since some of the party's MPs accused the party leader of making the decision alone, without respecting party decision-making rules. Consequently, some MPs left the party and became independent supporters of Prime Minister Pahor's government. The majority of parliamentary support for the government, however, remained intact.

Finally, in the second half of 2009, the Slovenian government was heavily occupied with resolving a slate of Slovenian–Croatian bilateral issues, especially concerning the border dispute that has been linked with Slovenia blocking Croatian European Union (EU) accession negotiations. The Slovenian and Croatian prime ministers agreed to resolve the long-standing border dispute through international arbitration, but the proposed agreement still needs to gain support in both countries. Nonetheless, on the basis of the proposed agreement, Slovenia unblocked the Croatian EU accession negotiations in September, leading to much political debate in both countries.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Deputies to Slovenia's National Assembly are elected on the basis of proportional representation with a 4 percent threshold. Only 200 signatures are required to establish a political party, 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 eight electoral districts. According to the constitution, professionals in the defense forces and the 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.

On June 7, Slovenia's second elections to the European Parliament (EP) were held. Altogether, 12 candidate lists competed in the EP elections: all seven parliamentary parties offered their own candidate list; some non-parliamentary parties also ran (New Slovenia, Youth Party of Slovenia, Christian Socialists of Slovenia, and Greens United); and one independent list (Independent List for Patients' Rights) participated.

The governing coalition (SD, Zares, DeSUS, and LDS) received 52.4 percent of the votes at the 2008 parliamentary elections but only 46.9 percent of the votes at the 2009 EP elections. The economic crisis was an important contributing factor in the results of the EP elections. The opposition SDP was the clear winner in the EP elections with 26.6 percent of the votes, although taking only two seats. New Slovenia (NSi) with 16.3 percent of the votes and LDS with 11.5 percent could also be characterized as winners. While, LDS recorded its worst result ever at the 2008 parliamentary election, receiving only 5.2 percent of the votes, NSi failed to pass the 4 percent threshold needed to enter Parliament. However, both parties made a comeback in the 2009 EP elections. This was primarily due to the fact that, in the eyes of the public, both had a candidate who was clearly appropriate to work at the EU level, Lojze Peterle and Jelko Kacin, respectively. Both were incumbent members of European Parliament and prominent politicians who, after several disputes within their own parties, refocused their interests on the EU level.

Among the losers, the governing SD, with 18.4 percent of the vote, was the only ruling party not to confirm or improve its results from the 2008 parliamentary election. Prime Minister Pahor acknowledged that his party lost the elections but stressed that its resulting number of EP seats was better than in 2004. Other MPs from the Social Democrats publicly said that it was impossible to view the EP election results as anything but a defeat. Voter turnout for the EP elections was low at 28.3 percent, while voter turnout for the national parliamentary elections in 2008 was 63.1 percent It appears that voters used the 2009 EP elections to send a signal to the leading ruling party that government attempts to stop or alleviate Slovenia's economic crisis were not seen as correct or sufficiently forceful.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	[illegible]

Article 42 of the Constitution of Slovenia states that the right of peaceful assembly and public meeting is guaranteed, and that everyone has the right to freedom of association. Legal restrictions of these rights are permissible where so required for national security, public safety, and for protection against the spread of infectious diseases.

Slovenian civil society is well developed and vibrant. Of the almost 21,000 non-governmental organizations (NGOs) in the country, the majority are organized as associations and work at the local level in the fields of sports, culture

and art, as well as in the form of foundations, private institutes, and fire brigades. Slovenia, however, is currently contending with a personnel deficit in the civic sector. Following the 'golden era' of Slovenian civil society during the 1980s, which featured the establishment of an independent state and democratic transition, most NGOs today are not involved in public affairs.

The Center for Information Service, Cooperation, and Development of NGOs (CNVOS) was established in 2001 to empower organizations to participate in public affairs through publications and an informative Web site. In 2005, the government established an inter-ministerial working body to facilitate cooperation with NGOs, yet cooperation did not flourish and the expectations that NGOs would become more engaged in public affairs following Slovenia's membership in the EU went unmet. In September 2007, CNVOS and the Office of Government Communication signed an agreement defining relations between the two offices, and that same year the government and NGOs signed a special agreement between the Government Communication Office and the Web portal Predsedovanje.si about communication before and during the Slovenian Presidency of the EU to encourage efficient, interactive, and transparent cooperation.[2]

To this end, Predsedovanje.si established an electronic means of notifying NGOs of activities and events organized during the presidency and also allowed NGOs to become engaged through online participation. An online forum was established, including moderated discussions and consultations, as well as a system of online petitions, surveys, and other actions. As a result, the viewpoints of NGOs were forwarded to the relevant ministries and other public administration bodies. However, these online activities did not bring radical change in cooperation between the government and civil society.

During the term of the center-right government there were two major issues concerning civil society participation: the government enabled only particular civil society organizations to follow and cooperate in policy preparation; and civil society organizations frequently did not have sufficient time to study the material and to effectively participate in policy preparation. By contrast, the center-left government has presented itself as more open toward civil society participation and inclined to a consensual style of politics. In fact, the prominence of consultations and/or consensus building is almost a trademark of Prime Minister Pahor's style of leadership (which has drawn frequent criticism). The center-left government has several times publicly expressed the importance of social dialogue and appointed a State Secretary, Miloš Pavlica, in the cabinet responsible for organizing contact with social partners (employers and employees organizations), while the other State Secretary, Jožef Školč, is responsible for organizing and managing a dialogue with NGOs. Nevertheless, trade unions were especially dissatisfied with this social partnership, and as a result, the six largest confederations of trade unions organized mass protests against the government at the end of November. As a result, the government again publicly expressed its commitment to social partnership and has continued talks with employer and employee organizations over several reforms (including the pension system, health system, and labor code).

The increasingly poor working conditions and worsening social situation of several thousand workers led to a spontaneous demonstration at the home appliance manufacturer Gorenje in September. Although a trade union exists within the enterprise, it was not involved in organizing the protest. This also raised the question about the role of trade unions in protecting the rights of workers. A similar revolt took place at the textile factory Mura, which had been in deep distress for several months. The factory employed over 3,000 workers and is situated in the less developed Pomurje region of Slovenia. While at Gorenje workers achieved most of their demands, Mura declared insolvency. Although the government is a minority owner of Mura, it did not offer financial support for the factory in its existing form. Over 2,000 workers lost their jobs, but with the government's commitment to reforming the factory, it managed to maintain about 1,000 jobs and to keep a strategic foreign partner.

The rights of the lesbian, gay, bisexual and transgender (LGBT) community became a focal point of civil society in 2009. Although the center-right government had granted same-sex couples some rights (including the right to register a domestic partnership), the LGBT community did not have what could be viewed as equal rights. In 2009, a day before the traditional Gay Pride Parade in Ljubljana, several people threw torches into a bar where gays and lesbians were meeting. In contrast to a similar attack in 2007, the media widely covered the 2009 attack, and the minister of internal affairs joined the Gay Pride Parade the following day to demonstrate his support for the rights of gays and lesbians. The police acted quickly to find the persons responsible for the attack, and the perpetrators were convicted.

In October, a public debate in the National Assembly was conducted on a government proposed Family Law Bill. The proposal, which defined marriage as a life-long commitment of two persons of the same or opposite sex and supports adoption by same-sex partners, was widely discussed and met with some resistance. The civil initiative "For Family and the Rights of Children" in Ljubljana organized a "Family Day" advocating the traditional family comprised of father, mother, and children. Representatives of the Catholic and Evangelical Church participated in the event. Furthermore, members of the non-parliamentary NSi party declared their intention to call a referendum if the proposal were adopted. The minister of social affairs raised the question of the referendum's constitutionality, as the Slovenian constitution does not allow the organizing of referendums on the rights of minorities. On the other hand, there was also some action from groups advocating for the proposed bill. At the end of the year, the government still had not formally sent the proposal to legislative procedure.

As of 2009, there were 43 religious communities registered in Slovenia according to the Office for Religious Communities. In September, the government appointed former deputy of the LDS, Aleš Gulič, as Head of the Office for Religious Communities. The appointment of Gulič drew many protests from the country's largest religious community, the Catholic Church, because during Gulič's tenure as deputy he twice proposed a law on religious freedom that was heavily criticized by the Church. His appointment led to a conflict between Slovenia and the Vatican;

when Prime Minister Pahor visited the Vatican, he was told that Pope Benedict was too busy to meet him. The prime minister did, however, meet the high-ranking Slovenian cardinal, Franc Rode, in the Vatican. Cardinal Rode called Gulič's appointment a "provocation that not even the Communist Party itself would have permitted."[3]

The discussion on the "Erased" in Slovenia, put on the back burner in 2008, returned to the agenda in 2009. The determination of the new parliamentary coalition to resolve the problem in April led to a demand for removal of Minister of Internal Affairs, Katarina Kresal. The demand was raised in order to determine the political responsibility for, according to the opposition, the inadequate implementation of a Constitutional Court decision concerning the Erased. The consequences of the decision not being implemented, again according to the opposition, included the creation of clear inequality (positive discrimination against the Erased) before the law and jeopardizing the public finance system (because of the potential to sue a country and the possibility of high compensation awards for damages). In April, there were 31 deputies that supported the demand for Kresal's removal, while 48 were against it. Thus, the minister of internal affairs retained her office.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.75	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25	[illegible]

In 2009, Slovenia's ranking dropped from 30 to 37 in Reporters Without Borders' World Press Freedom Index. In the view of Grega Repovž, President of the Slovene Association of Journalists, this downward slide was not unexpected and was mostly the result of happenings in the media field under former Prime Minister Janez Janša's government. According to the President of the Association of Journalists and Publicists, Igor Kršinar, 90 percent of media in Slovenia support the political option which has been in power the longest.[4] Such statements demonstrate that the problems concerning media freedom and journalist autonomy in Slovenia are heavily connected with media ownership and the role of the state in the media sector.

The media ownership situation results from the specific model of privatization that evolved after the collapse of the socialist system and establishment of the Slovene independent state in the early 1990s. The model enabled the state to keep a significant portion of ownership in privatized companies using state-controlled funds. Over the past 15 years, Slovenia's media have privatized according to that model. Additional problems arose between 2005 and 2007 in relation to controversial changes to media regulation, private takeovers of several daily newspapers, and compositional changes in the governing body of the public service radio and television.

In 2009, the judicial branch was criticized for suppressing the daily newspaper *Dnevnik* from writing about the past activities of Italian businessman Pierpaolo Cerani. During the summer, Cerani acquired the troubled financial firm Infond

Holding, which formerly controlled the Laško Brewery group. Soon after the takeover, several Slovenian media began to investigate Cerani's questionable business deals in Bulgaria, which were well covered in the Italian press. When *Dnevnik* referred to Cerani's "controversial past," the businessman asked the Ljubljana District Court to intervene. As a result, the newspaper received an injunction ordering it to cease using language portraying Cerani as "untrustworthy" or face a fine of €50,000 (US$59,500). The *Dnevnik* editors insisted that the ruling prevented them from covering the story completely. The court decision was condemned by Reporters Without Borders, who called the court's reasoning "unbelievable and unacceptable for an EU Member State."[5] Legal scholars and experts also strongly supported *Dnevnik*'s freedom of expression, and pointed to the court's decision to illustrate how legal issues involving the media have not been judiciously resolved. *Dnevnik* appealed the court ruling, which was ultimately overturned.

Political pressure on the public radio and television broadcaster is a long-term practice in Slovenia. In 2005, the center-right government passed a Law on Radio-Television Slovenia introducing a new formula for selecting the supervisory council of the public broadcaster that even enhanced political/government influence. Under the law, MPs are entitled to appoint the majority of the council's members, which minimizes the role of civil society in the appointment process.

In 2009, the Ministry of Culture began preparing a new Law on Radio-Television Slovenia with the stated aim to reduce government influence. Although several media experts participated in a working group that prepared a draft of the new law, most media experts called for significantly stronger reductions in governmental influence than what appears in the draft proposal. At the end of 2009, it was still unknown what course of action the ministry would take.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	1.50	1.50	1.50	1.50	1.50	1.50

In Slovenia, the municipality is the basis of local self-governance. In accordance with legislation, the territory of a municipality comprises a settlement, or several settlements, bound together by the common needs and interests of residents. The competences of a municipality are regulated autonomously and only affect the residents of the municipality. With prior consent of the municipality, the state may legally vest specific duties under the state's jurisdiction into the municipality if the state provides financial resources for this purpose. When work has been vested in the municipality, state authorities then supervise whether the work was performed properly and competently. In principle, a municipality is financed from its own resources. Municipalities unable to completely provide for the performance of their duties due to insufficient economic development are assured additional funding by the state in accordance with principles and criteria provided by law.

Slovenia has no historical tradition of regional government and thus its political-administrative regionalization has been no simple task. To achieve this goal, amendments were made to the Slovenian Constitution in mid-2006 to state that regions, as political-administrative entities, shall be established by a special law, which has yet to be adopted. Accordingly, the constitution manages the issue of regions only in principle, while the procedures for setting up regions, (their size, number, responsibilities, financing and other related issues) will be arranged at some point in the future under a special law on provinces.

In November 2007, the government proposed the Act Establishing Provinces, which suggested dividing Slovenia into 14 provinces, but the National Assembly rejected the proposal in late January 2008. In 2009, the debate on establishing provinces was put on the back burner.

A new bill on MPs, put into legislative procedure in October 2009, includes a proposal on the incompatibility of two functions, that is, being a deputy in the National Assembly while also holding representative roles on the local level, notably, that of mayor. This is a long-standing debate in Slovenia, but the strong mayoral lobby in the National Assembly (about one-third of deputies are also mayors) has been thus far successful in preventing the introduction of the proposal. Some governmental parties, however, have agreed to try to insert a clause into the new Bill on Integrity in the Public Sector that would prevent anyone from holding the two offices.

In October, the National Assembly discussed the proposal for the Capital City of the Republic of Slovenia Act. The proposed act would establish a special relationship between the state and the municipality of Ljubljana, especially with respect to implementing development programs. Co-financing of municipal programs that are of national importance would be enabled by direct contract without requiring public tender. The opposition challenged the proposal, claiming it represented political payback from the ruling coalition to Ljubljana Mayor Zoran Janković, who publicly supported the so-called 'left triplet' (SD, LDS and Zares) before the 2008 national parliamentary elections. While members of the coalition are convinced that the capital city needs additional means for implementing its tasks, the opposition rejected the proposal as putting Ljubljana in a privileged position.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.50	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	[illegible]

The Slovenian judicial system includes 44 local courts, 11 district courts, 4 courts of appeal, the Supreme Court, and the Constitutional Court. The Supreme Court is the highest regular court, while the Constitutional Court has the special function and judicial role of protecting fundamental rights and liberties. Judges are elected by the National Assembly on the proposal of the Judicial Council, and may not belong to any political party. The National Assembly elects five persons to the Judicial

Council on the proposal of the president from a group of candidates (comprised of university law professors and attorneys); judges holding permanent judicial office elect six members from their own ranks. The Constitutional Court is composed of nine judges elected by the National Assembly on the proposal of the president. Constitutional Court judges elect the president of the Constitutional Court also from their own ranks for a three-year term. Despite reform efforts, the judicial system remains overburdened, with long delays in trials.

In July 2008, Slovenian judges initiated a "work-to-rule" strike over their inclusion in the public sector salary system. The Constitutional Court sided with the judges, declaring that the judiciary represents a third branch of power and therefore their wage system must be comparable with those of the executive and legislative branches. As a result, one of the more pressing problems that new Minister of Justice Aleš Zalar had to resolve in 2009 included negotiations with judges on arranging their wage system.

In September, the National Assembly adopted four laws concerning judicial wages. The National Council vetoed the proposed wage system, but the National Assembly overturned the ruling. As a result, the opposition SDP and Slovenian National Party (SNP) issued a call for a referendum on two adopted acts: Act on the Wage System in the Public Sector and the Judicial Service Act. The governing coalition, however, demanded that the Constitutional Court decide the constitutionality of holding the referendum. The opposition reproached the government, arguing that the Constitutional Court had never set a concrete salary level for judges and that the proposed raise was too high, especially given the country's current economic crisis and high unemployment. This was a heated public topic, stirring political debates not only among the opposition but also in the governing coalition parties. In October, some judges and jurisdictional officials sought unpaid back wages from the state. In November, the Constitutional Court reached a unanimous decision that the referendum would cause an unconstitutional situation and the referendum was not organized.

For the last couple of years, legal experts have ascertained that the Constitutional Court is overburdened. At the end of October, the minister of justice publicly presented proposals to amend those areas of the constitution addressing the role and responsibilities of the Constitutional Court. The key question in preparing the amendment proposals has been how to strengthen the role of the Constitutional Court as a guardian of the constitution. The younger generation of constitutional scholars argues that the Ministry of Justice's strategic plan on how to reduce the Constitutional Court overload is not conceptually founded, methodologically reasonable, or constitutionally persuasive. Talks on potential constitutional amendment continued through the end of the year.

In December, the mandate of Constitutional Court Judge Ciril Ribičič expired. President Danilo Türk collected proposals for a new candidate several months prior to the end of Ribičič's tenure, as a post on the Constitutional Court is not very attractive for top-level legal experts due to the aforementioned problems related to workload and pay. Furthermore, deputies have not typically supported candidates

nominated by the president. However, on December 19, Jadranka Sovdat, with parliamentary support, replaced Ribičič.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50

Slovenia adopted the Law on Prevention of Corruption in 2003, followed in 2004 by the first Slovenian anticorruption strategy and the Resolution on the Prevention of Corruption in the Republic of Slovenia. The strategy included 172 measures to eliminate conditions for the appearance and spread of corruption in investigative, prosecutorial, and judicial bodies and in the areas of politics, state administration, business, NGOs, the media, and the general public. Slovenia's Commission for the Prevention of Corruption began operations in October 2004. The commission has five members, two of whom are proposed by the speaker of the National Assembly, one by the parliamentary Commission for Mandates and Elections, one by the Judicial Council, and one by the government. The commission's tasks are mostly preventive, to ensure that officials do not abuse public office for private business gain. Although the commission continuously fights the threat of its abolishment, it remains an effective enforcer of the Law on Prevention of Corruption and a confident watchdog of public employees.

In 2009, a conflict emerged between the Commission for the Prevention of Corruption and the parliamentary commission established under the Prevention of Corruption Act led by a deputy from the opposition SDP. The parliamentary commission changed its standing orders, which now enables it to be informed about all reports, including information on those reporting acts of corruption. Drago Kos, head of the Commission for the Prevention of Corruption, argues that such provisions provide the parliamentary commission (politicians) with full access to information on all corruption matters, which is not in accordance with one of the basic principles of an anticorruption commission—protecting the identity of informers. According to Kos, the commission sometimes receives very sensitive reports where deputies of the National Assembly are informers, and such a change to the parliamentary commission's role represents an attack on the independence of the Commission for the Prevention of Corruption.[6]

In 2009, the biggest corruption case in Slovenia continued over the still unproven claims of bribery of Slovenian officials by the Finnish company Patria to finalize the purchase of armored carriers for the Slovenian army. In September, Finnish investigators began interrogating Slovenian citizens suspected of involvement in the Patria affair, including former prime minister Janša. According to Drago Kos,[7] the judicial investigation in Finland is already completed, and the case there is solid enough for some convictions. The situation is quite different in Slovenia, where no criminal complaints have been filed and an investigation has yet to begin.

Just before the 2009 EP elections, it was revealed that Gregor Golobič, leader of the governmental Zares party and minister of higher education, science, and technology, hid the truth in response to journalists' explicit questions about the source of his wealth.[8] While the opposition claimed that Golobič had lied and should resign his ministerial post (thereby leaving politics), Golobič admitted he had made a mistake and his party defended him, noting that he had reported his financial means to the Anticorruption Commission. Other governing coalition parties tried to avoid taking any clear positions, and Golobič did not resign. As a result, deputies of the opposition SDP, SNP, and Slovenian People's Party (SPP) in the National Assembly demanded the creation of a special investigative commission.

In July 2009, a Commission of Inquiry was formed to investigate several topics, connected with the assumed clientelism and corrupt practices of Minister Golobič. The commission is formally known as: "Commission of Inquiry for determining the political responsibility with regard to alleged clientelism and corrupt conduct by the Minister of Higher Education, Science and Technology Gregor Golobič in obtaining considerable public grants and deals on public procurement for the companies of the Ultra group (Urbana city card, system for tracking and monitoring the buses of the public company Ljubljanski potniški promet d.o.o., fictive security services for the company Mercator d.,d., computerisation of students' meals supposedly provided by the company Margento R&D d.o.o., etc.) co-owned by Gregor Golobič, and in transferring electronic communications from the ministry of economy to the ministry of higher education, science and technology; for determining the political responsibility with regard to the allegation that the Minister of Higher Education, Science and Technology Gregor Golobič evaded taxes, unduly obtained the status of farmer to purchase agricultural land, and failed to fully report his material standing and the origin thereof to the competent authorities; for determining the political responsibility of the Minister of Higher Education, Science and Technology Gregor Golobič with regard to alleged avoidance of taxes in the Republic of Slovenia, parallel with his active involvement in increasing the tax burdens of the citizens of the Republic of Slovenia; and for determining the political responsibility with regard to alleged clientelism and corruptive conduct by the Minister of Higher Education, Science and Technology Gregor Golobič to obtain poorly-insured loans granted by the mainly state-owned NLB d.d. bank for the companies of the Ultra group." By year's end the commission had not been very active.

The Bill on Integrity in the Public Sector, prepared by the Ministry of Public Administration, was presented in March 2009, but it was not put into legislative procedure by the end of the year. The chief aim of the bill is to stimulate fair and transparent behavior among civil servants and good practices in decision-making. The bill is intended to govern implementation of the goals of the Commission for the Prevention of Corruption.

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Tajikistan

by Payam Foroughi

Capital: Dushanbe
Population: 6.8 million
GNI/capita: US$1,870

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	5.25	5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50	6.50
Civil Society	5.00	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75	6.00
Independent Media	5.50	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00	5.75
Governance*	6.00	6.00	6.00	5.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.00	6.25	6.25	6.25	6.25	6.25
Local Democratic Governance	n/a	n/a	n/a	n/a	5.75	5.75	5.75	6.00	6.00	6.00
Judicial Framework and Independence	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25	6.25
Corruption	6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Democracy Score	5.58	5.63	5.63	5.71	5.79	5.93	5.96	6.07	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

Prior to the establishment of the Soviet Union, Tajikistan—in name and boundary—did not exist, and up until 1920 much of its current territory was part of the archaic Bukharan Emirate. At the collapse of the Soviet Union in 1991, a variety of factors made Tajikistan's post-communist transition particularly arduous, including a central power vacuum, ethno-regional rivalries, status as the poorest former Soviet republic, and lack of historical experience in nationhood. These are thought to have contributed to Tajikistan's brutal, post-independence civil war (1992–97) costing an estimated 50,000 lives. Tajikistan's post-communist transition led to a massive dip in the population's buying power, availability of social services, emigration of nearly 1.5 million people (initially the highly skilled and later the unskilled as economic migrants primarily to Russia), and an increasingly widening gap between the rich and the poor fueled by a lopsided and corrupt privatization program (despite macroeconomic progress with the average annual GDP growth exceeding 7 percent from 2004 to 2009). President Emomali Rahmon, in power since 1992, has increasingly appealed to Tajik ethno-nationalist sentiments in a country with a substantial non-Tajik minority population. In spite of its tumultuous transition and current economic and political problems, Tajikistan has managed to arrive at a state of relative peace and stability.

National Democratic Governance. President Emomali Rahmon continued to enjoy control of the three branches of government. The global economic crisis confronted the country in 2009 with significant reductions in aluminum and cotton export earnings and an estimated one-third reduction in remittances (totaling about US$1.9 billion) generated by Tajikistan's nearly 1.5 million migrant workers in Russia and Kazakhstan. The new Language Law replaced Russian as the "language of intercultural communication" in favor of Tajik. To combat real and perceived threats to stability, the government arrested several hundred alleged Islamic extremists (supposed members of *Hizb ut-Tahrir*, Islamic Movement of Uzbekistan, *Salafiya*, and *Jamoati Tabligh*), many of whom received grossly unfair trials and were sentenced to long prison terms. *Given a tendency toward hyper-nationalism, continued centralization of power, and use of repression toward alleged Islamists, Tajikistan's national democratic governance rating remains at 6.25.*

Electoral Process. In a change from previous elections, the government in 2009 did not pursue harsh strategies in dealing with the legal opposition in the run-up to the 2010 parliamentary elections. Still, though the president vowed to ensure free and fair elections, his administration and the Parliament, despite sufficient time and technical resources, refused to take up any of the electoral law reforms recommended

by political parties, civil society and the Organization for Security and Cooperation in Europe. *Given the lack of progress in electoral law reform, which led to a preelection atmosphere that was not conducive to free and fair elections, Tajikistan's electoral process rating remains at 6.50.*

Civil Society. Aside from increased obstacles in the registration process, the 2007 Law on Public Associations has not significantly restricted civil society activities. The 2009 Religion Law, however, is considered highly restrictive. Among other things, the new law potentially discriminates against non-Sunni Hanafi Muslims, non-Muslims, and new and small religious groups. It can be interpreted to ban proselytizing and conscientious objection, and, similar to the 2007 Law on Public Associations, can be used by government organs to extort funds from groups in exchange for registration. In 2009, the authorities banned the Salafi Islamic movement and reinstated a ban on the *Jamoati Tabligh* Islamic group. The authorities also stepped up the persecution of several non-Muslim groups, including the already banned Jehovah's Witnesses, and banned several Christian faith-based, foreign NGOs. *Given the new Religion Law and the banning of a number of religious organizations and NGOs, Tajikistan's civil society rating worsens from 5.75 to 6.00.*

Independent Media. Concerns for independent media during 2009 included: a new law requiring the payment of fees to government ministries to access public information; a criminal case of libel against an independent paper; and a comment by the president that most information about Tajikistan on the Internet is planted by "evil-wishers of the Tajik nation." On the positive side, the government did not shut down any media outlets and even allowed the registration of several new ones. While freedom of expression in the media was still limited, the number of critical and analytical pieces by local journalists was higher than in previous years and received little backlash from the state. Additionally, a coalition between the state and independent media formulated a code of conduct and established a media council. *Given the general loosening of controls on freedom of expression, issuance of licenses for new media outlets, relatively fewer cases of harassment and obstruction of journalists, and an increase in the level of critical reporting, Tajikistan's independent media rating improves from 6.00 to 5.75.*

Local Democratic Governance. Poverty, mismanagement, corruption, and reliance on external actors have prevented the state from providing sufficient services to the population. Provincial and district leaders are appointed by the president and decision-making on the local level seldom involves democratic participation. The adoption of a new law in 2009, however, allowed for direct election of town and village councils and, if properly implemented, could lead to decentralization of power. Among the key issues facing Tajikistan's rural population, which forms three-quarters of the whole, is the inequitable and corrupt process of land reform. Despite state propaganda labelling cotton as "strategic," households engaged in growing cotton are poorer than others and the industry, as a whole, has lost money

over the past decade. On the positive side, in 2009, the government encouraged intensive agricultural production and gave its tacit approval to increase the area of cultivation under food crops. *Due to the government's inability to sufficiently provide services and means for citizens to participate in decision making at the local level and the continued inequitable access to resources, Tajikistan's local democratic governance rating remains at 6.00.*

Judicial Framework and Independence. Corruption in the Tajik justice system is ubiquitous, taking the form of bribery, extortion, and political influence. However, a few positive developments took place in 2009, including Parliament's approval of a new criminal procedure code and the president's appointment of the first-ever human rights ombudsman, despite some doubts about his independence and, thus, willingness to pursue sensitive cases. A report by the UN special rapporteur on violence against women recommended that the government establish special judicial chambers to take up divorce, alimony, and property rights and to adopt the Bill on Social and Legal Protection Against Domestic Violence. Though a November amnesty decree by the president was thought to herald the release of up to 3,500 prisoners, the government continued to deny the International Committee of the Red Cross independent access to its prisons. *Given the government's lack of progress in curbing corruption in the justice system, setting up fair trial conditions, passing new legislation to further protect women from domestic violence, and continued intransigence in allowing independent access to prisons, Tajikistan's judicial framework and independence rating remains at 6.25.*

Corruption. Aside from its negative influence on everyday life, corruption has infested Tajikistan's two primary export commodities of cotton and aluminum. Details from a 2008 trial in London revealed that most of Tajikistan's aluminum transactions passed through CDH, a murky entity registered in the British Virgin Islands, and a 2009 audit of the National Bank of Tajikistan reported improprieties involving the channeling of cotton loans through Credit-Invest, with US$220 million unaccounted for. Tajikistan also served as a channel for 15-30 percent of Afghanistan's illicit opium and heroin exports. Though no high-level official was apprehended on corruption charges during the year, Tajikistan's courts and prosecutor's office increased their pace of corruption-related cases. The government also undertook significant legal reforms in favor of businesses, which landed Tajikistan, according to a World Bank survey, among the top 10 reformers of the year. *As the government's anticorruption measures taken during the year are not likely to show significant effects until 2010, Tajikistan's rating for corruption remains at 6.25.*

Outlook for 2010. Should employment opportunities continue to improve for migrants in Russia, Tajikistan can expect a revitalization of its *gastarbeiter* (guest worker) relief mechanism. In this case, nearly 1.5 million Tajik economic migrants working in Russia and Kazakhstan are expected to remit a projected US$2-3 billion in earned wages back to their families. Reliance on remittances, however,

is not a sustainable and long-term national strategy for stability and economic development. Given the government's lack of political will to introduce electoral law reforms, the population's general apathy, and the lack of serious measures from the West to encourage democratization and respect for human rights, a democratic transformation in Tajikistan in 2010 appears unlikely. Bottom-up demands for change by the population will be miniscule due to general satisfaction with the rule of President Rahmon; insufficient experience in political organizing; preoccupation with subsistence living; lack of access to objective information; government manipulation of ethno-nationalistic sentiments; and the lingering bitter memories of the 1990s civil war.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	6.25	6.25	6.25	6.25	6.25

The constitution of Tajikistan names the president as head of state and government, supreme commander, and head of the Security Council. Consequently, President Emomali Rahmon is, by law and by practice, in near control of all three branches of government. The president is empowered to appoint all key judges, the military prosecutor and the prosecutor general, and enjoys a rubber-stamp approval by Parliament. He appoints the governors of the country's 56 districts, including the mayor of the capital, Dushanbe. Furthermore, members of the upper house of Parliament are de jour and de facto appointed by the president, while all major draft laws are initiated by the presidential apparatus.

During 2009, the global economic crisis confronted Tajikistan with multiple challenges. A significant reduction was seen in earnings from the dual export commodities of cotton and aluminum, which in the past have comprised over 80 percent of exports. At least 150,000 of the nearly 1.5 million Tajik migrant workers in Russia and Kazakhstan returned. Given the insufficient budgetary allocations by the government for social services (such as pensions, health, and education), remittances have been referred to as a "migrant-funded welfare system" and even the "main guarantee of social stability" for Tajikistan.[1] In 2008, remittances reached US$2.75 billion, equivalent to 54 percent of GDP, ranking Tajikistan possibly as the highest remittance-dependent country in the world. However, remittances were expected to drop by one-third in 2009.[2] By World Bank estimates, half (53 percent) of all households in Tajikistan lived below the poverty line in 2007, with one in six categorized as "extremely poor," consuming only one meal per day.[3] Some observers have claimed that falling remittances and rising unemployment also pose the danger of radical Islam becoming increasingly attractive.

To combat Islamic extremism, counter the proselytizing of both Muslim and Christian missionaries, and protect the secular nature of the state, the government approved a restrictive Religion Law in April 2009. Although Tajikistan is still the only post-Soviet state with a legal Islamic party—the Islamic Renaissance Party (IRP), an opposition entity with minimal representation in Parliament—the government stepped up its efforts to declare illegal and detain hundreds of alleged Islamists outlaws in 2009 on grounds of extremism. In February, the Supreme Court outlawed the *Salafiya*, a non-violent, mostly non-political, yet fundamentalist group, in addition to the *Hizb ut-Tahrir* (or Freedom Party), an ideologically radical, though non-violent group that had already been banned. The court also reinstated a previous ban on another Muslim group, *Jamoati Tabligh*

(Proselytizing Community), subsequently imprisoning several of its members. Some have criticized the wisdom of this strategy, asking how an "underfunded, demoralized, and corrupt" prison system can prevent radicalism or rehabilitate individuals.[4] Furthermore, the president labeled 2009 as the "Year of Imomi Azam," the founder of the Hanafi branch of Sunni Islam who was supposedly of Tajik or Persian ancestry. The year included an international conference on the topic and a groundbreaking ceremony for what is expected to become the largest mosque in Central Asia when completed by 2014.

The government continued with its nation-building experiment, adding "Flag Day," set for November 24, to its special days and commemorative events such as the days of Unity and Constitution. In his speeches, President Rahmon repeatedly emphasized both the "Tajik nation" and the Hanafi branch of Islam. In September, the government passed a new Language Law that makes Tajik the state language, no longer listing Russian as the "language of interethnic communication" (a clause that existed in the 1989 law and is still in the constitution). The new religion and language laws have the potential to alienate non-ethnic Tajiks, non-Hanafi Muslims, non-Muslims, and opposition Hanafi Islamists. The government also began promoting the sale of shares of the Roghun hydroelectricity plant to the public; though many citizens purchased shares voluntarily, others were forced by government organs to do so through automatic wage deductions.

In January, as part of the occasional reshuffling of his cabinet, the president fired the Minister of Internal Affairs, Mahmadnazar Solehov, who later allegedly committed suicide when government agents approached him at his residence with an arrest warrant. Another significant figure, Mirzo Ziyoev, the former opposition commander and former emergency situations minister, was killed in July under mysterious circumstances along with a number of his comrades, including five Russian Muslims. The government has since accused Ziyoev and his associates of drug smuggling, membership in the Islamic Movement of Uzbekistan, and planning a coup. Some analysts have labeled this incident as part of a de facto government policy of settling old scores and eliminating potential regime destabilizers. At the same time, President Rahmon promised free and fair parliamentary elections for 2010 and, to counter what has already become a personality cult surrounding him, issued a decree in May for the removal of his portraits from government buildings, an order that has been largely ignored.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50	6.50

Government practices in the run-up to the 2010 parliamentary elections signaled significant improvements compared to previous polls. In the months prior to the February 2005 parliamentary elections, the authorities commenced a sinister

offensive to detain possible rivals (including the head of the Democratic Party, Mahmadruzi Iskandarov), obstruct and close a number of media outlets (for example, the weekly *Nerui Sukhan* and printing house Jihonkhon), and block the registration of new opposition parties (such as the Taraqqiyot [Progress] Party). The virulent tactics and heavy-handedness on the part of the authorities in 2004—at least when it came to dealing with the legal political opposition—were clearly absent in 2009. These improvements may be explained by three phenomena: a noticeable increase in the consolidation of power by the state, wherein the government now has greater control of the country as a whole; increased political maturity of the authorities, where individual organs show more tolerance toward criticism by the legal opposition; and a tacit understanding among the government and opposition parties that there are stronger forces threatening all, namely Islamic extremism and potential instability as a result of the proximity to Afghanistan.

On the downside, Tajikistan deliberately stalled on necessary electoral reforms in 2009. Amendments to the 1999 Parliamentary Election Law have been undertaken only once, in 2004, and most observers believe that the law remains seriously flawed. Electoral law reform prior to the 2010 elections would have demonstrated political will and increased the chances of free and fair elections. The government has had at its disposal a number of blueprints for electoral reform: the 2005 and 2006 recommendations by the Organization for Security and Cooperation in Europe (OSCE), the 2008 recommendations by the political parties, and the 2009 recommendations by civil society organizations, but decided not to take any action on these proposals. Despite an initiative by a Communist member of Parliament, the Parliament refused to bring to the floor a bill containing some of the overarching proposals related to electoral law reform.

Of the many requests for electoral reform some key demands included: a substantial reduction of the election guarantee fee (as of 2009, it was 200 times the monthly minimum wage, equivalent to US$1,600); ensuring politically pluralistic local and national election commissions; legalizing the presence of nonpartisan civil society representatives as election observers (currently only international observers and political party representatives are allowed); and providing official election protocol to observers at the precinct level.

One of the few electoral changes in 2009 involved a new administrative code approved by the Parliament, wherein the practice of family voting (de facto allowed) can now be penalized. Another point of progress was that by the year's end the composition of the new Central Commission for Elections and Referenda (CCER), as proposed by the president, included at least one member from each registered political party, excluding the very vocal Social Democratic Party. In 2009, the CCER criticized the international community for not spending sufficient sums on preelection trainings. A Western diplomat responded, "Why spend money on an electoral process that is pre-determined? In essence, assisting in preelection efforts now with the close collaboration of the CCER would be tantamount to aligning oneself with the regime."[5]

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.00	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75	[illegible]

For over a millennium, the *masjid* (mosque), *choikhona* (teahouse), and *bazaar* (market) have been places of community discussion in Central Asia. Voluntary cooperation, referred to as *hashar* (assembling), has also been a standard norm. Although some informal and formal civil society groups were responsible for inflaming ethnic and ideological rifts before and immediately after independence, civil society also played a constructive role in Tajikistan's transition to peace. For example, the 1996 Public Accord Agreement was signed by many political parties and nongovernmental organizations (NGOs) and encouraged the government to pursue its 1997 Peace Accord to end the civil war.

Observers agree that as a reaction to the "color revolutions"—which led to regime changes in Georgia, Ukraine, and Kyrgyzstan—and the 2005 violence in the Andijan region of Uzbekistan, Tajikistan passed a new Law on Public Associations in 2007, enabling the state to potentially control all organizations. The law, among other things, required existing NGOs to re-register with the Ministry of Justice. By the end of 2009, close to 2,000 NGOs and associations may have been registered, though most exist only on paper. Many agree that the NGO law could be misused to ban undesired or opposition entities and to demand inordinate and arbitrary information from groups possibly as a pretext to extort illegal fees in exchange for registration.

In March, Tajikistan passed the controversial Law on Freedom of Conscience and Religious Associations, replacing a rather liberal 1994 law. The government's reasons appear to have been threefold: to combat Islamic extremism; to disrupt the success of evangelical Christian missionaries in converting Muslims; and to defend what it views as the integrity of the Tajik nation against foreign influences. Despite an emphasis on Tajikistan being a "secular state," the preamble to the law recognizes the "special role of the Hanafi denomination" of Islam in the "development of national culture and life of the people." According to the IRP, the law also violates freedom of worship by imposing excessive restrictions on the building of mosques, prohibiting the saying of prayers in unauthorized locations, limiting access to religious education, and requiring government approval of Muslim clerics.

During the year, National Security Committee (NSC, also known as KGB) agents and the police detained several hundred alleged Islamic extremists. The courts accused them of violating Articles 187 and 307 of the criminal code (that is, membership in an illegal organization and attempting to overthrow the constitution) and handed down long prison sentences during trials that were often closed and grossly unfair. Dushanbe courts also accused several faith-based, foreign NGOs of proselytizing and ordered them shut down. These were the Germany-based Alliance Mission and United States-based Adventists Development and Aid Agency, both specializing in grassroots, socioeconomic development. The government also

continued to harass purely religious groups. In June, NSC agents broke up a meeting of Jehovah's Witnesses (banned by the Culture Ministry in 2007), detaining and interrogating several members and beating one. A large property (with an estimated value of US$2 million) belonging to the local branch of the Grace Sunmin Church was seized by the Supreme Economic Court after a reversal of the court's previous ruling, likely due to pressure from the office of the Dushanbe mayor. Critics argue that in nearly all cases, such accusations and convictions are baseless. One local critic called the government's approach "pseudo-patriotic" and damaging to the image of Tajikistan, with the Ministry of Justice abusing its powers and the judiciary lacking independence.[6] On a positive note, in April, the Jewish community received a house in Dushanbe, donated by the owner of the Orion Bank, to replace the synagogue that was bulldozed by the government in 2008 to make way for the presidential palace.

Civil society remains relatively weak in Tajikistan. Despite the achievements of some development agencies, especially those emphasizing community-based organizations (such as the Aga Khan Development Network and Oxfam), there is the danger that successes can also lead to the bypassing of state structures and discourage government responsibility in providing public services. At the same time, many local NGOs have become lethargic, and some corrupt, largely due to the inordinate amount of aid money (compared to the relatively small number of capable NGOs) and insufficient monitoring by international donors. The government's occasional threats to activists have also led to self-censorship and a lack of focus on sensitive topics such as democracy-building, access to justice, and prison reform.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.50	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00	[illegible]

According to the Committee to Protect Journalists, 29 journalists were killed or disappeared in Tajikistan from 1992 to 1999, ranking the country among the deadliest in the world for the profession. Over the past decade, however, not only have such horrific statistics not been repeated, Tajikistan has gradually begun to experience an atmosphere of limited free speech. In its *2009 World Press Freedom Index*, Reporters Without Borders found Tajikistan to have the freest media among the Central Asian states and Russia.[7] But as a result of the economic downturn associated with the collapse of the USSR and the ensuing civil war, Tajikistan's post-communist generation is less educated, less well read, and poorer, with most unable to afford or gain access to print media. All of the higher-circulation papers are printed in Dushanbe on a weekly basis (there are no daily papers), with readership limited to a few major urban areas. The majority of the population receives its news primarily from the radio, television, or word of mouth.[8]

In July, broadcasting by what is considered the most objective independent radio in Tajikistan, *Radio Imruz* (Radio Today), was disrupted. The government-run service provider denied that political motives were responsible, but the station manager indicated that officials had objected to *Imruz*'s coverage of violent events in the Tavildara region. The National Association of Independent Media of Tajikistan (NANSMIT) agreed that *Imruz*'s problems were due to the new station's rapid rise in popularity within its two years of broadcasting.[9] The station threatened to file a lawsuit against the government and broadcasting resumed toward the end of August.

All four, nationwide television stations are state-owned. The government has only agreed to issue permits for private stations with a limited broadcasting range. There are 18 independent radio and television stations functioning mostly in Dushanbe and the northern Sughd province. Government treatment of private stations was mild in 2009. The relatively informative, Russian television channel *RTR Planeta*, which had broadcast throughout the country since the early 1990s, was taken off the air in March due to a financial row with Tajikistan's state broadcasting company. However, given the increasing popularity of satellite television, the choice of hundreds of channels, including *RTR*, exists for an estimated one-quarter or more of the population, resulting in a loss of audience for government channels.[10] Access to the Internet is slowly climbing, but is still limited due to the high cost, insufficient infrastructure, and irregular provision of electricity. Mobile telephone usage is seeing a geometric rise, with the number of users estimated to have increased by over 40 percent year-on-year for a total of 4.5 million users by the end of 2009.[11]

During the year, NANSMIT recorded a total of 27 serious cases of governmental officials refusing to provide information, many related to requests for financial data. Articles 135 and 136 of the criminal code concerning libel and insult can carry penalties of two years in jail or a hefty fine, while Article 137 ("On protection of the honor and dignity of the president") can lead to a five-year sentence. Among the few court cases related to libel was that of Tajikstandard, a government office in charge of business promotion, which was awarded US$68,000 against the independent newspaper *Paykon*. More importantly, the libel law proved lethal in 2009 as Rustam Faiziyev, deputy of the unregistered Taraqqiyot Party, imprisoned since 2005 for libeling President Rahmon, was reported to have died of health problems in one of Tajikistan's dilapidated penitentiaries. Experts agree that the prevalent self-censorship in Tajikistan is also due to the existing libel clauses. During 2009, some journalists requested that the government decriminalize libel. Other progressive steps included the formulation of a code of media ethics in May and the election of a media council in October with the objective of defending the rights of journalists and resolving conflicts through mediation.

In his annual address to Parliament in April, President Rahmon criticized some of the media and claimed that 80 percent of what is published on the Internet about Tajikistan is planted and false, part of an information war, and a "deliberate and ill-intentioned campaign" by "evil-wishers of the Tajik nation."[12] The president's complaint appears to have been aimed primarily at foreign and exiled media.

In February, the president issued Presidential Decree No. 622 on the "Reaction of government officials to critical and analytical pieces in the mass media," which requires officials to prepare timely responses to stories. Though the amount of information released by the authorities does not appear to have significantly increased since then, there has been a positive side effect of an apparent increase in critical reports and broadcast materials.[13] In November, however, the government passed new components of the law on access to information that require those seeking public information to pay for the associated costs. Even interviews with government officials could cost the inquirer undetermined sums, which would have to be deposited beforehand in a government account. Some journalists claim this will encourage corruption, while legal experts have argued the new rules contradict Tajikistan's original law on access to information.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.75	5.75	5.75	6.00	6.00	[illegible]

Since Tajikistan gained independence, the state has not been able or willing to sufficiently provide goods and services for the population. At the same time, local governance with *nohiya* (district) *hukumat* (governing bodies) has varied significantly based on a variety of factors: land distribution (more equitable in non-cotton growing regions); post-conflict legacies (whether the area is dominated by winners or losers of the 1992–97 civil war); presence of external players (international and local NGOs); and the influence of the local elite and former warlords.[14]

On paper, each of Tajikistan's four provinces elects its own Parliament and representatives. By law, the president appoints the provincial and 56 district heads and Dushanbe's mayor. Although district Parliaments may veto appointments, they never do. Excessive centralization and lack of democratic participation, in turn, have induced cronyism and corruption at the local level. A new 2009 law—apparently passed due to the persistence of a local democratic governance project funded by the United Nations (UN)—theoretically allows for the election of town and village assemblies or representatives, who in turn vote on candidates for mayor or village head. If properly implemented, the law could eventually lead to the decentralization of power.

Three-quarters of Tajikistan's population is rural and engaged in agriculture, which constitutes two-thirds of the country's employment[15] and accounts for a quarter of the GDP.[16] Though close to two-thirds of all agricultural land and enterprises have been privatized, in practice many private farms are no different than Soviet *kolkhoz* (collective farm) and *sovkhoz* (state farm) entities, sans the benefits of socialism. As opposed to the Soviet times, farm workers in today's Tajikistan do not earn a living wage and their families are generally bereft of the proper healthcare, education and social benefits of that era. The economic principle of "comparative advantage" has been a resolute failure in Tajikistan. To the dismay of many in the

government and international financial institutions, studies have revealed that a "higher share of land under cotton cultivation" on the local district level "increases the probability of falling into poverty."[17] Instead of bringing wealth, cotton production has brought misery and hunger. Many of the large farms function not unlike feudal states: share-owning farmers are not consulted on the type of crops to grow; low wages; and land shares are either creatively stolen or never given out. By mid-2009, cotton yields were at mid-1930s levels, and cotton farms and farmers had accumulated a debt of over US$600 million to middlemen. Rather than relying on farming as a source of income, many households depend on remittances sent by family members abroad.[18]

In 2008, the government embarked on a project to provide direct credit to cotton farmers. Since then, a total of US$89 million in loans have been doled out. Rather than fixing the debt problem, the government's scheme—supported by the Asian Development Bank and the World Bank, which continue the assumption that cotton is the "saving grace" of Tajikistan's economy—has put farmers into further turmoil. Although a bill passed by Parliament in early 2009 temporarily bars banks from confiscating lands that farmers have used as collateral, many cotton-farming households may ultimately lose their land to the banks. On a positive note, the government has begun to acknowledge the role of traditional agriculture. The area for planting cotton was reduced by 27 percent year-on-year to 172,000 hectares, while a record grain production of over one million tons was recorded.[19] In October, the majority of the farm debt (US$548 million, or what had accumulated by January 2008) was forgiven, and became part of the national debt.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25	6.25

Justice is bought and sold in Tajikistan, and the notion of "guilty until proven innocent" is widely upheld. Corruption in the judiciary in the form of bribery, extortion, and political influence is ubiquitous, while violations of rights affect all aspects of life. Housing evictions, for example, are an ongoing problem resulting from drawn-out and muddled urban renewal plans. Though the number of evictions (several hundred in 2008) appeared to substantially decrease in 2009—possibly due to the economic slump and citizen complaints—those challenging evictions "rarely have access to an effective remedy," given the "lack of an independent and effective judiciary," and may even face criminal charges. [20]

At the year's end, it was too early to tell whether the work of Tajikistan's first Human Rights Ombudsman, Zarif Alizoda, a formidable and respected figure appointed by President Rahmon in May, had been productive. Some have expressed doubt about the ombudsman's independence and expected him to refrain from taking politically sensitive cases. Critics have recommended that the Parliament

grant the ombudsman greater powers, including the right to review court papers and visit privately with detainees. Through a project funded by the Open Society Institute, civil society input in the draft criminal procedure code was incorporated by a government working group with the Parliament approving the new code in October. There exists, however, a deep chasm between the ratification of liberal laws and human rights treaties and their implementation.

Women have borne the brunt of Tajikistan's transition. According to a 2009 Amnesty International study, when incidences of violence come to the attention of the police and judiciary, they often blame the woman or act as a mediator, putting pressure on her to reconcile with her abuser. Domestic violence is grossly underreported, many women remain trapped, and perpetrators enjoy impunity. Poor families often make their unattached daughters available for "polygamous, forced, or unregistered marriages," many of which end in separation. In addition, in virtually all cases of divorce or termination of unregistered marriages, the courts grant the woman little if any protection. The UN special rapporteur on violence against women has urged Tajikistan to: treat violence against women as a criminal offense; establish judicial chambers on family matters to take up divorce, alimony, and property rights; adopt the Bill on Social and Legal Protection against Domestic Violence (including provisions for restraining orders); ratify the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (allowing for appeals to the UN); establish female law enforcement units; review sentences of women detainees charged with murdering partners; increase the age of marriage from 17 to 18; allow religious marriages only with proof of civil marriage; and provide funding for women's shelters.[21]

According to the NGO Human Rights Center, three-quarters of the accused in Tajikistan are held in cages during trials, many handcuffed. Furthermore, one in five defendants in criminal cases tell of police interrogators using torture or psychological abuse, while judges rarely take such claims seriously. Tajikistan's NSC regularly violates the rights of the accused by barring the detained from access to a lawyer, especially prior to signing a confession of guilt, failing to inform the family on a timely basis that the individual is in custody, and prohibiting private contact with the lawyer and family. Some victims have appealed to international bodies. In the case of *Dunaev vs. Tajikistan* in April 2009, the UN Human Rights Committee recommended that Vyacheslav Dunaev, imprisoned since 2002 and repeatedly tortured during arraignment and interrogation, be released, financially compensated, and only then, if necessary, retried. Among other cases of possible unjust imprisonment are two former Guantánamo detainees, Rukhniddin Sharopov and Muqit Vohidov (both sentenced to 17 years in 2007), who may have been victims of human trafficking according to consistent testimony and facts.

In November 2009, President Rahmon initiated a prisoner amnesty, the thirteenth since Tajikistan's independence. Around 3,500 prisoners, barring those convicted of high crimes, were to be freed and thousands others to see their sentences reduced. Aside from refurbishing some wards in a few prisons, however, the government's "Penitentiary Reform Program 2004–2008" has done little of

what it promised. And despite fourteen years of on-and-off negotiations with the International Committee of the Red Cross (ICRC), the government has continued to stubbornly deny independent access to prisons. A stumbling block has been the imperative that the government agrees to ICRC standards of visits, including private conversations with detainees. The government, in turn, has claimed that one-on-one visits are illegal under Tajikistan's laws in addition to being dangerous for the visitor.

Experts concur that the government's denial is in reality due to a lucratively corrupt penitentiary system, embarrassment in revealing Tajikistan's dilapidated prisons to the outside world, fear of prosecution for mistreatment of detainees, decision makers' distrust of the international community, ignorance of the benefits of independent inspections, public apathy, insufficient activism of domestic civil society in favor of prison access, and lack of systematic international political and economic incentives and pressure. Many in the international and local human rights community agree that Tajikistan would do well to sign an agreement with the ICRC, ratify the UN Optional Protocol on the Convention Against Torture (thus allowing for a state- and UN-approved national torture prevention mechanism), and invite the UN special rapporteur on torture to Tajikistan. Given the government's history of intransigence and current stasis on critical human rights-related issues, the chances of any of the above taking shape in 2010 are slim to none.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25

Corruption is pervasive in Tajikistan. For example, purchasing unofficial admission to a local university can cost a minimum of US$1,000; a military service waiver, US$800; and a driver's license, US$300. In its *2009 Corruption Perceptions Index*, Transparency International assigned Tajikistan a score of 2.0 (on a 0 to 10 scale with 10 indicating least corrupt). Despite ranking 158 out of 180 states surveyed, Tajikistan still fared better than most of its neighbors. According to Tajikistan's State Financial Control and Anticorruption Agency, from January to September 2009, a total of 677 corruption-related crimes were detected, one-third of which involved bribery. The agency reported having conducted 892 inspections of state-run entities resulting in 666 officials implicated during the period, with 28 government employees being sacked and 122 charged with bribery, abuse of power, and embezzlement. The agency also reported 69 private companies guilty of tax evasion totaling US$2.8 million and 59 cases of bank employees embezzling government funds.

Observers claim that corruption also surrounds Tajikistan's production and export of aluminum and cotton. Aluminum sales were estimated to have generated US$650 million in 2009, accounting for over half of all exports. In 2008, the High Court of London reviewed a case filed by the state-owned Tajik Aluminium

Company, Talco, which had brought a US$485 million law suit against Talco's former manager and contractor. Though the case was eventually settled out of court, it is estimated that the Tajik government's legal expenses exceeded US$120 million, ranking it among the most costly in legal history. During the trial, there were allegations that CDH, a murky intermediary company registered in the British Virgin Islands and controlled by several influential Tajik citizens with close ties to the government, had siphoned hundreds of millions of dollars in aluminum earnings into its offshore accounts, which was described as a "looting of the country's cash flows."[22]

A 2009 Ernst & Young audit of the National Bank of Tajikistan (NBT) indicated that a significant amount of the US$850 million borrowed since 1996, some from Swiss sources, was doled out to selected domestic firms through Credit-Invest, an intermediary company created by NBT Director, Murodali Alimardonov. The audit also indicated that US$220 million of such loans, mostly cotton-related, remains unaccounted for and some key documents were deliberately destroyed.[23] Criticism of improprieties by NBT likely led to the sacking of its director by President Rahmon in January—ironically, Mr. Alimardonov was reappointed as deputy prime minister in charge of agriculture.

In May, the president criticized the country's security agencies and stated that border guards had not been effective enough in drug interceptions. President Rahmon also told of insufficient coordination among the border guards, the Customs Office, and Tajikistan's Drug Control Agency. According to 2009 estimates by the UN Office of Drugs and Crime, Afghanistan produced 6,900 tons of opium with 15–30 percent of illicit drug traffic passing through Tajikistan. The rate of drug seizures in Tajikistan is high, accounting for as much as half of all heroin and opium seizures in Central Asia. According to the United States government, few if any, upper echelon traffickers have been prosecuted due to the lack of a "conspiracy law" related to drug trafficking.

Aside from the increased activity of the Anticorruption Agency in 2009, there were some other positive developments. As a sign of its improved business climate, a 2009 World Bank study on "ease of doing business" ranked Tajikistan among the top 10 reformers worldwide. Legal reforms, inter alia, are expected to accelerate business transactions and lower the level of corruption encountered by entrepreneurs. In July, the first NGO in Tajikistan with a focus on corruption, the Anticorruption Training and Promotion Center, was registered. A factor working against corruption prevention is the population's insufficient knowledge of its rights, which has led to the normalization of bribes. Although the arrest and prosecution of those taking bribes have been focused primarily on low- and mid-level officials, the pace of such efforts appears to have intensified. Among cases reported during the year, the Prosecutor General's Office filed charges in April against the former director and deputy of the Nurek hydroelectricity station, accusing them of embezzling US$380,000 of state funds. Furthermore, in October, Parliament amended the Law on Government, wherein officials are now required to declare their wealth to tax offices.

A 2009 UN-funded study of Tajikistan's Anticorruption Agency, recommended the introduction of a strict code of ethics for the agency and the establishment of a financial intelligence unit (a standard UN- and World Bank-recommended entity) to combat and share information on drug trafficking and money laundering. To further discourage corruption, another report recommends that aid to the government be "delivered in small, verifiable tranches, with strict conditionality" and "immediate sanctions" if benchmarks are not met.[24]

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Turkmenistan

by Annette Bohr

Capital: Ashgabat
Population: 5.0 million
GDP/capita: US$6,130

Source: The data above was provided by The World Bank, *World Bank Indicators 2010*.

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	6.75	7.00	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	7.00	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	7.00	7.00	7.00	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	6.25	6.50	6.75	6.75	6.75	6.75	6.75
Democracy Score	6.83	6.83	6.83	6.88	6.93	6.96	6.96	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

In 2009, during the third year of his presidency, Turkmenistan's President Gurbanguly Berdimuhamedov made a visible effort to project himself to both the domestic and international public as a youthful, energetic reformer. He could be seen on state media behind the steering wheel of a race car, in the cabin of a fighter jet, on horseback, riding a bicycle, and even performing surgery in a newly equipped clinic. Yet, although Turkmenistan's state news agency went to great lengths to portray the president as a progressive leader with a new ideology, by 2009 it had become clear that the reform process under the new regime was lacking in substance, despite the initial high hopes for meaningful change. Turkmenistan under Berdimuhamedov still retains many of the distinguishing features of former president Saparmurat Niyazov's rule, including the frequent purging of senior officials, a one-party system, tight control of the state-run mass media, and severe restrictions on civil liberties. There has been no revival of civil society under the new president, the vast majority of political prisoners remain behind bars, and the cult of personality around President Berdimuhamedov has significantly strengthened. The leadership even embarked on regressive steps that demonstrated its unwillingness to allow the general public exposure to a variety of world views or to tolerate independent activism. On the other hand, mobile telephony expanded rapidly in 2009 and Internet access increased, albeit modestly.

National Democratic Governance. Turkmenistan is a police state where the activities of its citizens are carefully monitored by oversized internal security and law enforcement agencies. Since his formal election in February 2007, President Berdimuhamedov has largely maintained the structure of government and the command-administrative methods of rule employed by former president Niyazov. Following the adoption of a new constitution in 2008, the government reverted to one legislative body rather than two; although the expanded parliament was accorded greater formal powers, the legislature remains a presidential appendage and the country continues to be run primarily by presidential decree and instruction. The president appoints the members of government, the country's governors at all levels, high-ranking judges, and the Central Election Commission. Turkmenistan suffers from an acute lack of expertise in all spheres of civil service, given that the majority of experienced managers, educators, and specialists were purged under Niyazov, while the new generation was trained under the *Ruhnama*-dominated education system. The gradual phasing out of Niyazov's quasi-spiritual guidebook for the nation, the *Ruhnama* (Book of the Soul), continued in 2009, while its replacement national ideology, the "Era of Great Revival," was steadily promoted. *Turkmenistan's national democratic governance rating remains at 7.00.*

Electoral Process. During Turkmenistan's 18-year history of independent rule, electoral officials have declared near 100 percent voter turnout for all elections and referendums. To achieve this, electoral officials have engaged in irregular procedures, such as stuffing ballot boxes and making door-to-door visits where voters were urged to cast their ballots. Elections to *gengeshes* (local legislative councils) were held in July 2009. According to official reports, 12,450 candidates contested for 6,220 seats. Voter turnout was reported at 95.7 percent and no violations were documented by the state-approved observers. No parties or movements were legally registered in the country other than the government-sponsored Democratic Party of Turkmenistan and the National Revival Movement (*Galkynysh*). Unrelenting harassment by the authorities has driven the relatively small opposition either underground or into exile. Turkmenistan's local council elections in July were multi-candidate, but could not be deemed free and fair given that the minimal media coverage was state-controlled and candidates who were not officially vetted by the government were barred from participation. *Turkmenistan's electoral process rating remains at 7.00.*

Civil Society. Under President Berdimuhamedov's rule, civil society groups without official sanction continue to be stymied. Since the prospects for registration are considered remote, some groups have chosen to forgo the bureaucratic process and operate covertly, although the penalties for unregistered activity can be severe. In October 2009, the government's propensity to persecute civil society activists was demonstrated by the arrest of the internationally respected environmentalist Andrei Zatoka on trumped-up charges, likely prompted by his links to Turkmenistani dissidents living abroad. The government also denied entry to a group of United States Peace Corps volunteers scheduled to begin their service, although a larger contingent was already operating in the country. Religious activity is tightly controlled by the state; in 2009, citing fears concerning the spread of swine flu, authorities barred Muslims in Turkmenistan from making the annual pilgrimage to Mecca in Saudi Arabia, urging them instead to sojourn to designated sacred sites across the country. Additionally, for the first time since 2007, several Jehovah's Witnesses and other conscientious objectors were sentenced to imprisonment in labor camps for refusing to participate in compulsory military service on the grounds of religious conscience. *Turkmenistan's civil society rating remains at 7.00.*

Independent Media. Turkmenistan's media organizations continue to uphold the ideological line of the government, which maintains control over all forms of state-run mass media through the State News Agency of Turkmenistan (TDH). While President Berdimuhamedov criticized the state broadcast and print media as "lacking creativity," all journalists of the official mass media were required to approve their materials with the TDH or designated officials and engage in self-censorship to avoid government reprisals. Internet access increased modestly in 2009, although Turkmenistan still had one of the world's lowest rates of Internet penetration. In October 2009 the government announced its intention to acquire

the country's first-ever communications satellite with the aim of accelerating Internet connectivity. By contrast, mobile telephony expanded rapidly. In a positive development, the advent of a small Turkmen-language online community, or "Turkmenet," allowed the expression of a surprising amount of dissenting views on topics ranging from underground popular music to Islamism. *Despite modest gains in Internet access, a substantive improvement in information liberalization is unlikely without changes in the government's censorship policy and rigorous training for journalists. Turkmenistan's independent media rating remains at 7.00.*

Local Democratic Governance. Despite the official allocation of US$4 billion to develop the country's rural infrastructure, the majority of planned projects outside the capital city Ashgabat remained unimplemented by the end of 2009. Projects undertaken tended to be of a showcase nature, such as 10,000-seat stadiums, while little public revenue was spent to improve basic amenities like sewer systems, piped water supply networks, and electricity grids. Many of President Berdimuhamedov's changes to the decaying education system have lacked substance, and students are still required to demonstrate knowledge of Niyazov's *Ruhnama* in state entrance examinations to higher educational establishments. In 2009, President Berdimuhamedov's leadership prevented some students from pursuing an education in U.S.-affiliated universities, belying its declared willingness to bring Turkmenistan's educational system up to international standards.

State media reported on the "hundreds of millions of dollars" allocated for the construction of new medical facilities across the country, although most are neither accessible to the majority of the population nor staffed with qualified personnel. The international organization Doctors Without Borders (*Médecins Sans Frontières*) was not allowed to conduct a program to treat multi-drug resistant tuberculosis and, as a result, left Turkmenistan in December 2009, marking the departure of the last international NGO operating in the country. As in other public sector spheres, the government does not release reliable data on public health and denies altogether the existence of any HIV cases in the country. *Turkmenistan's local democratic governance rating remains at 6.75.*

Judicial Framework and Independence. Although formally independent, Turkmenistan's court system has no impact on the observance of human rights but rather acts as an instrument of repression for the regime. The Office of the Prosecutor General dominates a legal system in which judges and lawyers play a marginal role. Arbitrary arrest and detention are widespread practices despite laws prohibiting them. Of the thousands of prisoners amnestied by the president since coming to power in 2007, less than two dozen were considered political prisoners by international human rights groups. In 2009, only one political prisoner, Muhametkuli Aymuradov, was amnestied after serving fourteen years in prison for anti-state crimes. In April, the European Parliament lifted an 11-year ban on the Interim Trade Agreement with Turkmenistan, although that country fell far short of

meeting the European Union's (EU) human rights criteria. *Turkmenistan's judicial framework and independence rating remains at 7.00.*

Corruption. The leadership of Turkmenistan is able to sustain its rule through the receipt of hydrocarbon export revenues, which it uses to finance pervasive security services and vanity construction projects as well as to obtain the support of patronage networks as needed. Patronage networks in Turkmenistan have given rise to a political culture of bribery, nepotism, and embezzlement. Bribe-taking is particularly prevalent among customs, licensing, and social-service agencies. President Berdimuhamedov has retained his predecessor's pattern of assigning unrealistic targets to senior officials, then summarily removing them during publicized meetings, as shown by the removal of one-third of his cabinet in January 2009. Public reprimands, sackings, and probation periods have further deterred officials from implementing reforms. *Turkmenistan's corruption rating remains at 6.75.*

Outlook for 2010. President Berdimuhamedov is likely to further consolidate his power and entrench his cult of personality while continuing to restrict the citizenry's access to foreign ideas and influences. The slow pace of reform coupled with Turkmenistan's relative isolation from globalization processes means that a decade or more could be required to see significant changes in the political and cultural fabric of the society.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	7.00	7.00	7.00	7.00	7.00	7.00

Turkmenistan is a police state where the activities of its citizens are carefully monitored by oversized security and law enforcement agencies, and the president's private militia whose members receive favorable treatment relative to the rest of the population. The Ministry of National Security (MNB) 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 (MIA) directs the criminal police, who work closely with the MNB on matters of national security. Both ministries abuse the rights of individuals and enforce the government's policy of repressing political opposition. In 2009, construction was completed of ultra-modern, fully equipped apartment buildings in the capital, Ashgabat and luxury hotels in the Avaza tourist zone on the Caspian Sea that were designed specifically for the use of MNB and MIA personnel and their families.

No parties or movements other than the government-sponsored Democratic Party of Turkmenistan (DPT) and the *Galkynysh* National Revival Movement of Turkmenistan, are legally registered in the country. While the revised 2008 constitution allows political parties in theory, the document is not self-executing and, as such, requires implementing legislation prescribing the necessary details to allow political parties to register and carry out activity. At the end of 2009, a law on political parties had yet to be adopted, although this circumstance had not proved a hindrance to the registration and activity of the DPT. The constitution proscribes the formation of parties with a religious or nationalist orientation (Article 30). However, since no parties other than the DPT have been registered, this ban is of little relevance.

Since his formal election in February 2007, President Gurbanguly Berdimuhamedov has largely maintained the structure of the government and the command-administrative methods of rule employed by former president Saparmurat Niyazov. In similar fashion to Niyazov, President Berdimuhamedov holds the posts of president of the Republic, Chairman of the Council of Ministers (prime minister), chairman of the Council of Elders, head of the *Gengesh* (Council for Religious Affairs), supreme commander-in-chief of the National Armed Forces, chairman of the Higher Council of Science and Technology, and chairman of both the DPT and the *Galkynysh* National Revival Movement of Turkmenistan. As was the case throughout Niyazov's rule, under the new Turkmenistani leadership only the executive branch exercises any real power in practice, despite constitutional

stipulations regarding the formal existence of executive, legislative, and judicial branches.

A new constitution was formally adopted in September 2008 that introduced a number of chiefly cosmetic reforms. After approving the new constitution, Turkmenistan's highest representative body, the 2,500-member *Halk Maslakhaty* (People's Council), dissolved itself, delegating its powers to an expanded 125-member *Majlis* (Parliament). In so doing, the government reverted to one legislative body rather than two. Although the Parliament was accorded formal powers to, inter alia, adopt and amend the constitution, take decisions on the holding of referendums and elections, and ratify and cancel international agreements, the expanded *Majlis* remains a presidential appendage and the country continues to be run primarily by presidential decree and instruction. While the constitution allows parliamentarians to elect a speaker and form committees, President Berdimuhamedov usurped this prerogative at the first session of Turkmenistan's new *Majlis* in January 2009 by selecting a presidential stalwart, Akja Nurberdieva, to serve as parliamentary speaker, "recommending" the five committees to be formed, and even nominating specific members of Parliament to head them.

The president appoints the members of government and the Central Election Commission, as well as high-ranking judges. He also has the power under the revised constitution to directly appoint the country's governors at all levels, although, ironically, Niyazov had changed the system to allow for local gubernatorial elections only a year before his death. The revised constitution retains 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.

Turkmenistan's civil service suffers from an acute lack of expertise and qualifications among personnel in all spheres, given that the majority of experienced managers, educators, and specialists were purged under Niyazov, while the new generation was trained under the *Ruhnama*-dominated education system. Yet, a surfeit of experience can also serve as the cause of an official's downfall, as in the case of Deputy Prime Minister Tachberdy Tagiev—a veteran energy minister with deep insider knowledge of the country's hydrocarbons sector—who was removed from his post in July 2009.

The construction of a new personality cult around President Berdimuhamedov received considerable impetus during 2009, as portraits of the new president steadily replaced those of Niyazov both inside and outside government buildings. Many residential areas named after Niyazov and his relatives were renamed, the former president's birthday was eliminated from the country's official holiday list, and his name was removed from the state hymn. When Turkmenistani officials redenominated the national currency in January 2009, Niyazov's portrait was replaced by ancient Turkmen heroes and rulers on all but the highest-value banknote, the 500-manat bill. Meanwhile, President Berdimuhamedov was widely

quoted on television, his activities were the primary focus of state media, and his ever-expanding collected works were widely promoted.

During the course of 2009, the president was declared a Hero of Turkmenistan—the state's highest civilian honor—and bestowed with the *Vatan* (fatherland) order and numerous state awards. In March, a new cathedral mosque in the southern city of Mary was named after President Berdimuhamedov. On June 29, the president's birthday, a new Museum of the President of Turkmenistan was opened that displayed documents and photographs illustrating his reforms. Aside from school textbooks, the majority of newly published works in Turkmenistan either exalted the president or were ostensibly authored by him on topics as diverse as *Ahal-Teke* horses and the use of medicinal plants.

The gradual phasing out of Niyazov's quasi-spiritual guidebook for the nation, the *Ruhnama* (Book of the Soul), continued in 2009, as its replacement national ideology, "The Era of Great Revival," was steadily promoted. Yet the only manifest evidence of this new ideology was a chain of planned, grandiose construction projects intended "to serve as man-made symbols for the Era of Great Revival," including a US$70 million monument to the constitution, an Olympic village, and a multitude of white-marbled architectural complexes.[1]

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	[illegible]

During Turkmenistan's 18-year history of independent rule, electoral officials have declared near 100 percent voter turnout for all elections and referendums. To achieve such spectacularly high participation rates, electoral officials have engaged in irregular procedures, such as stuffing ballot boxes and making door-to-door home visits during which voters were urged to cast their ballots. Pressure is exerted on all civil servants to vote, and failure to do so can lead to reprisals.

In December 2008, Turkmenistan held elections to fill an enlarged, 125-member parliament under a revised constitution. The majority of candidates represented the DPT and the *Galkynysh* Movement, while less than one-quarter were put forward by citizen initiative groups. According to the Law on Elections of Deputies to the Majlis 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, and all must provide authorities with their full name, date of birth, and place of residence. By contrast, the committees of the DPT and the *Galkynysh* Movement are allowed to nominate candidates at regular meetings of their central or rural organs without regard to the number of participants.

The Central Election Commission registered only officially vetted, "independent" candidates, and the applications of at least two Turkmenistani dissidents

were tejected by the authorities. In contrast to the presidential elections of February 2007, pre-election campaigning by candidates for the Majlis was not broadly advertised and did not generate even a modest debate on those issues regarded as taboo under Niyazov, such as the state of the country's healthcare and education systems. Reports by opposition groups noted voting irregularities, such as block or "family" voting and voting without proof of identity. They also observed a low voter turnout, despite official claims of a 93.87 percent participation rate.[2]

Elections to local *gengeshes* (legislative councils) were held in July 2009. According to official reports, 12,450 candidates contested for 6,220 seats. In the usual fashion, voter turnout was reported at 95.7 percent and no violations were documented by the state-approved observers.

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.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

There has not been a rebirth of civil society under President Berdimuhamedov's rule. In October 2009, the government's propensity to persecute civil society activists was demonstrated by the arrest of the internationally tespected environmentalist Andrei Zatoka on trumped-up charges. Originally sentenced to five years in prison for hooliganism, Zatoka's sentence was converted to a $350 fine following an international outcry and behind-the-scenes Russian diplomacy. However, Zatoka, who held both Russian and Turkmenistani passports, was subsequently forced to renounce his Turkmenistani citizenship and leave the country. Observers have speculated that the arrest of Zatoka, who ran an environmental protection group that was closed by the authorities in 2003, was prompted by his links to Turkmenistani dissidents living abroad, in conjunction with teinvigorated efforts on the part of the authorities to keep civil society under firm state control.

All public associations 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. Although civil society has never thrived in Tutkmenistan, steady repression by government authorities, from 2002 in particular, has forced those independent nongovernmental organizations (NGOs) that had managed to gain a foothold in the newly independent country to dissolve, redesignate themselves as commercial enterprises, or merge with progovernment public associations. While in 2000 there were approximately 200–300 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 support.[3] No new NGOs

were registered from 2005 until July 2008, at which time the government reported that it had registered 11 new civic organizations. Although 10 of these were sponsored by the government, the first community-based NGO in the country, the Ak Bugday Gardener's Association, was also registered. The government deregistered 11 NGOs during 2008 as well.[4] One NGO (The Association of Accountants) was registered in 2009, bringing the total number of registered NGOs operating in Turkmenistan to 89.[5]

Groups without official sanction wishing to register as NGOs continue to be stymied; according to a report issued by the Institute for War and Peace Reporting in August 2009, NGOs that have been unable to achieve state registration include, inter alia, scientists aiming to teach farmers how to grow organic produce; charity workers intending to set up business training courses for housewives and the unemployed; and a group seeking to organize summer camps for children.[6] Since the prospects for securing official registration are considered remote, many groups have chosen to forgo the bureaucratic process and operate covertly, although the penalties for unregistered activity can be severe.

In September 2009, the government denied entry without explanation to 47 United States Peace Corps volunteers scheduled to begin their service in Turkmenistan, despite the fact that some 70 Peace Corps volunteers were already operating in the country, primarily in the spheres of healthcare and English-language education.

In the sphere of religious freedom, no fundamental changes have taken place since Presidenr Berdimuhamedov's ascent to power, and religious activity remains tightly controlled by the state. Religious matters are administered by the Council on Religious Affairs (CRA), whose members are appointed by the government and report to the president. The CRA controls the hiring, promotion, and firing of Sunni Muslim and Russian Orthodox clergy, who are required to report regularly to the CRA.

As with public associations, all religious congregations are required to register with the Ministry of Fairness to gain legal status. Before 2004, the only religious institutions that had managed to successfully register represented Sunni Islam and Russian Orthodox Christianity, although they were still subject to tight government controls. In March 2004, President Niyazov issued a decree pledging to register all religious groups regardless of creed or number. As a result of these changes, a handful of minority religious groups managed to gain registration in 2004–05, including the Bahá'í, Pentecostalists, Seventh-Day Adventists, several Evangelical churches, and the Society for Krishna Consciousness. Despite this minimal progress, many minority religious groups remain unregistered, such as the Catholic, 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 check-up 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 finding of a legal venue for worship services, which continues to be a major problem for many religious groups.[7] Meeting in private homes or

unapproved areas is prohibited, and the construction of places of worship is strictly regulated by the state. In a policy unchanged since Niyazov's death, no religious literature may be published in Turkmenistan or imported into the country without permission from the Committee for Religious Affairs.

As no alternative civilian service is offered, conscientious objectors to military conscription are regularly given suspended jail sentences. However, 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 December, a fifth conscientious objector was sentenced to two years in a general regime labor camp.

In 2009, citing fears concerning the spread of swine flu, Turkmenistani authorities barred aspiring Muslim pilgrims from making the annual pilgrimage to Mecca in Saudi Arabia, urging them instead to sojourn to 38 sacred sites across the country (although many of the domestic sites had historical or cultural rather than religious significance). In previous years, only 188 pilgrims—including MSS secret police and other officials—had been allowed to make the annual Hajj pilgrimage to Mecca, which represents less than 5 percent of the yearly quota allocated to Turkmenistan by the Saudi authorities.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

In 2009, Turkmenistan's media organizations continued to toe the ideological line of the government, which maintains control over all forms of official mass media through the rerention of a single information agency (TDH). While the president has criticized the state broadcast and print media as "lacking creativity," all journalists of the official mass media are still required to approve their materials with the TDH, designated ministry, or agency officials, with the consequence that most journalists engage in self-censorship for fear of government reprisals. Despite some gains in Internet access, a substantive improvement in information liberalization is unlikely without changes in the de facto censorship policy and the establishment of a rigorous system for training journalists.

In addition to 24 newspapers and 15 journals, the 5 state television channels and 4 state radio stations function as mouthpieces for government propaganda.[8] The output of the 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, which are specifically targeted at Turkmenistani listeners, satellite television

(widely viewed in Ashgabat and other cities) provides the only source of alternative information in Turkmenistan. In 2008, President Berdimuhamedov technically lifted the ban on the importation and circulation of foreign print media, which had been introduced by Niyazov in 2005, but ordinary citizens are still unable to subscribe to foreign newspapers and magazines, and foreign print matter remains largely inaccessible.

Independent journalists continued to be harassed and foreign journalists were generally unable to access the country other than for showcase events such as international gas or investment conferences, where they tended to be closely monitored. The government required all foreign journalists to apply for accreditation, although there were no defined criteria for either receiving or denying it. According to the U.S. Department of State, as many as 13 correspondents representing foreign media services operated without accreditation.

Internet access increased modestly in 2009, although Turkmenistan still has one of the world's lowest Internet penetrations at 1.4 percent with an estimated 70,000 users.[9] While over a dozen Internet cafes were in operation, resource centers sponsored by Western embassies, international organizations, and NGOs offering free Internet access to the general public were more popular. A new Internet center with 18 terminals opened in 2009 at the National Library in Ashgabat, but the number of terminals available to the public was still far from sufficient to cope with the growing number of Internet users.

Turkmentelecom 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 was slow and unreliable, dial-up access rates were relatively expensive for the average citizen, and most Internet Web sites critical of government policies remained blocked by the authorities. Another important development in 2008 was the introduction of high-speed wireless Internet on mobile telephones by Russia's largest mobile telephone operator, Mobile TeleSystems (MTS), which offered the possibility of a significant expansion of Internet access throughout the country and signaled the end to Turkmentelecom's monopoly on the Internet. Mobile telephony has expanded rapidly in Turkmenistan; as of October 2009, MTS, which provided mobile telephone services in about 80 percent of the populated territory, reported more than 1.5 million subscribers in the country, representing an increase of 500,000 since February.[10] It was not clear how many MTS subscribers also paid for Internet access.

In November 2009, President Berdimuhamedov announced an initiative to set up a unified electronic government throughout the country, despite the fact that Turkmenistan's communications infrastructure is not up to the task. Perhaps to facilitate this move, the previous month the government announced its intention to acquire the country's first-ever communications satellite to accelerate the development of communications systems and Internet connectivity.

In a positive and unexpected development, 2009 saw the advent of a small Turkmen-language online community, "Turkmenet," which allowed a surprising

amount of dissenting views. 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.[11] While Turkmenet might be a manifestation of the government's promise to increase Internet access, some observers have speculated that the authorities might also be using Turkmenet to monitor political dissent.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	7.00	7.00	7.00	6.75	6.75	6.75

State power in Turkmenistan's five *velayats* (regions) and the capital city of Ashgabat is formally vested in the largely decorative *Halk Maslakhaty* (People's Councils), elected in December 2007. Elections for district and city *Halk Maslakhaty* took place in December 2006. In the villages, the 1992 constitution provided for the replacement of local soviets by *gengeshes* (legislative councils), whose members are directly elected for five-year terms. The more than 600 *gengeshes* are administered by *archins*, who are elected from among their respective memberships. The *gengeshes* were formally granted greater powers in 2008, but in reality they follow the instructions of the *hakims* (local governors). The country's *hakims* are directly appointed by the president at all levels.

Tribal identities remain strong in Turkmenistan and continue to play an important role in Turkmenistani society and informal local politics. Tribalism manifests itself 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 the central government tend to go to members of Niyazov and President Berdimuhamedov's own tribe, the Ahal Tekke, although this is at least in part owing to the fact that the capital Ashgabat is located in the Ahal region, where Ahal Tekkes predominate.

After coming to power, the Berdimuhamedov leadership announced that it would undertake a US$4 billion plan to develop the country's rural infrastructure and grant urban status to certain large villages with populations ranging from 8,000 to 32,000. In addition to the construction of administrative buildings, schools, and cultural centers, the program was intended to transform these "overgrown" villages into small towns with adequate infrastructure through the provision of sewer systems and sewage treatment facilities, new roads, gas pipelines, electricity grids, piped-water supply networks, and fiber-optic communications equipment. Despite the massive funding officially allocated to the program, the majority of planned projects outside the capital city remained unimplemented at the end of 2009. In fact, the projects that had been constructed tended to be of a showcase

nature, such as 10,000-seat stadiums and hippodromes in every region, while little public revenue had been spent to improve basic amenities.

From approximately 2000, Niyazov's government engaged in the systematic dismantling of key areas of the public sector, notably education, healthcare, and social security. Since coming to power in 2007, President Berdimuhamedov has made a number of changes to the decaying system of education, including restoring the tenth year of compulsory education and extending 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 have been reintroduced in certain higher education institutions. The defunct Academy of Sciences, which before its closure in 1993 had acted as the mainstay of the scientific and academic community, was re-opened, 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 by 10 percent, although the demand for places still far exceeds supply. Unofficial reports indicate that the long-standing practice of paying bribes to procure a place in universities, institutes, and even some secondary schools has not abated, and in some cases bribes can rise to as much as US$40,000 to enter the most prestigious institutions.

As of 2009, Niyazov's *Ruhnama* was no longer taught as a separate course but rather as part of a new discipline that included philosophy, political science, the country's history, and works ostensibly authored by President Berdimuhamedov. Nonetheless, students wishing to gain entry to higher education establishments are still required to demonstrate knowledge of the *Ruhnama* in state entrance examinations. As late as September, the "sacred" *Ruhnama* was lauded at a conference devoted to the Era of Great Revival for its "unsurpassing role in the education of the young generation in the spirit of true patriotism."[12]

Despite some progress, many educational reforms have been lacking in substance: while the tenth year has been restored, its curriculum is reported to be essentially the same as that of the ninth year; textbooks for most years and subjects are outdated and in short supply; and there is a severe shortage of qualified personnel to teach the newly introduced areas of study.

During the year, Berdimuhamedov's regime prevented some students from pursuing an education in U.S.-affiliated universities, thereby belying its declared willingness to bring Turkmenistan's educational system up to international standards. In July, the plans of over a thousand students enrolled in foreign universities were disrupted when authorities declared that special stamps from various state agencies would be required for departure from the country; the new requirement was dropped in August and the majority of young scholars managed to leave the country. A notable exception was a group of over 100 students who were refused permission to return to Bishkek, Kyrgyzstan, to resume their studies at the American University of Central Asia (AUCA), which offers a U.S.-style liberal arts education. Another group of AUCA students from Turkmenistan who had won places in the

United States State Department-sponsored program to spend an academic year in U.S. universities was also prohibited from leaving Turkmenistan. In October, some 50 AUCA students were again denied permission to leave the country in order to continue their studies at the American University in Bulgaria, despite an agreement between United States authorities and the Turkmenistani government. Although the leadership has not provided an explanation for its actions, many believe it is reluctant to allow students to be exposed to Western, "freethinking" models of education; moreover, many young Turkmenistanis studying abroad have chosen not to return after receiving their degrees. Additionally, some Turkmenistani students in Kyrgyzstan are reported to have given critical interviews to the foreign media and to have met with members of the Turkmenistani opposition in exile while in Bishkek.[13]

Along with the education sector, healthcare services in Turkmenistan were systematically undermined by Niyazov. By late 2006, most rural hospitals were reported to have closed, although some hospitals in district and regional centers offering specialized care continued to operate. Since 2008, the state media has reported on the "hundreds of millions of dollars" allocated for the construction of new medical facilities across the country, including those for specialized diseases. However, 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.

In 2009, Turkmenistan's repeated promises to radically overhaul the country's healthcare system stood in stark contradiction to the government's refusal to allow the international organization Doctors Without Borders (MSF) to treat multi-drug resistant tuberculosis. Whereas MSF was ready to commence its program in October 2010, the Health Ministry wanted the program to begin in 2013. As a result, MSF left Turkmenistan in December 2009, marking the departure of the last international NGO operating in the country.[14] As in other public sector spheres, the government does not release reliable data on public health and denies altogether the existence of any HIV cases in the country.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Although formally independent, the court system of Turkmenistan has no impact on the observance of human rights but rather acts as an instrument of repression for the regime. Unchanged since the Soviet era, the court system consists of a Supreme Court, 6 regional courts (including 1 for the city of Ashgabat), and, at the lowest level, 61 district and city courts. In addition, the Supreme Economic Court hears all commercial disputes and cases involving conflicts between state enterprises and ministries. The president appoints all judges for five-year terms without legislative

review. There is no constitutional court, and the prosecutor general remains a political appointee whose primary function is repression rather than oversight. The Office of the Prosecutor General dominates a legal system in which judges and lawyers play a marginal role. As in the former Soviet Union, convictions are generally based on confessions that are sometimes extracted by forcible means, including the use of torture and psychotropic substances.

Arbitrary arrest and detention remains a widespread practice in Turkmenistan, despite laws prohibiting it. 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, regardless of the type of crime for which they were imprisoned. In addition to this annual mass pardoning, President Berdimuhamedov pledged to release a number of convicts on certain state holidays: Flag Day (February 19), Constitution Day (May 18), Independence Day (October 27) and Neutrality Day (December 12).

However, of the thousands of prisoners amnestied by the president since coming to power in 2007, less than two dozen have been considered political prisoners by international human rights groups. The most well-known was Nasrullah ibn Ibadullah, who had served as Turkmenistan's chief religious leader from 1996 to 2003 before being sentenced in 2004 to 22 years in prison on treason charges. Upon his release in 2007, Ibadullah thanked the President and accepted a post as adviser at the President's State Council for Religious Affairs, thus remaining under the close supervision of administration officials. In 2008, only one known prisoner of conscience was released; likewise, in 2009 only one political prisoner, Muhametkuli Aymuradov, was amnestied after serving fourteen years in prison for anti-state crimes.

In April 2009, the European Parliament lifted an 11-year ban on the Interim Trade Agreement (ITA) with Turkmenistan, although the country fell far short of meeting the European Union's (EU) human rights criteria, such as granting the International Red Cross access to prisons, allowing international human rights organizations to enter Turkmenistan, and releasing all political prisoners. While the European Commission argued that the EU would be in a better position to influence Turkmenistan's human rights situation after signing the agreement, observers speculated that, in lifting the ban, the EU was attempting to better position itself as a prospective importer of Turkmenistan's hydrocarbons.

In January 2004, the exit-visa regime requiring citizens to obtain visas to travel to foreign states was abolished, although the government replaced it with a number of unofficial measures to prevent free travel, including a "blacklist" of citizens prohibited from leaving the country and the arbitrary confiscation of passports. The blacklist was still in existence at the end of 2009; in many instances, individuals discovered their status at the border or after being refused permission to board a plane. However, the new leadership has enacted reforms easing internal travel

restrictions, which in practice has meant a reduction in the number of roadside document checks and inspections between cities. Significantly, the president signed a decree abolishing the requirement to obtain a special permit in order to travel to the country's sensitive border regions. In another positive move, the installation of a new, US$6 million checkpoint equipped with state-of-the-art technology—financed by the United States—on Turkmenistan's border with Uzbekistan was reported to have eased crossing procedures for the many people visiting relatives on both sides of the border.

In line with other post-Soviet states after 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 back several generations. The state continued to promote only those media and performing arts productions that featured "national" culture.[15] According to the Turkmen Initiative for Human Rights, the Ministry of Culture prohibited the December 2009 staging of a production by a Russian playwright in the Turkmenbashi State Drama Theater, although performances were already set to begin. 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) and on education that is not conducted in the Turkmen language. 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 Ashgabat and a handful in the regions that teach one or two classes in the Russian language.[16] There are no Uzbek- or Kazakh-language schools in the country. Higher education establishments teach exclusively in the Turkmen language.

The new constitution adopted in 2008 formally enshrined Turkmenistan's non-recognition 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 to renounce their Russian citizenship. 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.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75	[illegible]

Insofar as there are no business leaders or oligarchs manipulating policy formation or shaping laws, Turkmenistan is a low-capture economy. Rather, it is the President

and his close circle of advisors who shape the rules of the regime to their own substantial advantage. As is the case with some other resource-rich countries, the leadership of Turkmenistan is able to sustain its rule through the receipt of 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 as needed. All major expenditures from the state budget and the conclusion of production-sharing agreements in the oil and gas sector are approved by the president and his close circle of advisors. As liberalization and market reform undermine established hierarchies of authority, they are not generally undertaken. There is still a notable lack of transparency with regard to true economic figures, since budget data and statistics are not accessible to the public. Those figures that are published are often compiled out of local economic reports that have been inflated to show growth.

In Turkmenistan, political elites have traditionally built up local power bases by allocating key posts and opportunities to their loyalists. These informal networks, which 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 President Berdimuhamedov control the country's economy, which is divided into spheres of influence dominated by a close circle of the president's appointees.

The existence of patronage networks as the basis of power has inevitably given rise to a political culture of bribery, nepotism, and embezzlement. Bribe-taking is particularly prevalent among customs, licensing, and social-service agencies. Large amounts of government revenue are spent on flamboyant construction projects carried out primarily by Turkish and French firms. According to Transparency International's 2009 Corruption Perceptions Index, Turkmenistan is one of the most corrupt countries in the world with a score of 1.8 (on a scale of 0 to 10, with 10 indicating "highly clean") and ranking 168 out of the 180 countries surveyed.

The London-based international watchdog Global Witness estimated that as much as 75 percent of government spending did not form part of the state budget under former president Niyazov.[17] It remains unclear what share of export revenues are currently being diverted by the Berdimuhamedov government to off-budget accounts. While authorities have stated that several extra-budgetary accounts have been closed and foreign exchange revenues are being transferred to a new stabilization fund, this process has not been subject to full independent verification.

President Berdimuhamedov has continued his predecessor's practice of using state revenue to fund grandiose construction projects, such as the transformation of the Caspian Sea town of Turkmenbashi into a free economic zone and world-class resort—complete with artificial river, yacht club, and oceanographic center—at an estimated cost of US$5billion. In July, the president launched the latest stage in the creation of the US$20 billion artificial lake in the middle of Turkmenistan's desert, although the ambitious project was put on hold in December, reportedly owing to a lack of funding and a shortage of water.

Rather than embarking on structural reform of the political system, it quickly became evident that the new president planned to retain his predecessor's pattern of assigning unrealistic targets to senior officials and then summarily removing them at publicized meetings. In January 2009, President Berdimuhamedov staged his single, largest purge of the country's top power echelons, removing one vice premier, four ministers, the chief of the State Border Service, six directors of state companies, a provincial governor, and the chairman of a state committee. Following the dismissal of approximately one-third of his cabinet, including the long-serving defence minister, Agageldy Mammetgeldiev, only three ministers appointed by former president Niyazov remained in office. While some officials were replaced for incompetency and failure to meet targets, others were dismissed for establishing their own bribe-taking networks or in order to make room for the president's cronies and relatives from his native region. Public reprimands, sackings, and six-month probation periods, which created a general atmosphere of paralysis, further deterred officials from implementing reform.

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7 Felix Corley, "Turkmenistan: Religious Freedom Survey," Forum 18 News Service, August 2008, http://www.forum18.org/Archive.php?article_id=1167.

8 Turkmenistan's fourth television channel, the multilingual satellite television service TV-4 Turkmenistan, which was created in 2004 at an estimated cost of US$12 million, was a major propaganda effort undertaken to improve Turkmenistan's international image. It broadcasts programs in Turkmen and in six foreign languages: English, Chinese, Russian, French, Arabic, and Persian. A fifth television channel created under Berdimuhamedov is devoted almost exclusively to Turkmen culture.

9 Available at http://www.internetworldstats.com/list4.htm#low.

10 Turkmenistani Government official website, http://www.turkmenistan.ru, October 22, 2009.

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13 Naz Nazar, "Window Dressing," *Transitions Online*, January 7, 2010.

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15 Exceptions were occasionally made to this policy, such as when the cultural attaché of the German Embassy was allowed to organize a concert in an Ashgabat state theater in May 2009 that was devoted to the music of German composers as performed by Turkmen artists.

16 Information provided by Vitaliy Ponamarev, a researcher on Central Asia for the Memorial Human Rights Society in Moscow. See "Rodina—ne mat," Rossiia ne zhelaet zashchishchat' svoikh grazhdan v Turkmenii' [The Motherland Is Not a Mother—Russia Does Not Want to Defend Its Citizens in Turkmenistan], *Fergana.ru*, March 3, 2009 http://www.ferghana.ru/article.php?id=6081.

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Ukraine

by Oleksandr Sushko and Olena Prystayko

Capital: Kyiv
Population: 46.3 million
GNI/capita: US$7,210

Source: The data above was provided by The World Bank, *World Bank Indicators 2010.*

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.00	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50
Civil Society	3.75	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75
Independent Media	5.25	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50
Governance*	4.75	5.00	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00	5.00
Local Democratic Governance	n/a	n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25	5.25
Judicial Framework and Independence	4.50	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00
Corruption	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Democracy Score	4.71	4.92	4.71	4.88	4.50	4.21	4.25	4.25	4.39	4.39

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

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

Executive Summary

Ukraine is a "young democracy" with a pluralistic and competitive political order, relatively free media, and basically secure human rights. Yet the country's system of governance is fragile and inefficient, demonstrating an evident deficit of rule of law. Since independence in 1991, Ukraine has held four presidential (1991, 1994, 1999, 2004) and five parliamentary (1994, 1998, 2002, 2006, 2007) elections. Its fifth presidential election will be held in January 2010. The constitution, adopted in 1996 and amended in 2004, stipulates a de facto "dual executive," where power is shared between the president and the prime minister. Victor Yushchenko, the third president of Ukraine, came to power in January 2005. The current Parliament (*Verkhovna Rada*) was elected in September 2007 and the Cabinet of Ministers (government), led by Prime Minister Yulia Tymoshenko, has been in power since December 2007. It remained in power during 2009 but was consistently challenged by the fragility of the parliamentary coalition, which de facto, has no majority in Parliament.

In 2009, the struggles within Ukraine's political institutions became even more evident with the onslaught of the global economic crisis, which resulted in a 14 percent decrease in GDP in Ukraine. The fractured Parliament failed to reach a consensus by the year's end on long overdue constitutional and judicial reforms. In July, Parliament passed a new concept on reforming local self-government and adopted an anticorruption package, but the political will to implement these measures remains in question. On October 19, at the launch of the 2010 presidential campaign, the Constitutional Court of Ukraine ruled several provisions of the amended Law on Presidential Elections, which had been adopted in August, unconstitutional. Pressure increased on journalists over the course of the year to cater to media owners and interest groups in the form of "written-to-order" articles, which, coupled with the lack of a public broadcaster, raised concerns ahead of the 2010 election campaigns.

National Democratic Governance. In 2009, Parliament failed to achieve a consensus on proposed drafts for constitutional reform. Political actors attempted to use these reforms to strengthen their political standing rather than improve the balance of power between existing institutions. Despite the formal existence of a coalition (comprised of Our Ukraine, Bloc of Yulia Tymoshenko, and Lytvyn Bloc), in effect Ukraine is ruled by a minority government, as nearly half of the Our Ukraine faction does not identify with the nominal coalition and does not support it by vote. A number of ministers (finance, foreign affairs, defense, transport and communication) were dismissed by Parliament during the year, yet only a

replacement for the foreign minister was appointed in October, leaving several government seats vacant. *Due to the inability of the government to reach a consensus to fill institutional gaps and achieve an efficient system of checks and balances, Ukraine's rating for national democratic governance remains at 5.00.*

Electoral Process. The election campaign for the Ukrainian presidency began on October 19, 90 days prior to elections slated for January, 17, 2010. Prime Minister Tymoshenko and opposition Party of Regions leader Victor Yanukovych were marked as major contenders. The government imposes no administrative restriction on political activity and candidates enjoy equal access to national electronic and print media. On August 21, 2009 Parliament approved (and surpassed a presidential veto of) an amendment to the Law on Presidential Elections, shortening the campaign period from 120 to 90 days; abolishing the requirement for candidates to collect supporter signatures; introducing a high fee of UAH 2.5 million (US$300,000) for balloting (to be returned if the candidate reaches the second round); and eliminating absentee ballot provisions. The Constitutional Court, however, ruled several provisions of the new law unconstitutional, including a provision banning the submission of complaints to the Central Electoral Commission on election day. At the same time, the court ruled constitutional the provision cancelling the use of absentee ballots. *Ukraine's rating for electoral process remains at 3.50*

Civil Society. The third sector remains a visible actor in Ukraine, with nearly twice as many groups registered in 2009 than 2004. The government formally recognizes the importance of civil society in their programs and rhetoric, but nongovernmental organizations (NGOs) continue to suffer from outdated legislation, a restrictive definition of "nonprofit activity," and dependence on foreign funding. Ukrainian NGOs are prohibited from generating income, even to support legitimate statute-based aims. In October, a group of public activists announced a campaign to increase pressure on Parliament to adopt a new Law on Civic Organizations, submitted to Parliament in November 2008. *Due to the lack of political will to fulfill government obligations to update legislation pertaining to civil society, despite the European Court of Human Rights ruling that the current legislation does not meet Council of Europe standards, and government assertion that this is a top priority, Ukraine's rating for civil society remains at 2.75.*

Independent Media. Ukraine's media sector is mostly free at the national level, but local and regional sectors still lack independence and need restructuring. The launch of the 2010 presidential election campaign once again brought into focus widespread and growing corruption in media as indicated by a large number of "written-to-order," biased stories on political competitors. Nationwide television channels largely provide balanced news coverage, but in a few cases, television channels (such as Inter) showed political leanings connected to the interests of the channels' owners. A lack of political will continues to prevent the creation of public television. The advertising market in 2009 suffered from the economic crisis,

undermining the financial independence of media. As real salaries decreased and jobs disappeared, journalists became more sensitive to the policies and interests of media owners. Yet, despite the crisis, a number of new media projects, such as TVI and the analytical newspaper *Levy Bereg* appeared in both national and regional markets. *Ukraine's rating for independent media remains at 3.50.*

Local Democratic Governance. 2009 was an important year for local government in several respects. Early local council elections were held nationwide, and in July, the government passed the Law on Concept of Local Self-Government Reform, expanding the powers of local self-government bodies. The results of local elections showed general disappointment with the main political parties, which failed to receive a majority of votes in many places. The debate on an optimal election system at the local level continued in 2009. In March, nationwide municipal hearings were held on the president's initiative to address a number of shortcomings in Ukraine's administrative/territorial formation and the interference of executive bodies in the sphere of local self-government competences. *Despite some positive steps, questions remain as to the will to implement reform at the local level, and as a result, Ukraine's rating for local democratic governance remains unchanged at 5.25 points.*

Judicial Framework and Independence. The Ukrainian judiciary is plagued by a low level of public trust in the judicial system, violations of the right to adequate judicial defence, corruption, ineffective procedures of judicial examination, and a lack of professionalism. Insufficient financing and the politicization of the judiciary lie at the root of these problems. Although improvement of the legislative framework of the judiciary was marked as a priority for the Ministry of Justice in 2009, little was achieved. A number of legislative initiatives have not been approved, and the judiciary lacks unity. With the exception of some progress made in the investigation of the 2000 murder of Ukrainian journalist, Georgiy Gongadze, very few positive developments took place in the country's judicial system. *Due to the lack of action, despite declarations of priority in securing sufficient funding for its functioning and independence, and in eradicating corruption within the judiciary, Ukraine's rating for judicial framework and independence remains at 5.00.*

Corruption. Corruption is pervasive throughout Ukrainian society and manifests itself most predominantly through a lack of official transparency and a high level of influence of oligarchic groups. On a positive note, Ukraine fully introduced a standardized test as a requirement in the admissions process for institutions of higher education. Additionally, Parliament introduced a package of three anticorruption laws which would put the country's anticorruption legislation in line with European requirements; however, the enforcement of this package was postponed from January 1 to April 1, 2010. *Despite the positive step of adopting new anticorruption laws, the decision to postpone their implementation demonstrates the lack of readiness of the political establishment to seriously take on measures to combat corruption. Hence, Ukraine's corruption rating remains at 5.75 points.*

Outlook for 2010. The January 2010 presidential election will shape the near future of democratic development in Ukraine. Current president, Victor Yushchenko, will likely leave office as his term expires, leaving behind a legacy of improved democratic performance within a rather dysfunctional system. He will be succeeded by either Yulia Tymoshenko, the current prime minister and President Yushchenko's Orange Revolution ally, or Viktor Yanukovych, a former president who was removed from power by the Orange Revolution. Constitutional reform is needed, and the president may push for the re-establishment of a presidential republic, especially in the face of a minority government. As the presidential campaign illustrated, erosion of media freedom is possible. It is unlikely that the government will reform the systemically problematic judiciary in the near future. However, the package of anticorruption laws is expected to go into effect unless its enforcement date is once again postponed.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00	[illegible]

Democracy stands as a core value of governance in Ukraine, however, the behavior of the country's major political actors is not always democratic. Politicians often use democratic rhetoric to manipulate the electorate, while in practice not following democratic norms. Additionally, the country has not yet built the stable institutions that would ensure the rule of law and the consolidation of democracy. Strong connections between big business and politics make national politics highly dependent on various business groups.

The constitution is dualistic and its system of checks and balances is inefficient. The constitution empowers the *Verkhovna Rada* (Parliament) to appoint a Cabinet of Ministers (government) after forming a majority coalition. Yet, the president remains a strong political figure, deriving power from leadership in the National Security and Defense Council, the capacity to appoint and dismiss regional executive chiefs ("governors"), and the ability to nominate candidates to the posts of defense and foreign ministers. The Parliament must approve the latter, providing de facto for dual subordination of those ministers to both the president and the prime minister. The president may appeal the constitutionality of government decisions to the Constitutional Court, and thereby suspend decisions deemed unconstitutional. In practice, the president misuses this power to suspend undesired government decisions.

While constitutional reform stood as the main issue in 2009, the major political forces involved ultimately failed to reach consensus. Some elements of the proposed drafts demonstrated the intention of political actors to use reform, via redistribution of power, to strengthen their own standing rather than to create a more equal balance of power.

President Victor Yushchenko pushed his draft for constitutional reform to Parliament in April with little support, and again to the public in August. His proposal called for the establishment of a bicameral Parliament to "unite the representation of political forces with territorial communities and territories," and the direct election of the lower chamber (300 members of Parliament) on a proportional basis from open party lists.[1] Furthermore, 3 senators from each of the 27 regions would be elected by a majority vote to the upper chamber (Senate).

The Block of Yulia Tymoshenko (BYT) and the Party of Regions (PR), who may constitute a situational majority in the Parliament—thus allowing them to change the constitution without the consent of other parties—proposed reforms without open consultation with the electorate, other parties, or independent experts. Their key reform would provide the party receiving the highest number

of votes in two rounds of elections an absolute majority of at least 226 seats in the Parliament. As the European Commission for Democracy through Law noted, such an amendment would create a system where "a party with quite a low level of support may obtain an absolute majority of the seats."[2]

Some of the proposed provisions in the BYT-PR draft, including the prolonging of the authority of the current convocation of the Parliament, election of the president by the Parliament (while not changing his power), and a provision which would hold mass media accountable for "disinformation to society" would clearly violate democratic principles.

A consensus was not reached on the draft changes, and on October 22, Parliament removed all drafts on constitutional reform from the agenda (including those of President Yushchenko and the BYT-PR). This process is likely to be reactivated after the 2010 presidential election.

Along with constitutional reform, all pressing institutional reforms have reached a stalemate. Despite constant promises and declarations, the government implemented neither administrative nor judiciary reforms. The central government failed to adequately address new challenges in 2009, such as the economic crisis, a severe budget crisis (which was temporarily overcome due to International Monetary Fund support), a gas crisis, and an H1N1 epidemic.

Despite the formal existence of a coalition of Our Ukraine, BYT, and Lytvyn Bloc, nearly half of Our Ukraine does not support the coalition. As a result, the country is led by a minority government. The ministers of finance, foreign affairs, defense, transportation, and communication were removed by Parliament in 2009, and only the foreign minister was replaced, leaving a number of important cabinet seats vacant.

The government demonstrated a greater openness to public participation in 2009. A number of public councils continued to work with the government and subordinate bodies. However, the Cabinet of Ministers adopted a regulation in November that provided an unrealistic mechanism for the formation of such public councils, requiring nationwide gatherings of nongovernmental organizations (NGOs)—regardless of their professional profile—to elect members of all such councils, thereby undermining their very basis. In some cases, public participation is being imitated (via biased selection of participants by authorities themselves) to lend wider legitimacy to governmental decision-making without real procedural transparency and public involvement.

Parliament makes legislation and serves as a platform for wide political debate on the country's domestic and international agenda. Both governmental and opposition parties use the parliamentarian tribune to deliver their messages to the public. Parliamentary sessions are broadcast on the first channel of the National Radio Company and on the television channel, Rada. However, in 2009 the credibility of Parliament came under question when opposition blockades and the inability of the ruling coalition to make decisions paralyzed its productivity.

The Constitution and the Law on Democratic Control over the Military Sphere provide for democratic oversight of the military and security services. Since

2005, a civilian has held the post of defense minister. Parliament has the capacity to investigate cases of misuse of military and security power.

The national economy is not free from governmental interference. According to the Heritage Foundation and the *Wall Street Journal*'s 2010 annual "Rating of Economic Freedom," Ukraine scores 46.4, down 2.4 points from the previous year, placing it at 162 among 179 countries ranked on economic freedom in the world. Ukraine is ranked in last place in Europe. The country's regulatory framework remains burdensome. While foreign investment is officially welcome, corruption and bureaucracy deter many investors. Bureaucratic inefficiency makes many commercial operations difficult.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50

The presidential electoral campaign was officially launched on October 19, 2009, 90 days prior to actual polling. In practice, however, the campaign started several months earlier with the appearance of campaign billboards and populist rhetoric in the media.

President Yushchenko entered the campaign with three to five percent approval ratings. His major competitors were Yulia Tymoshenko, the current prime minister, and Victor Yanukovych, the leader of the opposition PR. Other politicians, such as Arseniy Yatsenyuk, the former speaker of Parliament, sought to present themselves as viable political alternatives. Another candidate, Serhiy Tigipko, the former chief of the national bank, returned to politics after five years in the private sector.

Yanukovych ran in the highly contested presidential election of 2004 as the "official successor" of President Leonid Kuchma. He was defeated by Victor Yushchenko after massive public protests against election fraud, known as the Orange Revolution, took place. Yanukovych, however, returned as a major political player in 2006–07, when he served as prime minister.

The 2009 campaign through the end of the year was largely free and fair. There was no visible foreign interference in the 2009 election campaign. The government did not limit political activities and, for the most part, the major candidates enjoyed equal access to the national media outlets. However, candidates engaged in vicious mudslinging in attempts to discredit their opponents. Tymoshenko's closest members of Parliament (MPs) were accused of engaging in pedophilia, while opponents of Yanukovych accused him of the illegal privatization of *Mezhyhirya*, the former governmental headquarters in the Kyiv region.

On August 21, Parliament approved a controversial amendment to the Law on Presidential Elections after overcoming a presidential veto. The law shortened the campaign period from 120 to 90 days, removed the requirement for candidates to collect signatures, introduced a high fee of UAH 2.5 million (US$300,000) for

balloting (to be returned if the candidate reaches the second round), and abolished absentee balloting.

President Yushchenko claimed that the new law violated the constitution and submitted the matter to the Constitutional Court. The Organization for Security and Cooperation in Europe (OSCE) and the OSCE Office for Democratic Institutions and Human Rights, as well as civil society experts, largely shared President Yushchenko's concerns. In particular, the Committee of Voters of Ukraine (CVU) stated that amendments to the Law on Election of the President of Ukraine "infringe on a fair and democratic election process by restricting voting rights, creating mechanisms for falsification (which allow adding to voters lists on polling day), and limiting public control over the election process."[3]

On October 19, the Constitutional Court ruled that several provisions of the new law on presidential election were unconstitutional. These provisions included, among others, the requirement that Ukrainian citizens wishing to vote abroad must register with diplomatic missions, the prohibition of residents from certain constituencies becoming members of election commissions in other constituencies, and the banning of complaint submissions to the Central Electoral Commission on election day. The court also objected to the provision stating that if a violation is not presented to the court within two days, it would not be considered for appeal at all. Finally, it ruled the provisions that banned court appeals by district electoral commissions against the protocols on vote counting (which banned courts from handling appeals dealing with election disputes) unconstitutional. At the same time, the court upheld the abolition of absentee ballots. The most evident shortcoming of the law is that it prohibits NGOs from observing polling stations.

The CVU worried that, coupled with shortened election terms, a great number of unqualified people affected by the economic crisis would apply to work on various levels for the election commissions, worsening the already poor operation of the commissions. In October, the OSCE (via a project coordinator in Ukraine) and other international organizations launched projects aimed to improve the skills of election commission members and to raise awareness about election rules and procedures.

Ukraine's voter registry remains problematic. According to the CVU, the initial verification of the Unified State Register of Voters revealed significant gaps in the database. By various estimations, the error ratio totals 10–30 percent. According to preliminary data, only 2 percent of voters have verified their personal data in the register. A provision of the Law on Election of the President of Ukraine, which allows adding voters to lists on polling day, could further complicate and weaken the system.

The presidential campaign of 2009–10 also revealed low levels of voter confidence in the country's political leadership. This skepticism was most profoundly illustrated by the appearance of Mr. Protyvsih (his name translates as Against All) on the voting list. Protyvsih had changed his family name in order to attract the attention of voters who were disappointed by the selection of candidates.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75	[illegible]

Though political leaders recognize the importance of civil society in rhetoric, this recognition has failed to translate into consistent, civil society-friendly policy. NGOs are governed by outdated legislation and are dependent on foreign funding.

In 2009, Parliament again failed to provide essential improvements to outdated NGO legislation, and the definition of "nonprofit activity" remained restrictive. Ukrainian NGOs are prohibited from generating income. Only individuals, not enterprises or other collective entities, may establish an NGO. A registered NGO may not operate freely in cities and regions other than that in which they are registered. To receive nationwide status, an NGO must have branches registered in regions throughout Ukraine, which is not the case for most small and medium-size NGOs. It is often much easier and faster to register a company or private entrepreneurship than an NGO, but the situation is gradually improving.

In October, a group of civic activists announced a new campaign to increase pressure on the Parliament to adopt a law on civic organizations, which was first submitted to Parliament in November 2008. The law has since remained with the parliamentary Committee on Legal Policy. The civic initiative highlighted the April 2008 European Court of Human Rights assertion that Ukrainian legislation on civic organizations does not correspond to Council of Europe norms and standards. Despite numerous appeals from NGO leaders, neither the cabinet's leadership nor the parliamentary majority fulfilled their promises. Civic activists have warned that if the Parliament does not adopt the above law they will appeal to the Council of Europe.

The government does not create arbitrary obstacles to the activities of NGOs and there are no examples of direct pressure aimed at derailing NGO activity. However, there is limited communication between the government and the NGO sector, especially on the local and regional levels. As a result, the influence of NGOs is limited.

The current government has made some efforts to strengthen the role of NGOs in policy making. However, in a number of significant cases, the authorities used handpicked NGOs to legitimize their policy without open consultation or involvement from other NGOs in policy making. The government most closely cooperated with the National Council for Media Freedom and Information Sphere Development, the National Council on Public Administration and Self-Governance, the Council on Ethno-National Policy, the National Commission on Strengthening Democracy and the Rule of Law, and the NGO Expert Council within the European Union–Ukraine Cooperation Committee.

As of January 1, 2009, there are 65,951 NGOs registered in Ukraine; nearly twice as many as in 2004 and many more per capita than in the other Commonwealth of Independent States (CIS) countries, but less than in neighboring European Union (EU) member states.[4] Many registered NGOs are essentially not operational and/or do not carry out significant activities. Most are trade unions, charitable or religious organizations, and ethnic, cultural, youth, professional, and human rights

groups. Ukrainian civil society remains heterogeneous in terms of capacity and the strongest NGOs are based in Kyiv. Most NGOs see themselves as agents of change, applying public pressure to the government and channeling the interests of citizens. At the same time, real NGO activity is rather limited; few people feel that the "third sector" pursues the interests of society as a whole. Many NGOs in Ukraine do not have the professional and financial capacity to ensure efficient management.

The country's major trade unions are remnants of the Soviet past and are incapable of effectively defending their members. Some recently established professional trade unions—such as the Independent Media Trade Union—try to play a greater role, but the share of journalists involved is rather limited.

In 2009, local special interest groups, including "Defend Old Kyiv," consolidated to pursue common interests such as protecting the environment, historical sites, and other public areas from construction in the larger cities. Groups were also organized to defend small business interests.

Access to public funds is limited. The economic crisis further weakened the possibility for NGOs to receive donations from public sources. National legislation restricts NGOs' access to state and local budgets.

Among foreign donors, the U.S. Agency for International Development (USAID) provides the largest contributions to various NGO programs and projects. The George Soros-affiliated International Renaissance Foundation provides more than US$7 million per year, which is the largest contribution from a private donor. Civil society support also comes from EU funds through the European Instrument for Democracy and Human Rights, but this input was limited to €600,000 (roughly US$800,000) in 2009. Several German political foundations (Konrad-Adenauer-Stiftung, Friedrich-Ebert-Stiftung, Naumann, and Boell) also support NGOs in Ukraine. States such as Poland and Slovakia, and organizations, such as the Black Sea Trust Fund and the Visegrad Fund, are also contributors to Ukrainian civil society. In November, the EU Eastern Partnership initiative (EaP) created the EaP Civil Society Forum, an international platform that includes the participation of 30 leading Ukrainian NGOs.

Several domestic private funds (Open Ukraine, the Victor Pinchuk Foundation, and the Development of Ukraine Foundation) offer grants to civil society organizations. These funds prioritize social welfare and charitable projects, health and education, and, to a lesser extent, public advocacy, legal and human rights protection, think tanks, and international cooperation.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50

Article 34 of the Ukrainian Constitution provides the legal basis for freedom of opinion and speech, and Article 15 prohibits censorship. Print media monopolization is outlawed through Article 10 of the Law on Printed Mass Media.

Ukraine's media sector is mostly free at the national level, but local and regional media outlets have not modernized and lack full and genuine independence.

Citizens enjoy wide-ranging pluralism in electronic and print media. Governmental censorship is not detected. Corruption, which has been intensified by the presidential electoral campaign, is widespread. "Written-to-order" stories are a growing problem. These stories, through which an interest seeks to buy "news coverage," aim to push a positive image of a client, or directly negative or scandalous information about the political competitors of clients.

Nationwide television channels largely provide balanced news coverage; both the ruling party and the opposition had equal access to the media during the campaign. However, instances of biased news coverage were noticeable. Some of the largest national television channels, for example Inter, broadcast biased news coverage reflecting the political interests of the broadcaster's owners, and pre-selected, biased audiences for their live talk shows.

Investigative journalism appears more often in Internet and printed media, but is less welcome on television. In 2009, some well known, investigative journalists led by Yegor Sobolev established *Svidomo* (Consciously), a bureau for investigative journalism.

The 2009–10 presidential campaign has challenged media independence in Ukraine, as the major political actors increasingly use the media to promote their interests and discredit their competitors. On September 23, the State Committee on Television and Radio announced its intention to establish a Channel of Territory Communities on the basis of regional, state-owned television stations controlled by regional administrations. The opposition viewed this move as a means to centralize state-owned, regional television (under full control of the central government) on the eve of the presidential campaign.

The onset of the presidential campaign raised concerns that powerful, moneyed interests could exert disproportionate influence over the media. On October 7, President Yushchenko said he was "very concerned with the current situation" of media freedom in Ukraine. Speaking at a meeting of regional media directors in Kyiv, President Yushchenko said that with every passing day, the "space of openness" is becoming "narrower."[5] However, despite the president's overall friendly attitude toward media independence, he has failed to take the necessary measures to ensure irreversibility of media freedoms in Ukraine. On November 17, the Parliament passed the Law of Ukraine: On Amendments to Article 23 of the Civil Code of Ukraine on Compensation of Moral Damage, authorizing courts to impose financial penalties on journalists for "moral damage" through, for instance, "spreading of untrue information." President Yushchenko, encouraged by the National Commission for Establishing the Freedom of Speech and Development of Information Industry vetoed the law due to the high likelihood that the law would be misused against journalists.

In 2009, independent media watchdogs, such as the Institute for Mass Information, identified three "Predators of the Press-2008": the prosecutor general, for not responding to high-profile crimes against the press; the minister

of the interior, for allowing police clashes with journalists and attacks against photojournalists; and mass media owners, for firing journalists and violating the country's labor laws.[6] Furthermore, the actions of the National Expert Commission on Protection of Public Morality, which has the authority to limit freedom of expression on the basis of violation of moral norms, led to strong criticism and protests from artists, writers and civic activists.

Leading financial and industrial groups own most of the country's media. As a result, media coverage is often biased and subject to the preferences of the outlet's owners. State administrations own regional and local newspapers and television channels and influence the editorial policy of these outlets. A lack of political will continues to prevent the creation of a public television broadcaster.

The 2009 global economic crisis impacted the advertising market, leading to decreases in real salaries, the elimination of jobs in the media sector, and the subjugation of journalists to the policies and interests of the owners of outlets. Some outlets, for example, the weekly magazine *Novynar* (Newsmaker) and the newspaper *15 Minutes*, closed. Other publications drastically reduced content and staff. Yet, in 2009 a number of new media projects emerged. *Levy Bereg* (Left Bank), an analytical newspaper is perhaps the most remarkable newcomer to the national print media market.

Although only 12–14 percent of the population has regular access to the Internet, online publications such as *Ukrayinska Pravda*, *Obkom*, and Ostrov.org, maintain significant influence. Media experts detect the visible growth of Internet social and professional networks (Facebook, Twitter, Odnoklassniki), blogs, portals of independent journalism, and video-services in Ukraine.[7] Furthermore, iVox, an online research service, claims that roughly 60 percent of Internet users in Ukraine support civic journalism where users place their content in blogs and forums. They also found that 69 percent of users visit news portals, with more than half visiting Internet media daily.[8]

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25	5.25

Ukraine is made up of four levels of administrative and territorial formations: the Autonomous Republic of Crimea and *oblasts* (including two cities with *oblast* status, Kyiv and Sevastopol); *raions* (*oblast* districts) and cities with *raion* status; cities; and villages and townships. Each *raion* is divided into a number of village councils. As of January 1, 2009, Ukraine had 24 *oblasts* (plus the Autonomous Republic of Crimea), 490 *raions*, 459 cities, 118 city *raions*, 886 urban-type settlements, 1,321 townships, and 28,480 rural populated localities.

2009 proved to be a significant year for local and regional governance in Ukraine. Early local council elections were held throughout the country during the

year, in which city mayors, village heads, and city council members were elected. The outcomes of local elections revealed low levels of support for the country's main political parties and increased support for alternative political parties, or non-party candidates. In the western city of Ternopil, for example, Freedom—an alternative, nationalist party—and Common Centre—a party stemming from Our Ukraine—gained the most votes, with 35 and 14 percent respectively. The BYT and Our Ukraine fared poorly with 8.1 and 5.5 percent respectively. It is expected that alternative political movements may continue to perform well in the 2010 municipal, parliamentary, and presidential elections.

A long-standing debate on local-level electoral reform continued throughout 2009. A law passed in 2005 establishes proportional elections with "closed" election lists of all members of local councils (except in villages and townships) and all deputies of the Supreme Council of the Autonomous Republic of Crimea. Many, including the Deputy Head of the Presidential Secretariat, Maryna Stavnichuk, believe that the extension of proportional representation to the local level has politicized the local councils.[9] Political party leaders tend to support the proportional system as it enables them to maintain greater control over their parties nationwide. In addition, although the leaders announced their intention to change the legislation in order to "open" election lists, no practical steps were taken.

Crimea was an important issue during 2009. According to the findings of the Razumkov Centre, "the events of 2005–09 in the Autonomous Republic of Crimea bear some resemblance to early 1990s," including trends of the weak influence of central authorities on local developments, increased pro-Russian activities, and mounting interethnic conflicts.[10] Crimea is largely divided between Russian and Crimean Tatar-groups, allowing for external influence, especially from Russia. Fears of military escalation in Crimea, caused by Russia, proved unfounded in 2009. Crimea is only one element of the Russian approach towards Ukraine with a goal of securing Russian interests in the country. Instead, Russia made efforts to secure its interests at the highest political level during the Ukrainian presidential campaign. Nevertheless, the danger of military escalation in the peninsula remains.

There are a number of shortcomings in Ukraine's administrative and territorial formation. Governmental structures are aware of the problems, as witnessed with the governmental memo "Main Problems of Local Self-Government in Ukraine".[11] For instance, local self-government in Ukraine is provided through key laws, like the European Charter of Local Self-Government, the Constitution of Ukraine, the Law on Local Self-Government in Ukraine, the Law on Bodies of Self-Organization of the Population; and the Law on Service in Local Self-Government Bodies. However, the overwhelming majority of territorial communities, due to their extreme fragmentation and very weak financial base, proved unable to discharge powers of local self-government. Furthermore, imperfections were noted in the legislation regulating ownership rights and financial and credit activities of local self-government bodies, local taxes, and duties. This leads to conflicts among local self-governing and executive actors. Excessive fragmentation of the present administrative-territorial system is another drawback as the extremely small units lack financial resources.

Despite the constitutional guarantee of regional subsidiarity, Ukraine's executive bodies frequently interfere in the activities of local governments. Such interference results from shortcomings of legal delimitation of powers between the executive branch and local self-governance bodies, and drawbacks in local budgeting and national treasury support for local budgets.

Local bodies in Ukraine neither have adequate funds nor the power to manage budget funds. By law, local budgets consist of general funds, tax revenues, social subsidies, and government grants intended to balance the budget. Many regions create off-budget funds (or charity funds) financed by business and private donations from within the region. The global economic crisis in 2009 proved extremely difficult for local governments; in October, heads of 24 state administrations announced that they were unable to finance their local budgets.[12]

Such policies inhibit local development, as local bodies lack incentives to develop effective social infrastructures. The system of personnel training is also underdeveloped, resulting in unqualified and unprofessional staff. Local governments lack transparency, and the third sector is not utilized to its potential in local development.

The national government made efforts to address these issues in 2009. In March, the president spoke at the All-Ukrainian municipal hearings on the need for reform on all levels. He argued that the basic element of local government must be identified and provided with necessary powers and sufficient funding.[13] This "basic element" was identified as "*hromada*" (a community of people), which elects its head and forms its own executive body. The prime minister and opposition forces were not present at the hearings. This again led to political infighting between these players.

In July 2009, the governmental decree "Concept of Local Self-Government Reform" was passed.[14] According to the Concept, the "creation of conditions for sustainable development of territorial communities as independent and efficient public associations" is to be achieved in four stages. The final stage (2012–14) is to end with the "expansion of powers of local self-government bodies" through constitutional amendments in order to separate the powers of self-governing and executive bodies. While this appears as a positive development, it remains unclear whether or not the Concept will be implemented. Over the past decade, several inconsistent attempts to reform local self-government were introduced and abandoned with party turnover. It is therefore likely that the priority of reforms will change in 2010 with the shift in political power. Finally, there is no mechanism in place to monitor the implementation of these reforms.

The failure of previous reform attempts demonstrates that the shortcomings of local governance in Ukraine will not be solved until a long-term solution identifying an optimal model of state governance and division of powers between the regions and the center is put into place.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00

The constitution defends fundamental political, civil, and human rights, including freedom of expression, freedom of conscience and religion, freedom of association, and business and property rights. Ukraine has also ratified major international treaties protecting human rights at the global (United Nations) and European levels.

Public trust in the judiciary, however, is very low. Survey results attest to the lack of public trust in the judiciary. A poll carried out by the Razumkov Centre illustrated that while the majority of respondents disapprove of the judiciary, of those who do approve, the approval ratings are in the low single digits.[15] These findings correlate with the data of the U.S. Millennium Challenge Corporation (MCC) Threshold Country Program, which found that, in 2009, trust in the judicial system fell. Nevertheless, despite an apparent lack of trust, citizens and companies report a decrease in corruption in the judicial system.[16]

The Ukrainian judicial system is plagued with a number of problems. In 2009, the court system was critically underfunded. Corruption is pervasive and the courts are not transparent. Court proceedings are unnecessarily long, judicial examination is ineffective, and rulings are not always executed. Judges are poorly trained and subject to a suspect appointment system. Furthermore, the judiciary is highly politicized. In March, participants in parliamentary hearings on the state of the judiciary argued that while "the system of justice existing in Ukraine is deregulated, [it] neither meets European standards nor guarantees the right of the individual to a fair trial."[17]

There was no breakthrough in 2009 in the provision of equality before the law. Suspects and prisoners are still not safe from arbitrary arrest, long-term detention without trial, searches without warrants, torture, abuse, and excessive delays in the criminal justice system. Many of Ukraine's citizens feel unprotected before the law. According to Razumkov Centre's March poll, 34.7 percent of respondents reported that their rights were violated last year. Survey participants ranked observance of basic individual rights at 3.32 points (where 1 denotes that rights are not at all observed, and 5 denotes that rights are well observed) and respect for political rights at 2.77 points.[18]

Although the Ministry of Justice identified the improvement of the legal framework of the judiciary as a priority for 2009, little progress was made. Parliament passed an amendment to the judicial law in October, but did not consider a bill on the status of judges. However, in order to establish uniform functioning of the judiciary, the two bills were merged into one bill entitled "On Judicature and Status of Judges," and it was recommended for approval in parliamentary hearings. However, the Chairman of the Supreme Court of Ukraine opposed passing the merged law claiming it in fact bars uniformity in judicial practice.[19]

In 2009, the authorities made some progress in the investigation of the 2000 murder of journalist Georgiy Gongadze. In July, Lieutenant General Oleksiy Pukach, the former surveillance chief of the Interior Ministry, was arrested after a long investigation. Though this development was generally viewed quite positively, its timing raised some concerns that the arrest could have been politically motivated.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.00	6.00	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. Transparency International's (TI) 2009 Corruption Perception Index ranks Ukraine 146 out of 180 countries, with 180 being the most corrupt. TI's 2009 Global Corruption Barometer named public officials and civil servants as the most affected by corruption, and that "fewer than 1 in 10 respondents considered government anticorruption efforts to be effective."

The MCC found that from 2007 to 2009 Ukraine experienced a "decrease in actual corruption experiences, but an increase in the perception that corruption is widespread."[20] In 2009, 62.5 percent of respondents indicated that they were involved in corrupt transactions with government officials over the past 12 months, compared with 67 percent in 2007.

The major manifestations of corruption were virtually the same as in 2008. Official bodies remained nontransparent, the government appeared unwilling to fight corruption, and oligarchic groups played a major role in official decision-making and the appointment of officials. The judicial system is ineffective in combating corruption.

In its latest Compliance Report on Ukraine, adopted in May 2009, the Group of States Against Corruption (GRECO) concluded that Ukraine did not sufficiently implement the recommendations made in previous evaluation reports.[21] The evaluators noted that the turbulent political environment in Ukraine makes the necessary adjustments difficult to inact, and that serious commitment on the part of major political actors is required in order to make future progress.

Support for anticorruption legislation increased in 2009. In June, Parliament passed a package of laws expanding the list of entities involved in corrupt activities, establishing anticorruption measures in the civil service, introducing checks on employment procedures for the civil service, banning the acceptance of gifts while carrying out official duties, requiring officials and their close relatives to publically declare their assets, and introducing anticorruption expertise. Furthermore, the package of laws made trade in influence, unlawful enrichment, and commercial bribery criminal activities.

The minister of justice believes that such laws will bring Ukraine's anticorruption efforts into line with international standards. The laws, which have been in

development since 2005, were designed according to the Council of Europe and Financial Action Task Force obligations for Ukraine. Their adoption was encouraged and later praised by the OSCE, the Parliamentary Assembly of the Council of Europe, and GRECO. However, the implementation of the laws was postponed from January 1 to April 1, 2010, after an initial draft suggested postponing it until 2011.

On a positive note, the government made significant achievements in combating corruption in higher education in 2009. Standardized educational testing (SET) was fully introduced this year as part of the admissions process to institutions of higher education, and all students pursuing admittance to such establishments will be required to take a standardized test. Scores are then certified and considered the primary basis for admission. An August 2009 survey revealed that students are now more aware of standardized testing and have greater faith in the higher education admissions process.[22] It also indicated that individuals experience practically no corruption while taking standardized tests.

Job placement procedures at central and local level government bodies lack transparency and public accountability, and qualifications still rate second to personal or party loyalty. On a positive note, there were no examples during the year of authorities limiting media investigations into corruption and bribery. Non-transparent decision-making at local and higher political levels, however, made investigations difficult.

Meanwhile, fighting corruption in Ukraine lacks not only legislative initiatives but implementation. The lack of implementation of legislation that has already been passed, not only in the field of fighting corruption, hinders the prospects of doing away with corruption in the country. The introduction of SET into the Ukrainian educational system was the only fully positive sign in curbing corruption in the state. Despite the adoption of anticorruption laws in June, the decision of the Parliament, supported by the president, to postpone the laws entering into force from January 1, to April 1, 2010 is a negative sign, which demonstrates the political establishment's lack of preparedness for seriously combating corruption in Ukraine.

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Uzbekistan

by Bruce Pannier

Capital: Tashkent
Population: 27.3 million
GNI/capita: US$2,660

Source: The data above was provided by The World Bank, *World Bank Indicators 2010*.

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00
Civil Society	6.50	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00
Independent Media	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00
Governance*	6.00	6.00	6.25	6.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.50	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	6.25	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	6.50	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00	7.00
Corruption	6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.75
Democracy Score	6.42	6.46	6.46	6.46	6.43	6.82	6.82	6.86	6.89	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 marking Uzbekistan's 18 years of independence on September 1, 2009, Uzbek President Islam Karimov stated that the country would not turn from its path toward democracy. However, during this period, Uzbekistan's democratic growth has been difficult for many to discern, and despite President Karimov's words, there was little to indicate any progress toward democratic or human rights reform in 2009. As he has done since Uzbekistan became independent, President Karimov maintained his tight grip on the country through state control over domestic media and by neutralizing potential threats to the regime with efficient security services.

Opposition parties remain locked out of Uzbekistan's political arena, and Islamic-based opposition groups, some violent, continue to be the targets of security operations. At least one of the latter staged a small attack in the restive eastern part of the country in May 2009. Members of banned Islamic groups, journalists, and rights activists also continued to appear in Uzbekistan's courts to receive the obligatory punishment meted out to dissidents. As these individuals underwent jail sentences or fines, they were joined by fallen officials apprehended for corrupt practices. Meanwhile, those considered to be the primary beneficiaries of corruption continued to prosper.

Many Western nations that previously condemned Uzbekistan for these practices were mute in their criticism in 2009. Uzbekistan took on a new importance as a transit route for supplies to United States-led coalition operations in Afghanistan after militants targeted supply routes through Pakistan. Also, some European nations seeking energy resources in the Caspian region were hopeful that Uzbekistan might join natural gas projects that could break Russia's near monopoly on energy exports from Central Asia.

Symbolic of this new arrangement was a European Union decision in October not to renew sanctions on the sale of weapons to Uzbekistan. These were imposed after the Uzbek government ordered use of deadly force to restore order in the eastern city of Andijan in May 2005. Uzbek authorities called the event a coup attempt, but local and international rights groups said it was a massacre of mainly peaceful protesters, perhaps as many as a thousand.

This new, tacit understanding between the Uzbek government and the West, coupled with strong Chinese investment in Uzbek energy and mining projects, gave President Karimov and his government augmented freedom to run Uzbekistan as they wished. The Uzbek government lauded its economic policies during 2009, claiming that the wisdom of the country's leadership protected Uzbekistan from the economic crisis that encompassed so much of the world. The obedient domestic media consistently reminded the Uzbek public how fortunate they were to have such leadership in difficult economic times and with an increasing number of security threats emerging in Central Asia. President Karimov, who turned 71 in January 2009, seemed well poised to stay in power until his death.

National Democratic Governance. Not only does President Karimov rule Uzbekistan as he wishes, but the current reluctance of Western nations to raise rights issues with the Uzbek government takes away a key lever in moderating the Uzbek regime's behavior. Without any incentive to make effective democratic changes, it is unsurprising that Uzbek authorities have not altered policies on governing the country. *The executive branch continued to dominate the Uzbek government in 2009 with no movement to give citizens any say in how the country was governed. Uzbekistan's national democratic governance rating remains at 7.00.*

Electoral Process. Uzbekistan's December parliamentary elections further demonstrated the government's disinterest in reforming the electoral system or introducing the most basic features of a competitive election, such as a legitimate opposition party. Only the four, registered, pro-presidential parties participated in the poll, which explicitly excluded the participation of independent candidates or individuals sponsored by social or "initiative" groups. *Given the history of elections in Uzbekistan, expectations for the parliamentary poll in December were low and again confirmed by the authorities thus Uzbekistan's electoral process rating remains at 7.00.*

Civil Society. Uzbek authorities have continued harassing rights activists, members of suspect Islamic groups, and nontraditional (neither state-approved Islam nor Russian Orthodox) religions. As has been true throughout the country's 18 years of independence, there are no groups of any size that can publicly call for changes to the system or even offer alternative points of view to government policy without risking government reprisals. *Since it is only possible for state-supported or sanctioned groups—be they political, social, or religious—to exist in Uzbekistan, the country's civil society rating remains at 7.00.*

Independent Media. There are no longer any media outlets that could be considered independent in Uzbekistan, though a small number of journalists continue to work with foreign-based media agencies, reporting on events not covered by state media. Uzbek authorities, while boasting of increased Internet use in the country, worked to block access to Web sites that carried critical views of the government or covered stories the state considered too sensitive to disseminate to the population. *Independent media does not exist in Uzbekistan and in 2009 authorities ensured that only sanctioned information with flattering views of the state reach the public. The country's independent media rating remains at 7.00.*

Local Democratic Governance. Provincial, district, city, and village officials are appointed based on perceptions of loyalty to the state and are therefore expected to carry out the wishes of President Karimov on local levels. But there is evidence in recent years that these local officials govern their territory as their own personal fiefdoms while doing all possible to publicly exhibit loyalty to the regime and faithful execution of the tasks assigned by the central authorities. *Local officials serve the state, not their constituencies, and too often some of these officials take advantage of*

their positions to promote their personal interests, often breaking the laws of the country and preying on local residents. Thus, Uzbekistan's local democratic governance rating remains at 6.75.

Judicial Framework and Independence. Uzbekistan's judicial branch is set up to punish perceived enemies of the state. These range from independent journalists and rights activists to members of nontraditional religions and suspect Islamic groups. Courts ignored claims of torture being used to extract confessions and witnesses recanting testimonies that were influential in establishing guilt, with no effort in 2009 to alter this situation. Virtually everyone arrested and charged was found guilty and received a fine or jail sentence when in the state's interest. *The judiciary continues to be a tool of the executive branch of government, thus, Uzbekistan's judicial framework and independence rating remains at 7.00.*

Corruption. In international surveys on corruption, Uzbekistan ranks as one of the most corrupt countries in the world. Uzbek state media rarely report the misdeeds of top officials, but there is increasing information about officials from the governor-level down being arrested for illegal activities. In 2009, orders from authorities to greatly curtail checks on businesses in Uzbekistan opened the door to further corrupt practices. *Mounting evidence of abuses and excesses by provincial officials and police show the country is headed in the wrong direction in the fight against corruption; thus Uzbekistan's corruption rating drops from 6.50 to 6.75.*

Outlook for 2010. Given the status of international energy projects and United States-led operations in Afghanistan, the United States and Europe—for the moment—need Uzbekistan more than Uzbekistan needs them. Additionally, Uzbekistan retains its strong economic ties with China as a hedge against another sudden disruption of ties with Western partners as occurred over the Andijan violence. The economy will be Uzbekistan's biggest test as more of the country's migrant laborers return from Russia and other places where there is no longer work. The government promised to create one million jobs in 2009, with little demonstrable success. How much the system can bear as hundreds of thousands of migrant laborers return is a looming question. Uzbek security forces will continue hunting perceived enemies of the state, and international and local rights groups say these activities flout due process of law. Uzbekistan's banned Islamic groups can count on support from the Taliban and al-Qaeda in neighboring Afghanistan and Pakistan. As always there is the issue of the president's health, whose technically unconstitutional third term in office ends in 2014. President Karimov is the force that binds Uzbekistan together, and his departure from the political scene could spark serious instability in the country that could spread throughout Central Asia. Some speculate President Karimov's eldest daughter, Gulnara, could replace him, but it would be a risky decision in Uzbekistan's highly patriarchal society.

Main Report

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.50	7.00	7.00	7.00	7.00	7.00

President Islam Karimov maintains an unchallengeable grip on power in Uzbekistan; the executive branch dominates the political system, with the legislative and judicial branches simply formalizing the policies of the executive. The ability of President Karimov to run in 2007 for an unconstitutional third term without any state body or political organization even mentioning this violation indicates the extent of his control over the system.

Uzbek authorities claim that the country has weathered the global economic crisis better than most, which they credit to President Karimov's policies, a point that was greatly publicized by state media during 2009. International financial organizations at least partially agreed with this assessment. How much this raised his credibility in the eyes of the Uzbek public is debatable, but media portrayals of the president's successful economic and social programs reinforced President Karimov's power and authority. Outside sources of information are difficult to come by, and the information that state media provided Uzbek citizens in 2009 aimed at promoting the president's wisdom in governing. In an August report by the government-funded agency Izhtimoi Fikr (Social Opinion), "the overwhelming majority of those surveyed (90.8 percent) said that they were satisfied with economic growth rates...and 87.7 percent said they were happy with the social security for the population."[1]

Though international organizations have criticized the human rights situation in Uzbekistan, the same Izhtimoi Fikr survey claimed that "86.4 percent of respondents were satisfied with the observance of human rights and freedoms in the country." Meanwhile, state media continued to report on the fate of enemies of the state, a reminder that visible expressions of dissatisfaction with the government bring severe consequences. The government also enlisted aid from popular culture figures, including actors and singers who have entered the state service and participate in state propaganda campaigns.

In 2005, the European Union (EU) imposed sanctions on Uzbekistan after the violent crackdown in Andijan with the understanding that lifting the sanctions depended on Uzbekistan allowing an independent investigation of the events and the Uzbek government demonstrating greater respect for human rights. Uzbek authorities did release some independent journalists and rights activists from jail and in November 2009, under a government amnesty, released the founder of the opposition Sunshine Coalition, Sanjar Umarov. The EU called these releases progress and eased sanctions, though many rights groups pointed out that the

individuals being released should never have been incarcerated and that other independent journalists and rights activists were later arrested to fill the recently vacated jail cells.

At the September EU-Uzbek meeting in Brussels, the EU released a statement urging Uzbek authorities to take further steps in improving the situation concerning human rights and fundamental freedoms in the country. In response, Uzbek Foreign Minister Vladimir Norov reportedly turned the tables on the committee and questioned the treatment of minority groups in Europe while deflecting questions about torture in Uzbekistan.

International Monetary Fund (IMF) Managing Director Dominique Strauss-Khan predicted during a visit in June that Uzbekistan would have a high rate of expansion (7 percent economic growth), especially in comparison to many other countries that are facing economic contraction or sluggish growth during the global economic crisis. The Uzbek government used such comments in local media as evidence of the prudence of state policies. Uzbekistan has opened the door somewhat to companies from Western nations to participate in large projects, including the development of oil and gas fields. This move aims at filling gaps left by the departure of Russian companies that rushed into Uzbekistan following Western criticism of the Andijan crackdown.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00

Uzbekistan held elections to the Oliy Majlis, the lower house of parliament, on December 27, 2009. Though 508 candidates participated, all were from the country's four registered political parties. Legislation passed in late 2008 excludes candidates from "initiative" groups or individual/independent candidates from running in elections. Mavjuda Rajabova, head of the Senate Committee for Legislation, commented on an Uzbek television program that there was no longer a need for independent groups of voters since there are political parties and "because the majority of the population has been involved in the parties' activities."[2]

Uzbekistan's four registered political parties are Adolat, Milli Tiklanish, People's Democratic Party of Uzbekistan (PDPU—formerly the Communist Party of the Uzbek Soviet Socialist Republic) and the Liberal Democratic Party of Uzbekistan (LDPU). There is also the Ecological Movement of Uzbekistan, created in August 2008, for which 15 seats in the lower house of parliament are allotted. The policies of the four parties and the movement are all pro-presidential. President Karimov himself has criticized the political parties on occasion for being so similar as to be nearly indistinguishable. This lack of true competition has lead to apathy and passivity, certainly on the part of voters.

Perhaps in response to this growing attitude, the four parties mildly criticized each other ahead of the December election. The PDPU, in its newspaper *Uzbekistan*

Ovozi, wrote, "paying closer attention to claims of the LDPU's representatives, one finds out that cases of overestimating themselves, as well as cases saying groundless and illogical words about others are becoming habitual."[3] Muhammadilhom Yoldashev from the LDPU's political council fired back on television that the PDPU was "raising the issue of citizens' social protection" as a priority, but in fact "we don't see this party is acting to implement any specific social projects."[4]

Before the December election, Uzbek authorities aired television programs aimed at spreading propaganda to the country's electorate. *Saylov–Demokratiya Kozgusi* (Elections–a Reflection of Democracy), airing on the country's first channel, concerned the basic mechanics of an election: setting up polling stations, the independence of election commissions, and explaining that "one deputy from each electoral district is elected to the Legislative Chamber of Uzbekistan."[5] The program carried the interesting comment by Kochkor Togayev, Deputy Head of the Central Election Commission (CEC), that Uzbekistan's electoral legislation was better than some countries because, "If a person does not take part in the election, he will not be prosecuted."

According to Uzbek electoral officials, concerns about voter apathy were unfounded. Uzbekistan's CEC reported an official voter turnout at 87.8 percent, but in a departure from the norm, runoff elections were needed. Komila Sodikova, a member of the LDPU from Andijan province, expressed a desire to run as one of the party's candidates but the regional LDPU chairman rejected her candidacy. The Uzbek population has no say in selecting their local officials as all governors, district chiefs, mayors, and village heads are appointed.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.50	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00

Uzbekistan's constitution guarantees citizens the right to form and register social and religious groups and conduct their activities. Authorities interpret this to mean that groups and organizations conform to state policies or represent no challenge to the regime. In fact, groups that promote a message different from that of the state have been denied registration.

The U.S. State Department's annual report on human rights released in February 2009 noted that "Uzbekistan is an authoritarian state" where "citizens did not have the right in practice to change their government through peaceful and democratic means."[6] The report further stated that "human rights activists and journalists who criticized the government were subject to harassment, arbitrary arrest, politically motivated prosecution, forced psychiatric treatment, and physical attack." The report did, however, credit Uzbekistan's government with starting efforts to solve human rights problems, including the rights of defendants and use of child labor in the cotton industry.

On October 27, when the EU officially lifted the last of the sanctions it placed on Uzbekistan for the Andijan violence in 2005, EU ministers said they were "seriously concerned about the human rights situation" but were removing the sanctions on Uzbekistan "to encourage the government to take further substantive steps to improve the rule of law and human rights."

The EU decision drew sharp criticism from international rights groups, including the Russian organization Memorial. Human Rights Watch called the EU decision "an unconscionable abdication of responsibility toward Uzbek victims of abuse."[7] The London newspaper the *Guardian* wrote, "Never mind that any Uzbek with the audacity to oppose Karimov is liable to be tortured. Never mind that the poet Yusuf Juma is one of many human rights activists to have been jailed for daring to criticize the president. Never mind that Evangelical Christians and Muslims belonging to mosques outside state control are denied the freedom to worship. Uzbekistan is an ally in the war on terror and so our gutless governments in the EU regard Karimov as 'our kind of guy.'"[8]

In February 2009, Amnesty International (AI) highlighted the case of Alisher Karamatov, a member of the Human Rights Society of Uzbekistan who, until his April 2006 arrest, had conducted rights activities in Gulistan (Syrdarya Province). Convicted of extortion in June 2006, a charge AI called "politically motivated," Karamatov was sentenced to nine years in jail. According to AI, prison officials "tried to force Karamatov to sign a statement confessing to a disciplinary violation that he says he did not commit." Upon his refusal to sign, "officials ordered Karamatov, 40, to remove his hat and outer clothing and stand outside wearing only his prison uniform, a coverall made of thin fabric. The temperature was below freezing and it was snowing. After enduring the cold for three hours, Karamatov agreed to sign."[9]

In another case, Farhod Muhtarov, an activist with the Human Rights Alliance of Uzbekistan, went to a Tashkent police station in July to report violations by the police but was instead arrested. Police said they had received complaints from three people who had allegedly loaned Muhtarov large sums of money and not been repaid. Two of those persons later said they were forced to file the claims under pressure from police. There were reports that Muhtarov's wife attempted to repay the money allegedly owed to the one person who had not recanted their testimony but that the money was seized by a justice official. Meanwhile, Muhtarov was sentenced to five years in jail in October.

The government continued targeting religious groups that were either not part of the state-approved Islam or the Russian Orthodox Church. The most visible example during 2009 was the campaign against what the government claimed to be a religious movement, the Nurchilar (Nursi/Nurchu). The campaign focused on members of the Nurchi group who served as editors or writers for two periodicals, *Irmoq* (Spring) and *Yetti Iqlim* (Seven Climates). But arrests and convictions of the Nurchilar continued after the journalists were jailed and these involved supporters of the sect. At the end of August, the religious freedom monitoring organization, Forum 18, reported that separate trials in Samarkand and Khorezm had "brought to 47 the number of followers of the late Turkish Muslim theologian Said Nursi

known...to have been sentenced to long prison terms under various articles of the criminal code."[10]

There were fewer reports about arrests and imprisonment of Hezb-ut Tahrir members during 2009. The Islamic group, which seeks the creation of an Islamic state in Central Asia and publicly disavows the use of violence, has been a regular target of Uzbek security forces and law enforcement agencies for a decade. Hundreds, if not thousands, of people in Uzbek jails have been convicted on the basis of their membership in the group.

In 2009, the Uzbek government employed new methods to keep the country's Muslims in line with state policy. Forum 18 stated in August that "many mosques are reportedly either being closed or stripped of their registration in rural areas." The NGO cited a human rights defender, speaking under condition of anonymity, as saying, "The government is against establishing mosques in kishlaks (villages)."[11]

Uzbek newspapers and television have warned the country's women about the influence of foreign cultures. One television program, *Tahdid* (Warning), focused on Muslim women wearing the hijab, saying, "some women wore hijab as a mask to achieve their evil intentions."[12] The Imam of Tashkent, Anvar qori Tursunov, appeared regularly on the program also warning women about wearing Western fashion. Tursunov was stabbed several times in an attack in July.

The state newspaper, *Uzbekistan Ovozi*, wrote in January, "Mass culture is more dangerous than terrorism because terrorism physically kills certain people living in a certain area but mass culture is aimed at carrying out disgusting acts of completely eliminating the identities, images, and values of all nationalities and peoples of the world."[13] The state newspaper *Halq Sozi* also warned of the dangers of mass culture, writing, "Movies, books, music and other 'types' of art, which are filled with the shameful and immoral ideas of 'mass culture,' are the most dangerous ideological threats."[14]

Uzbek authorities pay little attention to the Russian Orthodox Church, but members of various Christian sects were fined for conducting religious studies in their homes or houses of worship, and some were detained for several days. Police also raided a Hare Krishna festival in the Samarkand area and deported a Baha'i missionary.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00

There are more than 1,100 media outlets in Uzbekistan, but none of these could be called independent. The government has worked for more than a decade to purge the country of media that offer points of view alternative to the state media or that challenge state policies. Control over the media was relaxed briefly in the mid 1990s, and again while United States troops were based in Uzbekistan (2001–05). The result both times was the appearance of information and reports that discomfited officials. Following the Andijan violence in 2005, the government

worked to deprive foreign-based media organizations of their offices and bureaus in Uzbekistan, among them the BBC, Radio Free Europe/Radio Liberty, and Deutsche Welle. Local employees were encouraged to cut their ties with such organizations, and those who did not were often detained, though always on unrelated charges.

Reporters Without Borders' 2009 Press Freedom Index ranked Uzbekistan 160 out of 175 countries surveyed. According to the Committee to Protect Journalists (CPJ), there are few people in Uzbekistan who could be called "independent" journalists. Among them, Dilmurod Sayid reported on corruption in the regional government and agriculture industry, while also working with a civil society group called Ezgulik (Virtue) to defend farmers' rights. In July, in a closed court and without an attorney, Sayid was found guilty of extortion and forgery and sentenced to over 12 years in jail. Both Reporters Without Borders and CPJ denounced the verdict as politically motivated.

In the campaign against the Nurchilar, contributors to two Islamic religious periodicals received stiff prison sentences for allegedly distributing information on the Turkish Muslim theologian Said Nursi. Reporters Without Borders issued a statement in March saying the "religious beliefs of these five journalists are just a pretext for preventing an independent press from existing in Uzbekistan."[15] In another case, Uzbek border guards took Tajik independent journalist Shuhrat Shodiyev off a train bound for his homeland in August. The Asia Plus News Agency reported that Shodiyev, one of its writers, was detained on suspicion of smuggling a gun and banned religious literature into Uzbekistan. Though neither tried nor convicted, Shodiyev was freed by mid-September under a presidential amnesty marking Uzbekistan's anniversary of independence.[16]

Uzbek authorities also continued screening access to Web sites from outside Uzbekistan. Authorities claim there are more than two million Internet users in the country, though some experts question that figure. Russian information agencies, like Ferghana.ru, claim that the Internet in Uzbekistan is under almost full control by the country's security services, which allegedly censor and filter mass media and other Web content. Over the last few years, Uzbek Internet users were reportedly denied access to numerous Web sites of the opposition and independent mass media.

Meanwhile, President Karimov urged journalists to "cast off the remnants of the past" and "get rid of self-censorship." He was further quoted as saying, "The most important duty of the press is to report on the foreign and domestic politics being carried out by a country taking into account a plurality of opinions and various views on events."[17]

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	n/a	6.25	6.75	6.75	6.75	6.75	6.75

All officials in Uzbekistan—whether provincial, district, city, or village—are chosen, or at least approved, by the executive in Tashkent. Citizens cannot nominate

candidates for local posts. Instead, officials are selected based on their perceived loyalty to the regime and ability to carry out the central government's policies.

There is room for abusing this system as power trickles down. The former acting governor of Samarkand was sentenced to 15 years in jail in March 2009 after being found guilty of, among other things, creating a shadow economy and selling senior posts in the province. Former governors in the central Jizzakh province and areas of the Ferghana Valley have been sacked and later jailed for seizing control of local economies, embezzling millions of dollars, and, in the Jizzakh case, terrorizing the local population.

According to the constitution, the Uzbek population should be able to address grievances with the government through local representatives. However, since independence, regional and local officials, owing their positions to Tashkent, are more interested in fulfilling their appointed tasks than responding to their constituents' needs. There are examples of governors using their office to promote business interests, often to the detriment of local merchants, while law-abiding citizens have grown accustomed to keeping their complaints to themselves. Now, any sort of business success brings the risk of catching the attention of the governor, or more significantly, business associates of the governor. Some have blamed the change of leadership, and thus the patronage system, in the Andijan province as a primary cause of the 2005 protests.

As power disperses into district, town, and village levels, governance takes on a clan character in Uzbekistan. Since there are no elections for these posts, the officials appointed are nominated by some higher official and approved by Tashkent. A town mayor is likely to employ several or more members of his extended family, as would a village chief. At these lowest administrative levels the system may be far from representing democratic governance, but it is also, arguably, the most fair. Town and village heads generally know the families in their area and their history, and there is little reported conflict in small communities. These town and village officials also work to resolve minor problems—such as obtaining fertilizer or farm implements, materials for repairing houses and areas to keep animals—presumably more out of a feeling of kinship with their communities than as a service to the state.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.50	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00	[illegible]

The judicial branch of government in Uzbekistan is entirely subordinate to the executive branch and exists to formalize decisions made by the executive. One after another, alleged enemies of the state—such as members of banned Islamic groups, non-traditional religious groups, secular political opponents, independent journalists, and rights defenders—have appeared in Uzbek courts for nearly two

decades. One after another, they have been sentenced to jail or, for lesser offenses, given stiff fines. None are ever declared innocent.

Amendments to the Law on Advocacy at the start of 2009 dissolved the country's Bar Association, replacing it with a Lawyers Chamber that is overseen by the Ministry of Justice. All Uzbek lawyers are required to be certified by the Lawyers Chamber, and lawyers such as Rukhiddin Komilov and Rustam Tulyaganov who engaged in human rights causes have lost their licenses. Lawyers in Uzbekistan are now wary of taking on cases involving journalists, rights activists, or members of religious groups.

The Uzbek NGO Ezgulik focuses on human rights violations in Uzbekistan. In June, Ezgulik reported about six young men, aged 19 to 24, who were caught stealing candy, bottles of ketchup, and an old refrigerator from a school kitchen. According to the watchdog group, the defendants showed obvious signs of mistreatment and told the court they were beaten and threatened by police. Although under Uzbek laws, evidence obtained under torture cannot be used in court, the judge proceeded with the case. Additionally, when the Nurchilar supporters were sentenced in Samarkand and Khorezm, they were reportedly brutally beaten by the secret police in pre-trial detention. When rights defender Farhad Muhtarov was convicted of fraud and sentenced to five years in jail, the judge appeared not to take into consideration that two of the original three witnesses against Muhtarov later withdrew their testimonies as being submitted under pressure by the police. The U.S. State Department's 2008 report on human rights in Uzbekistan said there was information "of security forces torturing, beating, and otherwise mistreating detainees under interrogation to obtain confessions or incriminating information."[18] Judges routinely ignore such claims by defendants.

In a February 2009 article published in the Parliament and cabinet's newspaper, Chairman of the Supreme Court, Boritosh Mustafayev, praised the judicial system saying efforts to reform and liberalize the legal system "help protect citizens' rights, which are guaranteed by laws, and ensure social justice and rule of law." The article continued that the "session noted that some judges did not abide by laws" and that "disciplinary measures were taken against 106 judges in 2008 as punishment, and decisions to terminate three judges' terms in office were adopted. Criminal charges were brought against four judges for breaching their oaths."[19]

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.75

The government does not provide information about corruption in Uzbekistan, thus it is difficult to determine just how much of a problem corruption is in the country. The Heritage Foundation's 2009 Index of Economic Freedom noted that Uzbekistan is perceived as one of the most corrupt countries in the world, and

that corruption is a major obstacle to foreign businesses and direct investment in Uzbekistan. The report also noted that Uzbek law does not prohibit government officials from serving as consultants, which the Heritage Foundation describes as a common method for extracting payment. Heritage ranked Uzbekistan 148 out of 179 countries surveyed. In its 2009 Corruption Perceptions Index, Transparency International ranked Uzbekistan 174 out of 180 countries surveyed, just above Chad, Iraq, Sudan, Myanmar, Afghanistan, and Somalia.

In April 2009, the chairman of Uzbekistan's State Tax Committee, Botir Parpiyev, announced that the country's private sector would receive tax preferences, while the number of checks on business would be reduced by 30 percent and the number of businesses checked by tax bodies reduced by 62 percent.[20] This reduction in checks invites money laundering and other aspects of a black market economy.

The lure of money from illegal narcotics trafficking continued to snare law enforcement officials. One example in 2009 was a 27-year-old customs officer sentenced to 20 years in jail for drug trafficking. An Uzbek newspaper reported that the officer was caught with heroin in his car, and a subsequent search uncovered over one hundred kilograms of opium buried in his backyard. In March, two former police officers from the Tashkent region were discovered with stolen property and were jailed after being found guilty of abuse of office. All Central Asian states report increased narcotics seizures, which is likely indicative of a growing trafficking network rather than greater efficiency in interdiction efforts. Uzbek authorities burned more than three tons of narcotics in just two separate instances in 2009.

There are no figures for how many Uzbek law enforcement officials are involved in the narcotics trade. Yet, in response to human rights complaints against the police, the Uzbek Interior Ministry reported in April that criminal cases had been opened against 8 police officers, while 220 officers faced administrative charges, 20 were relieved of their posts, 9 were brought to account for not fulfilling their duties, 75 were reprimanded, and the cases of 66 officers were submitted to unofficial courts.[21]

The fight against corruption claimed a victim in 2009—Hasan Asadov, head of the Uzbek Interior Ministry's directorate for fighting terrorism and corruption—who was killed in his flat on August 9. Uzbek investigators later apprehended a group of so-called terrorists for shootings in Tashkent just before the Independence Day celebrations and blamed Asadov's murder (and Imam Tursunov's attack) on the group's members.

Nepotism is common in clan-based Central Asia, and Uzbekistan is no exception. Persons appointed to upper-level positions typically hire at least some relatives. The most obvious example of nepotism is the president's daughters, who receive a great deal of publicity. The younger of the two, Lola, is Uzbekistan's ambassador to UNESCO. Her older sister, Gulnara, was an advisor in Uzbekistan's Foreign Ministry, then an advisor to the Uzbek ambassador in Russia. Since 2008, the 37-year-old Gulnara is Uzbekistan's representative to the UN office in Geneva. Reportedly one of the 10 richest people in Switzerland, Ms. Karimova is also rumored to be the owner of several nightclubs and retail stores in Uzbekistan, and

has been linked to the Swiss company Zeromax, one of the few Western companies to receive oil and gas contracts in Uzbekistan. She is also a pop culture figure, sometimes performing under the name GooGoosha. In early August, *Foreign Policy*, released a list of the worst behaved daughters of world leaders with Gulnara topping the list.[22] The dark side of nepotism was seen after Ms. Karimova's 2001 divorce: her ex-husband's Coca-Cola bottling factory in Uzbekistan was shut down, three of his relatives were imprisoned, and 24 were deported at gunpoint to his family's homeland of Afghanistan.

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