FREEDOM HOUSE

NATIONS IN TRANSIT 2009

DEMOCRATIZATION FROM CENTRAL EUROPE TO EURASIA

NATIONS IN TRANSIT 2009

Nations in Transit 2009

Democratization from Central Europe to Eurasia

Edited by Lisa Mootz

Freedom House
New York ▪ Washington, D.C. ▪ Budapest

FREEDOM HOUSE
Published in the United States of America.

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

Freedom House Europe Kht.
Falk Miksa u. 30, H–1055 Budapest, Hungary
http://www.freedomhouse.hu

Copyright © 2009 Freedom House

This work is licensed under a Creative Commons Attribution-Noncommercial-Share Alike 3.0 license.
http://creativecommons.org/licenses/by-nc-sa/3.0/

Published 2009
Printed in the United States and Hungary
11 10 09 08 07 1 2 3 4 5

ISBN–10: 0 932088 71 6
ISBN–13: 978 0 932088 71 0 (paperback)

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

Library of Congress Cataloging-in-Publication Data Available

Typography: Judit Kovács • Createch Ltd.

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

Contents

Acknowledgements 7

Methodology 11
- Country Reports 11
- Ratings and Scores 12
- Checklist of Questions 13
- Democracy Score 20
- Ratings and Democracy Score Guidelines 21
- Research Team and Data Sources 25

Nations in Transit 2009:
Democracy's Dark Year
Vladimir D. Shkolnikov 27

Tables 36
- Table 1. Nations in Transit 2009: Ratings and Democracy Scores Summary 36
- Table 2. Electoral Process: Ratings History and Regional Breakdown 37
- Table 3. Civil Society: Ratings History and Regional Breakdown 38
- Table 4. Independent Media: Ratings History and Regional Breakdown 39
- Table 5. National Democratic Governance: Ratings History and Regional Breakdown 40
- Table 6. Local Democratic Governance: Ratings History and Regional Breakdown 41
- Table 7. Judicial Framework & Independence: Ratings History & Regional Breakdown 42
- Table 8. Corruption: Ratings History and Regional Breakdown 43
- Table 9. Democracy Score: Year-To-Year Summaries by Region 44
- Table 10. Democracy Score: 2009 Rankings by Regime Type 45

Country Reports

Albania ▪ *Ditmir Bushati* 47

Armenia ▪ *Alexander Iskandaryan* 65

Azerbaijan 83

Belarus ▪ *Vitali Silitski* 99

Bosnia-Herzegovina ▪ *Jasna Jelisić* 121

Bulgaria ▪ *Rashko Dorosiev and Georgy Ganev* 139

Croatia ▪ *Petar Dorić* 157

Czech Republic ▪ *Jeremy Druker* 173
Estonia ▪ *Vello Pettai and Martin Mölder* 189
Georgia ▪ *Elizabeth Fuller* 205
Hungary ▪ *Balázs Kovács and Bálint Molnár* 223
Kazakhstan ▪ *Bhavna Dave* 241
Kosovo ▪ *Ilir Deda* 263
Kyrgyzstan ▪ *Erica Marat* 281
Latvia ▪ *Juris Dreifelds* 297
Lithuania ▪ *Aneta Piasecka* 317
Macedonia ▪ *Zhidas Daskalovski* 337
Moldova ▪ *Liliana Vițu* 353
Montenegro ▪ *Lisa McLean* 371
Poland ▪ *Andrzej Krajewski* 389
Romania ▪ *Alina Mungiu-Pippidi* 405
Russia ▪ *Robert W. Orttung* 419
Serbia ▪ *Slobodan Markovich* 437
Slovakia ▪ *Grigorij Mesežnikov, Miroslav Kollár, and Michal Vašečka* 455
Slovenia ▪ *Damjan Lajh* 475
Tajikistan ▪ *Raissa Muhutdinova* 491
Turkmenistan ▪ *Annette Bohr* 509
Ukraine ▪ *Oleksandr Sushko and Olena Prystayko* 531
Uzbekistan ▪ *Bruce Pannier* 551

Freedom House Board of Trustees 569
About Freedom House 570
About Freedom House Europe 571

Acknowledgements

Nations in Transit 2009 could not have been completed without the contributions of numerous Freedom House staff and consultants. This study was also made possible by the generous support of the U.S. Agency for International Development.

Freedom House is grateful to the country authors for their painstaking efforts to provide clear, concise, and informed analysis of the dramatic changes occurring in the countries under study. They are: Annette Bohr, Ditmir Bushati, Elizabeth Fuller, Zhidas Daskalovski, Bhavna Dave, Ilir Deda, Petar Dorić, Rashko Dorosiev, Juris Dreifelds, Jeremy Druker, Alice Drukerová, Georgy Ganev, Christian Ghinea, Alexander Iskandaryan, Jasna Jelisić, Giedrius Kadziauskas, Miroslav Kollár, Balázs Kovács, Andrzej Krajewski, Damjan Lajh, Lisa McLean, Erica Marat, Slobodan Markovich, Grigorij Mesežnikov, Martin Mölder, Bálint Molnár, Raissa Muhutdinova, Alina Mungiu-Pippidi, Robert W. Orttung, Bruce Pannier, Vello Pettai, Aneta Piasecka, Olena Prystayko, Vitali Silitski, Oleksandr Sushko, Michal Vašečka, Liliana Vițu.

A number of distinguished scholars and regional experts served on this year's academic oversight committees and ratings board. They are: Audrey Altstadt of the University of Massachusetts, Amherst (United States), George Dura of the Centre for European Policy Studies, Brussels (Belgium), Zamira Eshanova of Radio Free Europe/Radio Liberty, Prague (Czech Republic), Kristie D. Evenson of the University of Bristol, Split (Croatia), Charles Gati of Johns Hopkins University, Washington, D.C. (United States), Henry Hale of George Washington University, Washington, D.C. (United States), Rajan Menon of Lehigh University (United States), Sergiu Mişcoiu of Babes Bolyai University, Cluj-Napoca (Romania), Alexander Motyl of Rutgers University, Newark (United States), and Susan Woodward of the Graduate Center, City University of New York (United States).

Freedom House also thanks: David Aprasidze of Caucasus Institute for Peace, Democracy and Development, Tbilisi, (Georgia), Alexander Belyakov of the Foundation for Local Democracy and European Integration of Yuri Panejko,

Kyiv (Ukraine), Laurence Broers of Conciliation Resources, London (United Kingdom), Krzysztof Filcek of the Poland-America-Ukraine Cooperation Initiative, Warsaw (Poland), Juhani Grossman of Management Systems International, Kyiv (Ukraine), Olexiy Haran of the National University of Kyiv-Mohyla Academy, Kyiv (Ukraine), Sanin Hasibovic of the University of Vienna (Austria), William Hill of the National War College, Washington, D.C. (United States), Valts Kalniņš of the Centre for Public Policy Providus, Riga (Latvia), Charles Kovacs of Híd Radio, Budapest (Hungary), Tomila Lankina of De Montfort University, Leicester (United Kingdom), Eric McGlinchey of George Mason University (United States), Anna Matveeva with the Crisis States Research Centre at the London School of Economics, London (United Kingdom), Tamás Meszerics of Central European University, Budapest (Hungary), Vladimir Misev of the Institute for Democracy "Societas Civilis," Skopje (Macedonia), Patrick Moore, Balkan political analyst, Bonn (Germany), Julie Mostov of Drexel Unviersity (United States), Michael Ochs of the Helsinki Commission, Washington, D.C. (United States), Claus Neukirch, Lazar Nikolić of Balkan Consulting Group, Venice/Belgrade (Italy/Serbia), Dmitry Nurumov, Anna Panikova, Alexander Paperny, Anna Platonova, Aaron Presnall of the Jefferson Institute, Washington D.C. (United States), Egdūnas Račius of the Institute of International Relations and Political Science, Vilnius (Lithuania), Sanja Pesek of Central European University, Budapest (Hungary), Jan Pieklo of the Poland-America-Ukraine Cooperation Initiative, Warsaw (Poland), Ivan Presniakov of the Inter-national Centre for Policy Studies, Kyiv (Ukraine), Bashkim Rrahmani of the Foundation for Democratic Initiatives, Gjakova (Kosovo), Yervand Shirinyan of the Open Society Institute, Budapest (Hungary), David J. Smith of the University of Glasgow (United Kingdom), Kathryn Stoner-Weiss of Stanford University, Stanford, California (United States), Lenka Surotchak of Pontis Foundation, Bratislava (Slovakia), George Tarkhan-Mourevi of the Institute for Policy Studies, Tbilisi (Georgia), Andraž Teršek of the University of Ljubljana (Slovenia), Eno Trimçev of the London School of Economics (United Kingdom), Cory Welt of the Russia and Eurasia Program, Center for Strategic and International Studies, Washington, D.C. (United States), Angela Wieser of the University of Vienna (Austria), Andrew Wilson of the European Council on Foreign Relations, London (United Kingdom) for their comments on specific reports.

Several members of the Freedom House staff took time out of their schedules to read and provide valuable feedback on the country reports. They are: Vladimir Shkolnikov of the Europe office; Stuart Kahn of the Bishkek office; Matthew Briggs, Jeffrey Goldstein, and Bakhtiyor Nishanov of the Washington, D.C. office.

Freedom House staff devoted extensive time and energy to develop this project. Jeannette Goehring oversaw the initial stages of the survey. Lisa Mootz was the project manager and editor-in-chief of the study. Christopher Walker, director of studies, Vladimir Shkolnikov, director of the Europe office, Damian Murphy, senior program manager, Thomas O. Melia, deputy executive director, and Jennifer Windsor, executive director of Freedom House provided overall guidance and support for the project. Interns Matthew Hiltibran, Mariya Bolotinskaya, T. James

Calloway, provided important editorial, research, and administrative support, as did Szandra Deutsch, Lauren Abel, Tyler Roylance, and Joanna Perry.

Judit Kovács of Createch Ltd. was responsible for the design and layout of the book. Sona Vogel served as copy editor; and John Ewing as line editor. Freedom House extends gratitude to everyone who assisted with *Nations in Transit 2009*.

Methodology

Nations in Transit 2009 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 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1998, 1997, and 1995.

Country Reports

The country reports in *Nations in Transit 2009* 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 2009*, 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 2009* 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 2009 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 2009*, 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 rorture 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 2009 edition were taken from *World Bank Development Indicators 2009* (Washington, D.C.: World Bank, 2009).

Nations in Transit 2009: Democracy's Dark Year

Vladimir D. Shkolnikov

Nations in Transit 2009 is the 13th edition of Freedom House's comprehensive, comparative study of democratic development from Central Europe to Eurasia. It examines 29 countries, including the newest independent state in the region, Kosovo. The overarching conclusion is that 2008 was a very difficult year for democracy: scores declined for 18 of the 29 countries, and a record 8 countries are now in the "consolidated authoritarian regimes" category. Worrying trends highlighted in the previous three editions of *Nations in Transit* became even more pronounced in 2008, while positive trends lost momentum.

A number of events illustrate the intensification of these negative trends. In 2008, for the first time in the 21st century, a war erupted between two states covered in *Nations in Transit*. The so-called "August War" between Georgia and Russia served as a wake-up call for those who believed that the democratic decline observed in the region over the last few years would not have a detrimental effect on security and stability. Highly problematic elections accentuated the region's troubles. Two petro-states, Azerbaijan (which recorded the largest democratic decline in this edition of *Nations in Transit*) and the Russian Federation, held uncompetitive presidential elections in which the result was predetermined. Armenia's presidential poll was marred by lethal postelection violence. And the government in Georgia used administrative resources to seriously influence that country's hotly contested presidential and parliamentary elections. *Nations in Transit 2009* documents how journalists were once again at risk throughout the region, from Croatia to Uzbekistan, and national governments were challenged by corruption scandals, as was the case in Bulgaria; by divisive ethnic politics, as in Bosnia and Herzegovina; by parliamentary boycotts, as in Montenegro; or by infighting and outright irresponsibility among political leaders, as in Ukraine.

These events significantly shaped the following main findings of *Nations in Transit 2009:*

- The new European Union (EU) member states experienced further stagnation in carrying out reforms, and a number suffered clear setbacks. The decline in the strength and vibrancy of civil society is of particular concern.

- Authoritarianism in the non-Baltic former Soviet states continued to solidify. This year's survey rates a record eight former Soviet republics as "consolidated authoritarian regimes": Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Russia, and Uzbekistan. The divide between these states and the rest of the *Nations in Transit* region is becoming a chasm. The survey also finds a decline in democratic performance by countries where only a few years ago "color revolutions" took place, putting the promise of these revolutions at risk.

- Most countries in the Balkans held steady, while Kosovo, after gaining independence and recognition from a significant part of the international community, took over its national governance functions and showed promise in terms of reform.

Aside from Kosovo's declaration of independence and the war between Russia and Georgia, the region received little attention from the leading Western countries or the international media, which focused on other parts of the world. However, the abundance of negative trends and the paucity of positive news in 2008 call for a renewed focus on the region, especially by policymakers in the United States and the EU. The year cannot be viewed as an anomaly, for it represents the amplification of trends observed in previous years. And as the region is about to end its second decade after the fall of the Berlin Wall, much work remains to be done if visions of democracy are to be realized and the momentum of the current backsliding is to be checked and reversed.

Retreat in the New EU Member States

One of the most worrying *Nations in Transit 2009* findings involves setbacks in the new EU member states. Democracy scores have declined for seven out of ten new EU members. While the declines were modest, they indicate that these countries find it increasingly difficult to sustain the high standards they reached during the accession process. Of the new EU states, only Poland registered an improvement over the previous year. Faced with challenges such as the global economic crisis, new member states are increasingly turning to questionable governance practices. For example, the Slovakia report noted the following trends in 2008: "broadened state

interventionism in the economy and social policy, clientelism in filling government and public posts, and an increased ethnocentric element in domestic politics."

Nations in Transit 2006 warned of the enduring problem of corruption, yet three years later, corruption continues to pose a major obstacle in most new EU member states. *Nations in Transit 2009* notes that corruption scores declined for four of these states and improved for just one. National governance in new EU member states has also shown signs of strain, as five out of ten countries received declining ratings in this area.

According to the findings for 2008, eight of the new EU member states are consolidated democracies, while Romania remained a semi-consolidated democracy and Bulgaria was downgraded to that status, largely due to its struggle with corruption. The overall findings for the new EU states indicate that "political reform fatigue" is on the verge of becoming a chronic condition. As countries such as Bulgaria, Hungary, and Latvia find themselves in the throes of a profound economic crisis, their democratic institutions may be particularly vulnerable to backsliding. This points to the need for vigilance in protecting democratic gains, and recognition that modest backsliding could turn into a more costly and systemic crisis if existing problems are not addressed.

Former Soviet States: Authoritarianism, War, and Repression

While the Russian-Georgian "August War" received the most international media coverage in the post-Soviet region in 2008, a number of other dramatic and disturbing developments took place, including

- deadly postelection violence in Armenia;
- an uncompetitive Russian presidential election in which the leading candidate refused to campaign or debate the hand-picked opposition candidates, even in a highly controlled media environment;
- deeply flawed parliamentary elections in Georgia, where the ruling party enshrined the use of administrative resources into law;
- harsh restrictions on freedom of assembly in Kyrgyzstan;
- continued infighting in the top echelons of the Ukrainian government that brought the sluggish reform process to a complete halt;
- relentless suppression of independent voices in Uzbekistan;
- and increased stifling of the opposition in Azerbaijan.

A record eight countries, all former Soviet states, ranked as consolidated authoritarian regimes in *Nations in Transit 2009*. All five Central Asian states, along with Azerbaijan, Belarus, and Russia, make up the "Authoritarian Eight," with Kyrgyzstan and Russia entering this category for the first time since the inception of the study. There is a widening gulf between this group of eight and the rest of the countries examined.

Table 1

Average democracy scores for the eight countries with consolidated authoritarian regimes (Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan) and the rest of the *Nations in Transit* countries, 2005–09

NIT Edition	2005	2006	2007	2008	2009
Authoritarian Eight	6.15	6.27	6.29	6.36	6.41
All other *NIT* countries	3.39	3.34	3.37	3.37	3.43

Turkmenistan remains the most authoritarian regime of all the countries included in the study, while Uzbekistan has narrowed its distance from the bottom ranking. According to the Uzbekistan report, "President Karimov continues to rule Uzbekistan according to his wishes. No serious domestic objections were raised to his winning an unconstitutional third term at the end of 2007, and there were no challenges to his authority in 2008."

The trend of democratic decline in authoritarian petro-states that was highlighted in the last edition of the study continued in 2008. While Russia joined the consolidated authoritarian ranks for the first time, it was Azerbaijan that recorded the most significant decline of all the countries examined. Kazakhstan, another petro-state, has made tentative steps towards liberalization, mostly in the judicial sphere, but it nevertheless remained firmly authoritarian as it prepared to assume the OSCE chairmanship in 2010. As the Kazakhstan report points out, "The award of the OSCE chair for 2010 to Kazakhstan was a result of member states' efforts to avoid a split within the organization and recognition of its enormous hydrocarbon potential. The absence of political pluralism and competition in the country's legislative and institutional framework makes it extremely unlikely that Kazakhstan can offer a positive inducement to political liberalization and unleash democratic processes in preparation for assuming the OSCE chair."

Kyrgyzstan's slide into the consolidated authoritarian category underscores the unfulfilled promise of the "color revolutions." Kyrgyzstan's 2005 "Tulip Revolution," Ukraine's 2004–05 "Orange Revolution," and Georgia's 2003 "Rose Revolution" were initially believed by many observers, as well as by those countries' citizens, to have ushered in a new era of democracy. But of the three, only Ukraine's democracy scores have not dropped to prerevolutionary levels. In Kyrgyzstan and Georgia, presidents Kurmanbek Bakiyev and Mikheil Saakashvili, respectively, have changed

the constitutions to strengthen the executive at the expense of other branches of government, and have worked to marginalize the opposition. Ukraine's problems have been of a different nature, stemming from conflict within the country's leadership. As the Ukraine report states, "Institutional gaps and the lack of good-governance culture are complicated even more by the strong personal conflict and distrust between President Viktor Yushchenko and Prime Minister Yulia Tymoshenko." If nothing else, the experience of these three countries demonstrates that democracy is a long-term process requiring arduous work and a concerted reform effort, and that electoral breakthroughs should not be mistaken for an end goal in achieving democracy.

Table 2
Democracy scores for Georgia, Kyrgyzstan, and Ukraine, 2005–09

NIT Edition	2005	2006	2007	2008	2009
Georgia	4.96	4.86	4.68	4.79	4.93
Kyrgyzstan	5.64	5.68	5.68	5.93	6.04
Ukraine	4.50	4.21	4.25	4.25	4.39

The Civil Society Decline

The democracy declines in new EU members and in non-Baltic former Soviet states are of different scales and qualities. However, there is one commonality: in both subregions the decline in overall democracy scores appears linked to the weakening of civil society.

Table 3
Average civil society subscores for the new EU member states, Balkan countries, and countries of the non-Baltic former Soviet Union, 2005–09

NIT Edition	2005	2006	2007	2008	2009
New EU Member States	1.73	1.73	1.83	1.75	1.88
Balkan Countries	3.21	3.25	3.21	3.14	3.14
Non-Baltic Former Soviet States	4.88	4.98	4.98	5.02	5.13

In the new EU member states, 2008 featured a rise in "uncivil society" in the form of extreme nationalist groups. Hungary's far-right Hungarian Guard is one example. According to the report for the Czech Republic, "extremist groups seemed emboldened in 2008, as highlighted by attempts late in the year to attack a mostly Roma-inhabited housing estate in north Bohemia." The other issue affecting civil

society involves legal frameworks regulating associational life. The Hungary report warns that "tax regulations and other administrative requirements may threaten the sector's long-term sustainability and development." The Romania report gives an example of legislation detrimental to nongovernmental organizations (NGOs): "A new law forbids NGOs to have names which might entail confusion with official institutions ... the law is so ambiguous that NGOs may not use words such as 'academic' or 'institute,' which are reserved for official use only."

Civil society played a critical role at the outset of democratic transition in the new EU member countries, and the NGO sector remains an integral part of these societies. However, restrictive legislation, undue administrative burdens, and lack of funding pose risks to their operation. Furthermore, the strains of the economic crisis heighten the danger of "uncivil society" moving into the vacated public space. The weakening of civil society in these countries may be a temporary phenomenon if governments demonstrate the will to recognize and address the problem. Nevertheless, developments in 2008 suggest that the sustainability of civil society, even in consolidated democracies, cannot be taken for granted, and that threats to the sector grow if it is not supported by national and international donors as well as favorable legal and administrative frameworks.

The challenges faced by civil society in non-Baltic former Soviet states were even more formidable. The subregion's average score for civil society dropped for the fifth time in six years in 2008. The generally hostile attitude of authorities toward civil society is by far the greatest problem. Legislation is one of the instruments used to obstruct NGO operations. As the author of the Russia report puts it, "The state makes life difficult for the most prominent human rights NGOs, making clear that their activities are unwelcome.... The government has also used legislation against 'extremism' to weaken critical voices in Russia and undermine independent activism." Using government-controlled media to stir up public opinion against NGOs is another common tactic. The Kyrgyzstan report describes a practice that is widespread in the region: "Representatives of the regime often label NGO leaders as '*grantoedy*' (grant-eaters), doubting their genuine intentions to promote greater transparency in the government and civic participation." Regrettably, international support to the beleaguered NGO sector has been sporadic in some countries. The author of the Georgia report cites a recent survey conducted by Transparency International, which finds that the Rose Revolution has "given rise to a mistaken perception among potential donors that large-scale financial support to develop civil society is no longer needed."

Last year's survey, *Nations in Transit 2008*, found independent media in decline in non-Baltic former Soviet states. Coupled with the civil society decline noted in *Nations in Transit 2009*, there are signs of a perilous situation for independent sources of information and for civic activism. Given the attitudes of the governments in the region, especially in the Authoritarian Eight, toward civil society and independent media, there is very little evidence that regional trends observed in recent years will be reversed in the near future, or that the chasm between the eight worst-performing countries and the others included in the survey will be closed.

Southeastern Europe: Mostly Holding Steady

Kosovo's February 2008 declaration of independence and subsequent recognition by some of its neighbors, the United States, and the majority of European Union countries was the year's central event in the Balkans. Domestic institutions that are taking over governance functions from the United Nations Mission in Kosovo (UNMIK) have shown some capacity and promise, warranting an improvement of Kosovo's democracy score.

Kosovo's declaration of independence struck sensitive chords in Serbia. However, the democracy score for Serbia remained unchanged, as was the case in Albania, Macedonia, and Montenegro. Most of Southeastern Europe is holding steady despite the complex international situation, the economic crisis, and challenging domestic circumstances (such as a four-month opposition boycott of the Montenegrin parliament), which can be seen as a positive development in an otherwise difficult year.

Democracy scores declined for two countries in Southeastern Europe: Croatia and Bosnia and Herzegovina. The murder of one journalist and the brutal attack on another had a chilling effect on Croatian media independence. In Bosnia and Herzegovina, ethnic divisions continued to dominate political life and the media.

The events of 2008 demonstrated the ongoing reform challenges facing Southeastern Europe. Institutions have shown some capacity to cope with these challenges, and time will tell whether the prospect of joining the EU will serve as an impetus for further reforms.

Faltering International Institutions

In a year that saw armed conflict return to the *Nations in Transit* region along with sweeping democracy declines on the national level, there were also disturbing developments concerning international organizations tasked with monitoring democratic progress in the area. Numerous international entities are now engaged in election observation: the European Parliament (EP), the Parliamentary Assembly of the Council Europe (PACE), the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE PA), and OSCE's Office for Democratic Institutions and Human Rights (OSCE/ODIHR). Recently, however, the quantity of monitoring organizations has not translated into quality or clarity of message. A number of postelection statements made by international observers appeared questionable and even misleading. In February 2008, amid widespread reports of irregularities in vote counting in the Armenian presidential election and an escalating confrontation between the authorities and the opposition, the joint international observation mission—consisting of the OSCE PA, PACE, EP, and the OSCE/ODIHR—issued a statement claiming that the "presidential election in the Republic of Armenia was administered mostly in line with OSCE and Council of Europe commitments and standards." Even more bizarre was the statement made

by international observers from the EP, OSCE/ODIHR, and OSCE PA after the clearly uncompetitive Azerbaijan elections in October. Despite all evidence to the contrary, it found that "the elections marked considerable progress toward meeting OSCE and Council of Europe commitments and other international standards." Much to the credit of the EU, it distanced itself from the statement of these observers and came out with harsh criticism of the election process in Azerbaijan, a sign that governments may not fully trust the institutions they set up to focus on election observation.

In another troubling development among international institutions, reforms that would increase the effectiveness of the European Court for Human Rights have stalled due to Russia's failure to ratify Protocol 14 to the European Convention on Human Rights. Russia remains the only member state of the Council of Europe to have refused to ratify this protocol, which cannot take effect until full consensus is achieved. By withholding ratification, Russia is blocking a major improvement to the most effective legal tool for redressing human rights violations on the European continent, and is thus significantly contributing to backsliding in the region. This issue deserves much greater international attention than it has received thus far.

Given the negative regionwide trends with regard to human rights and democracy in 2008, the EU and the new U.S. administration under President Barack Obama may see the need to provide a second wind to international organizations responsible for promoting democratic standards in the region. While member states, including the countries covered in *Nations in Transit*, are responsible for meeting their commitments to the principles of international organizations such as the Council of Europe and the OSCE, it is also the responsibility of the standard-bearers of democracy, especially the United States and the EU, to ensure that these organizations are not knocked off course. The decline of international institutions will only embolden those who are seeking to perpetuate authoritarian trends. If key democratic countries lose focus, the negative changes that have persisted and intensified in the region over the last few years are certain to continue, placing the gains of the last two decades in peril.

Overview of Ratings Changes

Electoral Process

↓ 6 declines: Armenia, Azerbaijan, Macedonia, Georgia, Moldova, Ukraine

↑ 4 improvements: Albania, Belarus, the Czech Republic, Romania

Civil Society

↓ 11 declines: Armenia, Azerbaijan, the Czech Republic, Georgia, Hungary, Kyrgyzstan, Poland, Romania, Russia, Slovakia, Tajikistan

↑ 1 improvement: Belarus

Independent Media

↓ 8 declines: Armenia, Azerbaijan, Bosnia-Herzegovina, Bulgaria, Croatia, Kyrgyzstan, Moldova, Slovakia

↑ 2 improvements: Poland, Kazakhstan

National Democratic Governance

↓ 12 declines: Armenia, Azerbaijan, Bulgaria, Croatia, Georgia, Hungary, Kyrgyzstan, Latvia, Lithuania, Russia, Slovakia, Ukraine

↑ 3 improvements: Belarus, Kosovo, Poland

Local Democratic Governance

↓ 3 declines: Azerbaijan, Hungary, Slovakia

↑ 2 improvements: Kosovo, Poland

Judicial Framework and Independence

↓ 11 declines: Albania, Armenia, Bulgaria, the Czech Republic, Montenegro, Russia, Slovakia, Slovenia, Tajikistan, Ukraine, Uzbekistan

↑ 2 improvements: Kazakhstan, Poland

Corruption

↓ 7 declines: Azerbaijan, Bosnia-Herzegovina, Bulgaria, Hungary, Latvia, Russia, Slovenia

↑ 5 improvements: Armenia, Belarus, Macedonia, Montenegro, Poland

Vladimir D. Shkolnikov is Director of Freedom House Europe. Christopher Walker, director of studies at Freedom House, contributed valuable suggestions. Lisa Mootz and Tyler Roylance provided editorial assistance.

Tables

Table 1. Nations in Transit 2009
Ratings and Democracy Score Summary

Country, Territory	EP	CS	IM	NGOV	LGOV	JFI	CO	DS
Albania	3.75	3.00	3.75	4.25	2.75	4.25	5.00	3.82
Armenia	5.75	3.75	6.00	5.75	5.50	5.50	5.50	5.39
Azerbaijan	6.75	5.50	6.75	6.25	6.25	5.75	6.50	6.25
Belarus	6.75	6.25	6.75	6.75	6.75	6.75	6.00	6.57
Bosnia	3.00	3.50	4.50	5.00	4.75	4.00	4.50	4.18
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	1.50	2.25	2.75	1.75	2.25	3.25	2.18
Estonia	1.50	1.75	1.50	2.25	2.50	1.50	2.50	1.93
Georgia	5.25	3.75	4.25	6.00	5.50	4.75	5.00	4.93
Hungary	1.75	1.75	2.50	2.50	2.50	1.75	3.25	2.29
Kazakhstan	6.75	5.50	6.50	6.75	6.25	6.00	6.50	6.32
Kosovo	4.50	4.00	5.50	5.25	5.25	5.75	5.75	5.11
Kyrgyzstan	6.00	4.75	6.25	6.50	6.50	6.00	6.25	6.04
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	3.75	2.29
Macedonia	3.50	3.25	4.25	4.00	3.75	4.00	4.25	3.86
Moldova	4.00	3.75	5.75	5.75	5.75	4.50	6.00	5.07
Montenegro	3.25	2.75	3.75	4.25	3.25	4.25	5.00	3.79
Poland	2.00	1.50	2.00	3.25	2.00	2.25	2.75	2.25
Romania	2.50	2.50	3.75	3.75	3.00	4.00	4.00	3.36
Russia	6.75	5.75	6.25	6.50	5.75	5.50	6.25	6.11
Serbia	3.25	2.75	3.75	4.00	3.75	4.50	4.50	3.79
Slovakia	1.50	1.75	2.75	2.75	2.50	2.75	3.25	2.46
Slovenia	1.50	2.00	2.25	2.00	1.50	1.75	2.50	1.93
Tajikistan	6.50	5.75	6.00	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	6.50	6.89
Average	3.94	3.53	4.34	4.60	4.27	4.27	4.79	4.25
Median	3.50	3.00	4.00	4.25	3.75	4.25	5.00	3.86

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 2009 ratings reflect the period January 1 through December 31, 2008.

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

Table 2. Electoral Process

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New EU Members										
Bulgaria	2.25	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Czech Republic	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50
Estonia	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50
Hungary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75
Latvia	1.75	1.75	1.75	1.75	1.75	1.75	1.75	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	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00
Romania	2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50
Slovakia	2.50	2.25	1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50
Slovenia	2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Average	**1.90**	**1.85**	**1.83**	**1.78**	**1.73**	**1.73**	**1.73**	**1.83**	**1.83**	**1.78**
Median	**1.75**	**1.75**	**1.75**	**1.75**	**1.63**	**1.75**	**1.75**	**1.75**	**1.75**	**1.75**
The Balkans										
Albania	4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75
Bosnia	5.00	4.75	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00
Croatia	4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25
Macedonia	3.50	3.75	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50
Yugoslavia	5.50	4.75	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	3.50	3.25	3.25	3.25	3.25	3.25
Montenegro	n/a	n/a	n/a	n/a	3.50	3.25	3.50	3.50	3.25	3.25
Kosovo	n/a	n/a	n/a	n/a	5.25	4.75	4.75	4.75	4.50	4.50
Average	**4.50**	**4.10**	**3.90**	**3.60**	**3.75**	**3.46**	**3.50**	**3.57**	**3.50**	**3.50**
Median	**4.25**	**4.00**	**3.75**	**3.75**	**3.50**	**3.25**	**3.25**	**3.25**	**3.25**	**3.25**
Non-Baltic Former Soviet States										
Armenia	5.25	5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75
Azerbaijan	5.50	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75
Belarus	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75
Georgia	4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25
Kazakhstan	6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75
Kyrgyzstan	5.00	5.75	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00
Moldova	3.25	3.25	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00
Russia	4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75
Tajikistan	5.50	5.25	5.25	5.25	5.75	6.00	6.25	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	3.50	4.00	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50
Uzbekistan	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00
Average	**5.19**	**5.42**	**5.54**	**5.60**	**5.79**	**5.79**	**5.79**	**5.79**	**5.88**	**6.00**
Median	**5.38**	**5.63**	**5.63**	**5.63**	**5.88**	**6.00**	**6.25**	**6.50**	**6.50**	**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 2009 ratings reflect the period January 1 through December 31, 2008.

Table 3. Civil Society

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New EU Members										
Bulgaria	3.75	3.50	3.25	3.25	3.00	2.75	2.75	2.50	2.50	[illegible]
Czech Republic	1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50	1.25	[illegible]
Estonia	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75
Hungary	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75
Latvia	2.25	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Lithuania	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75
Poland	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50
Romania	3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50
Slovakia	2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75
Slovenia	1.75	1.75	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00
Average	2.15	2.03	1.93	1.85	1.78	1.73	1.73	1.83	1.75	1.88
Median	2.13	1.88	1.75	1.50	1.50	1.63	1.63	1.75	1.75	1.75
The Balkans										
Albania	4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00
Bosnia	4.50	4.50	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50
Croatia	3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75
Macedonia	3.50	3.75	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25
Yugoslavia	5.25	4.00	3.00	2.75	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	2.75	2.75	2.75	2.75	2.75	2.75
Montenegro	n/a	n/a	n/a	n/a	2.75	2.50	3.00	3.00	2.75	2.75
Kosovo	n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.00	4.00
Average	4.15	3.80	3.55	3.45	3.32	3.21	3.25	3.21	3.14	3.14
Median	4.00	4.00	3.75	3.75	3.25	3.25	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	3.50	3.75
Azerbaijan	4.75	4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50
Belarus	6.00	6.50	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25
Georgia	3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75
Kazakhstan	5.00	5.00	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50
Kyrgyzstan	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75
Moldova	3.75	3.75	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75
Russia	3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75
Tajikistan	5.25	5.00	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	4.00	3.75	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75
Uzbekistan	6.50	6.50	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00
Average	4.81	4.83	4.90	4.85	4.92	4.88	4.98	4.98	5.02	5.13
Median	4.63	4.50	4.50	4.38	4.50	4.75	5.00	5.13	5.38	5.50

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 2009 ratings reflect the period January 1 through December 31, 2008.

Table 4. Independent Media
Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New EU Members										
Bulgaria	3.50	3.25	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75
Czech Republic	1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25
Estonia	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50
Hungary	2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50
Latvia	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	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	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00
Romania	3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75
Slovakia	2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75
Slovenia	1.75	1.75	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25
Average	**2.15**	**2.15**	**2.20**	**2.25**	**2.23**	**2.20**	**2.23**	**2.33**	**2.40**	**2.43**
Median	**1.75**	**1.88**	**1.88**	**1.88**	**2.00**	**1.88**	**1.88**	**2.25**	**2.25**	**2.25**
The Balkans										
Albania	4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75
Bosnia	5.00	4.50	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50
Croatia	5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00
Macedonia	3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25
Yugoslavia	5.75	4.50	3.50	3.25	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	3.50	3.25	3.25	3.50	3.75	3.75
Montenegro	n/a	n/a	n/a	n/a	3.25	3.25	3.25	3.50	3.75	3.75
Kosovo	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50
Average	**4.80**	**4.10**	**3.80**	**3.85**	**4.04**	**4.00**	**3.96**	**4.07**	**4.14**	**4.21**
Median	**5.00**	**4.25**	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**	**3.75**	**4.00**
Non-Baltic Former Soviet States										
Armenia	4.75	4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00
Azerbaijan	5.50	5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Georgia	3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25
Kazakhstan	5.50	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50
Kyrgyzstan	5.00	5.00	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25
Moldova	4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75
Russia	4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25
Tajikistan	5.75	5.50	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	5.00	5.25	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50
Uzbekistan	6.50	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00
Average	**5.35**	**5.48**	**5.63**	**5.73**	**5.83**	**5.85**	**5.83**	**5.90**	**5.92**	**6.00**
Median	**5.25**	**5.38**	**5.63**	**5.63**	**5.75**	**6.00**	**6.00**	**6.25**	**6.13**	**6.25**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2009 ratings reflect the period January 1 through December 31, 2008.

Table 5. National Democratic Governance

Ratings History and Regional Breakdown

	1999–2000 GOV	2001 GOV	2002 GOV	2003 GOV	2004 GOV	2005 NGOV	2006 NGOV	2007 NGOV	2008 NGOV	2009 NGOV
New EU Members										
Bulgaria	3.75	3.50	3.50	3.75	3.75	3.50	3.00	3.00	3.00	[illegible]
Czech Rep.	2.00	2.00	2.25	2.25	2.25	2.50	2.50	3.00	2.75	[illegible]
Estonia	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	[illegible]
Hungary	2.50	3.00	3.00	2.50	2.50	2.00	2.00	2.25	2.25	2.50
Latvia	2.50	2.25	2.25	2.25	2.25	2.25	2.00	2.00	2.00	2.50
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.75
Poland	1.75	1.75	2.00	2.00	2.00	2.50	2.75	3.25	3.50	3.25
Romania	3.50	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.75	3.75
Slovakia	3.00	2.75	2.25	2.25	2.25	2.00	2.00	2.25	2.50	2.75
Slovenia	2.25	2.50	2.25	2.25	2.00	2.00	2.00	2.00	2.00	2.00
Average	**2.60**	**2.63**	**2.60**	**2.58**	**2.55**	**2.50**	**2.45**	**2.60**	**2.65**	**2.78**
Median	**2.50**	**2.50**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.50**	**2.75**
The Balkans										
Albania	4.75	4.25	4.25	4.25	4.25	4.25	4.00	4.25	4.25	4.25
Bosnia	6.00	6.00	5.50	5.25	5.00	4.75	4.75	4.75	5.00	5.00
Croatia	4.00	3.50	3.50	3.75	3.75	3.50	3.50	3.50	3.25	3.50
Macedonia	3.00	3.75	4.25	4.50	4.00	4.00	3.75	3.75	4.00	4.00
Yugoslavia	5.50	5.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	4.00	4.00	4.00	3.75	4.00	4.00
Montenegro	n/a	n/a	n/a	n/a	4.00	4.50	4.50	4.50	4.25	4.25
Kosovo	n/a	n/a	n/a	n/a	6.00	5.75	5.75	5.75	5.50	5.25
Average	**4.65**	**4.55**	**4.35**	**4.40**	**4.43**	**4.39**	**4.32**	**4.32**	**4.32**	**4.32**
Median	**4.75**	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**	**4.00**	**4.25**	**4.25**	**4.25**
Non-Baltic Former Soviet States										
Armenia	4.50	4.50	4.50	4.75	4.75	5.00	5.00	5.25	5.25	5.75
Azerbaijan	6.25	6.25	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.25
Belarus	6.25	6.25	6.50	6.50	6.50	6.75	7.00	7.00	7.00	6.75
Georgia	4.50	4.75	5.00	5.50	5.75	5.50	5.50	5.50	5.75	6.00
Kazakhstan	5.00	5.00	5.75	6.25	6.25	6.50	6.75	6.75	6.75	6.75
Kyrgyzstan	5.00	5.25	5.50	6.00	6.00	6.00	6.00	6.00	6.25	6.50
Moldova	4.50	4.50	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75
Russia	4.50	5.00	5.25	5.00	5.25	5.75	6.00	6.00	6.25	6.50
Tajikistan	6.25	6.00	6.00	6.00	5.75	6.00	6.25	6.25	6.25	6.25
Turkmenistan	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	4.75	4.75	5.00	5.00	5.25	5.00	4.50	4.75	4.75	5.00
Uzbekistan	6.25	6.00	6.00	6.25	6.25	6.50	7.00	7.00	7.00	7.00
Average	**5.38**	**5.42**	**5.58**	**5.75**	**5.83**	**5.98**	**6.06**	**6.10**	**6.17**	**6.29**
Median	**5.00**	**5.13**	**5.63**	**5.88**	**5.75**	**6.00**	**6.00**	**6.00**	**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 2009 ratings reflect the period January 1 through December 31, 2008.

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

	1999–2000 GOV	2001 GOV	2002 GOV	2003 GOV	2004 GOV	2005 LGOV	2006 LGOV	2007 LGOV	2008 LGOV	2009 LGOV
New EU Members										
Bulgaria	3.75	3.50	3.50	3.75	3.75	3.50	3.00	3.00	3.00	3.00
Czech Rep.	2.00	2.00	2.25	2.25	2.25	2.00	2.00	1.75	1.75	1.75
Estonia	2.25	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50
Hungary	2.50	3.00	3.00	2.50	2.50	2.25	2.25	2.25	2.25	2.50
Latvia	2.50	2.25	2.25	2.25	2.25	2.50	2.50	2.50	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	1.75	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.00
Romania	3.50	3.75	3.75	3.75	3.75	3.00	3.00	3.00	3.00	3.00
Slovakia	3.00	2.75	2.25	2.25	2.25	2.25	2.00	2.00	2.25	2.50
Slovenia	2.25	2.50	2.25	2.25	2.00	1.50	1.50	1.50	1.50	1.50
Average	**2.60**	**2.63**	**2.60**	**2.58**	**2.55**	**2.40**	**2.33**	**2.33**	**2.33**	**2.35**
Median	**2.50**	**2.50**	**2.25**	**2.25**	**2.25**	**2.38**	**2.38**	**2.38**	**2.25**	**2.50**
The Balkans										
Albania	4.75	4.25	4.25	4.25	4.25	3.25	2.75	2.75	2.75	2.75
Bosnia	6.00	6.00	5.50	5.25	5.00	4.75	4.75	4.75	4.75	4.75
Croatia	4.00	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Macedonia	3.00	3.75	4.25	4.50	4.00	4.00	3.75	3.75	3.75	3.75
Yugoslavia	5.50	5.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75	3.75
Montenegro	n/a	n/a	n/a	n/a	4.00	3.50	3.50	3.25	3.25	3.25
Kosovo	n/a	n/a	n/a	n/a	6.00	5.50	5.50	5.50	5.50	5.25
Average	**4.65**	**4.55**	**4.35**	**4.40**	**4.43**	**4.07**	**3.96**	**3.93**	**3.93**	**3.89**
Median	**4.75**	**4.25**	**4.25**	**4.25**	**4.00**	**3.75**	**3.75**	**3.75**	**3.75**	**3.75**
Non-Baltic Former Soviet States										
Armenia	4.50	4.50	4.50	4.75	4.75	5.50	5.50	5.50	5.50	5.50
Azerbaijan	6.25	6.25	6.00	5.75	5.75	6.00	6.00	6.00	6.00	6.25
Belarus	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75
Georgia	4.50	4.75	5.00	5.50	5.75	6.00	5.75	5.50	5.50	5.50
Kazakhstan	5.00	5.00	5.75	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Kyrgyzstan	5.00	5.25	5.50	6.00	6.00	5.75	6.25	6.25	6.50	6.50
Moldova	4.50	4.50	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75
Russia	4.50	5.00	5.25	5.00	5.25	5.75	5.75	5.75	5.75	5.75
Tajikistan	6.25	6.00	6.00	6.00	5.75	5.75	5.75	5.75	6.00	6.00
Turkmenistan	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75	6.75
Ukraine	4.75	4.75	5.00	5.00	5.25	5.25	5.25	5.25	5.25	5.25
Uzbekistan	6.25	6.00	6.00	6.25	6.25	6.25	6.75	6.75	6.75	6.75
Average	**5.38**	**5.42**	**5.58**	**5.75**	**5.83**	**5.98**	**6.04**	**6.02**	**6.06**	**6.08**
Median	**5.00**	**5.13**	**5.63**	**5.88**	**5.75**	**5.88**	**5.88**	**5.88**	**6.00**	**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 2009 ratings reflect the period January 1 through December 31, 2008.

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

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New EU Members										
Bulgaria	3.50	3.50	3.50	3.50	3.25	3.25	3.00	2.75	2.75	
Czech Republic	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25
Estonia	2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50
Hungary	1.75	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Latvia	2.00	2.00	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75
Lithuania	2.00	1.75	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75
Poland	1.50	1.50	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25
Romania	4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00
Slovakia	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75
Slovenia	1.50	1.50	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75
Average	**2.33**	**2.33**	**2.33**	**2.30**	**2.25**	**2.20**	**2.15**	**2.13**	**2.20**	**2.28**
Median	**2.00**	**2.00**	**2.00**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**1.88**	**2.00**
The Balkans										
Albania	5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25
Bosnia	6.00	5.50	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00
Croatia	4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25
Macedonia	4.25	4.25	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00
Yugoslavia	5.75	5.50	4.25	4.25	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	4.25	4.25	4.25	4.25	4.50	4.50
Montenegro	n/a	n/a	n/a	n/a	4.25	4.25	4.25	4.25	4.00	4.25
Kosovo	n/a	n/a	n/a	n/a	6.00	5.75	5.75	5.75	5.75	5.75
Average	**5.15**	**4.70**	**4.50**	**4.45**	**4.54**	**4.46**	**4.36**	**4.32**	**4.36**	**4.43**
Median	**5.00**	**4.50**	**4.50**	**4.25**	**4.25**	**4.25**	**4.25**	**4.25**	**4.00**	**4.25**
Non-Baltic Former Soviet States										
Armenia	5.00	5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50
Azerbaijan	5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75
Belarus	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Georgia	4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75
Kazakhstan	5.50	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00
Kyrgyzstan	5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00
Moldova	4.00	4.00	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50
Russia	4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50
Tajikistan	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25
Turkmenistan	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Ukraine	4.50	4.50	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00
Uzbekistan	6.50	6.50	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00
Average	**5.27**	**5.35**	**5.44**	**5.50**	**5.56**	**5.65**	**5.63**	**5.65**	**5.75**	**5.83**
Median	**5.25**	**5.25**	**5.25**	**5.38**	**5.50**	**5.63**	**5.63**	**5.63**	**5.88**	**5.88**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2009 ratings reflect the period January 1 through December 31, 2008.

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

Table 8. Corruption

Ratings History and Regional Breakdown

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New EU Members										
Bulgaria	4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00
Czech Republic	3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25
Estonia	3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Hungary	2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25
Latvia	3.50	3.50	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25
Lithuania	3.75	3.75	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75
Poland	2.25	2.25	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75
Romania	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00
Slovakia	3.75	3.75	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25
Slovenia	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50
Average	**3.33**	**3.40**	**3.35**	**3.23**	**3.23**	**3.23**	**3.28**	**3.23**	**3.15**	**3.25**
Median	**3.38**	**3.63**	**3.50**	**3.38**	**3.38**	**3.25**	**3.25**	**3.13**	**3.13**	**3.25**
The Balkans										
Albania	6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00
Bosnia	6.00	5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50
Croatia	5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50
Macedonia	5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25
Yugoslavia	6.25	6.25	5.25	5.00	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	5.00	5.00	4.75	4.50	4.50	4.50
Montenegro	n/a	n/a	n/a	n/a	5.25	5.25	5.25	5.50	5.25	5.00
Kosovo	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	5.75	5.75
Average	**5.70**	**5.40**	**5.20**	**5.05**	**5.14**	**5.11**	**5.00**	**4.96**	**4.82**	**4.79**
Median	**6.00**	**5.50**	**5.25**	**5.00**	**5.00**	**5.00**	**4.75**	**4.75**	**4.50**	**4.50**
Non-Baltic Former Soviet States										
Armenia	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50
Azerbaijan	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50
Belarus	5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00
Georgia	5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00
Kazakhstan	6.00	6.25	6.25	6.25	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	6.00	6.25	6.25
Moldova	6.00	6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00
Russia	6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25
Tajikistan	6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25
Turkmenistan	6.00	6.25	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75
Ukraine	6.00	6.00	6.00	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	6.00	6.50	6.50	6.50	6.50
Average	**5.85**	**5.94**	**5.96**	**5.96**	**6.04**	**6.06**	**6.13**	**6.08**	**6.10**	**6.10**
Median	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.13**	**6.13**	**6.25**	**6.25**

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2009 ratings reflect the period January 1 through December 31, 2008.

Table 9. Democracy Score

Year-To-Year Summaries by Region

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New EU Members										
Bulgaria	3.58	3.42	3.33	3.38	3.25	3.18	2.93	2.89	2.86	3.04
Czech Republic	2.08	2.25	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18
Estonia	2.25	2.13	2.00	2.00	1.92	1.96	1.96	1.96	1.93	1.93
Hungary	1.88	2.13	2.13	1.96	1.96	1.96	2.00	2.14	2.14	2.29
Latvia	2.29	2.21	2.25	2.25	2.17	2.14	2.07	2.07	2.07	2.18
Lithuania	2.29	2.21	2.21	2.13	2.13	2.21	2.21	2.29	2.25	2.29
Poland	1.58	1.58	1.63	1.75	1.75	2.00	2.14	2.36	2.39	2.25
Romania	3.54	3.67	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36
Slovakia	2.71	2.50	2.17	2.08	2.08	2.00	1.96	2.14	2.29	2.46
Slovenia	1.88	1.88	1.83	1.79	1.75	1.68	1.75	1.82	1.86	1.93
Average	**2.41**	**2.40**	**2.37**	**2.33**	**2.29**	**2.28**	**2.27**	**2.32**	**2.33**	**2.39**
Median	**2.27**	**2.21**	**2.19**	**2.10**	**2.10**	**2.07**	**2.11**	**2.20**	**2.20**	**2.27**
The Balkans										
Albania	4.75	4.42	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82
Bosnia	5.42	5.17	4.83	4.54	4.29	4.18	4.07	4.04	4.11	4.18
Croatia	4.46	3.54	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71
Macedonia	3.83	4.04	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86
Yugoslavia	5.67	5.04	4.00	3.88	n/a	n/a	n/a	n/a	n/a	n/a
Serbia	n/a	n/a	n/a	n/a	3.83	3.75	3.71	3.68	3.79	3.79
Montenegro	n/a	n/a	n/a	n/a	3.83	3.79	3.89	3.93	3.79	3.79
Kosovo	n/a	n/a	n/a	n/a	5.50	5.32	5.36	5.36	5.21	5.11
Average	**4.83**	**4.44**	**4.22**	**4.13**	**4.20**	**4.10**	**4.05**	**4.06**	**4.03**	**4.04**
Median	**4.75**	**4.42**	**4.25**	**4.17**	**4.00**	**3.89**	**3.82**	**3.82**	**3.82**	**3.82**
Non-Baltic Former Soviet States										
Armenia	4.79	4.83	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39
Azerbaijan	5.58	5.63	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25
Belarus	6.25	6.38	6.38	6.46	6.54	6.64	6.71	6.68	6.71	6.57
Georgia	4.17	4.33	4.58	4.83	4.83	4.96	4.86	4.68	4.79	4.93
Kazakhstan	5.50	5.71	5.96	6.17	6.25	6.29	6.39	6.39	6.39	6.32
Kyrgyzstan	5.08	5.29	5.46	5.67	5.67	5.64	5.68	5.68	5.93	6.04
Moldova	4.25	4.29	4.50	4.71	4.88	5.07	4.96	4.96	5.00	5.07
Russia	4.58	4.88	5.00	4.96	5.25	5.61	5.75	5.86	5.96	6.11
Tajikistan	5.75	5.58	5.63	5.63	5.71	5.79	5.93	5.96	6.07	6.14
Turkmenistan	6.75	6.83	6.83	6.83	6.88	6.93	6.96	6.96	6.93	6.93
Ukraine	4.63	4.71	4.92	4.71	4.88	4.50	4.21	4.25	4.25	4.39
Uzbekistan	6.38	6.42	6.46	6.46	6.46	6.43	6.82	6.82	6.86	6.89
Average	**5.31**	**5.41**	**5.51**	**5.57**	**5.66**	**5.74**	**5.78**	**5.79**	**5.84**	**5.92**
Median	**5.29**	**5.44**	**5.50**	**5.54**	**5.65**	**5.72**	**5.84**	**5.91**	**5.98**	**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 2009 ratings reflect the period January 1 through December 31, 2008.

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
2009 Rankings by Regime Type

Consolidated Democracies (1.00–2.99)	
Slovenia	1.93
Estonia	1.93
Latvia	2.18
Czech Republic	2.18
Poland	2.25
Hungary	2.29
Lithuania	2.29
Slovakia	2.46

Semi-Consolidated Democracies (3.00–3.99)	
Bulgaria	3.04
Romania	3.36
Croatia	3.71
Serbia	3.79
Montenegro	3.79
Albania	3.82
Macedonia	3.86

Transitional Governments or Hybrid Regimes (4.00–4.99)	
Bosnia	4.18
Ukraine	4.39
Georgia	4.93

Semi-Consolidated Authoritarian Regimes or Internationally-Administered Areas (5.00–5.99)	
Moldova	5.07
Kosovo	5.11
Armenia	5.39

Consolidated Authoritarian Regimes (6.00–7.00)	
Kyrgyzstan	6.04
Russia	6.11
Tajikistan	6.14
Azerbaijan	6.25
Kazakhstan	6.32
Belarus	6.57
Uzbekistan	6.89
Turkmenistan	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 2009 ratings reflect the period January 1 through December 31, 2008.

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 Ditmir Bushati

Capital: Tirana
Population: 3.2 million
GNI/capita: US$7,240

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75
Civil Society	4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00	3.00
Independent Media	4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75
Governance*	4.75	4.25	4.25	4.25	4.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.25	2.75	2.75	2.75	2.75
Judicial Framework and Independence	5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00	4.25
Corruption	6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00
Democracy Score	4.75	4.42	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82

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

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

Executive Summary

In the 18 years since the collapse of the Communist regime and the introduction of a multiparty system, Albania's transition continues to be dominated by politicians who began their careers in the Communist Party and later adopted populist and anti-Communist rhetoric. The separation of powers among the legislature, executive, and judiciary remains fragile and intermittently damaged by political initiatives. Politicization in the public sector persists and limits the development of a professional, nonpartisan civil service, police, judiciary, electoral administration, and media. Likewise, Albania's social and political upheaval has evolved in an uneven, and at times contradictory, manner.

In 2006, Albania signed the Stabilization and Association Agreement with the European Union (EU), and in 2008, Albania received an invitation to join NATO. On December 22, 2008, 18 years after the collapse of the communist regime, the ruling party initiated a lustration law to address the crimes of the former Communist regime. The law was adopted by the Parliament, but serious concerns about its constitutionality were expressed by the U.S. government, EU member states, Council of Europe, and Organization for Security and Cooperation in Europe. Albania's deficiency in the separation of powers and identification of the state with the party in power are the main obstacles to the country's democratization and its integration with the EU.

National Democratic Governance. Despite divisive conflict among major parties, elites were able to arrive at a consensus on enough issues for Albania to receive an invitation to join NATO. The Parliament also moved forward with constitutional amendments concerning changes to the electoral system, the duration of the Parliament's mandate, the convening of the first meeting of the new Parliament, the removal of the Central Election Commission (CEC) from the Constitution, the election and mandate of the president, motions of confidence in the prime minister, and a term limit for the general prosecutor. Public clashes broke out between the ruling party and President Bamir Topi, who was elected to office primarily with the votes of the parliamentary majority just one year earlier. The ruling party continues to demonstrate its tendency to control the judiciary rather than propose an all-inclusive strategy on how to reform the justice system. The party's bias against the Office of the General Prosecutor did not improve with the dismissal of General Prosecutor Theodhori Sollaku or with the introduction of his replacement, Ina Rama. *The national democratic governance rating remains at 4.25.*

Electoral Process. Constitutional amendments sanctioning a regional proportional model were followed with a cross-party consensus allowing Parliament to adopt a

new electoral code on December 29, 2008, six months prior to election day. The new electoral system aims at strengthening government stability, regional cohesion, and development by transforming the voting system into regional multinominal lists. Yet persistent tardiness in technical preparations—such as the issuance of ID cards, production of a transparent voter list, and establishment of the new CEC—weakened the credibility of the electoral process and the maturity of Albanian democracy and its path toward Euro-Atlantic integration. *Despite technical shortcomings and protests from smaller parties, the cross-party consensus was a remarkable feat; therefore Albania's electoral process improves from 4.00 to 3.75.*

Civil Society. Civil society in Albania struggles to serve as an important voice in public life: Donor-driven agendas, lack of a governmental strategy for cooperating with nonprofit organizations, and limited financial resources hinder development in this sector. Civil society failed to mount an exhaustive consultation process when the government changed the legal framework that regulates the activity of the sector. Policy institutes, however, provided significant input on public policy issues. The first human rights debate took place on December 12, 2008, on the occasion of the 60th anniversary of the Universal Declaration of Human Rights, covering delicate issues such as the rights of women, children, and LGBT (lesbian, gay, bisexual, and transgender) persons, as well as Albania's poor record of protecting the rights of these groups. Civil society activists have been monitoring the fulfillment of obligations deriving from the Stabilization and Association Agreement and Visa Facilitation Agreement with the European Commission. The role of the media in promoting civil society organizations remains essential. *Albania's civil society rating stays at 3.00.*

Independent Media. Albanian citizens enjoy a variety of print and electronic sources of information representing a range of political and social viewpoints. The most influential media outlets, however, are increasingly concentrated in the hands of a few owners. Financial resources and transparency in the media market continue to be a concern. In the biggest media controversy in 2008, the National Council on Radio and Television fined TV News 24, an outlet known for its criticism of the government, 800,000 ALL (US$8,000) for broadcasting a television spot ridiculing a commercial by the prime minister. Investigative journalism is slowly developing, but by year's end, the newspaper *TEMA* was attacked after publicizing corrupt activities by government officials. The newspaper's printing press was blocked in violation of a court order, yet *TEMA* continued to produce a shorter version of the paper. *Albania's independent media rating remains unchanged at 3.75.*

Local Democratic Governance. Decentralization remains one of the main challenges facing local government in Albania. The National Decentralization Strategy aims at completing the normative and institutional framework to transfer responsibilities for local taxes, water pipes, and sewers to municipalities and adopting the normative framework on loans to local government in order to

facilitate the capital investments necessary to ensure better local service. The transfer of enterprises of water pipes and sewers under local government management was objected to by local government authorities as only the shares of these companies will be transferred to local government units, not their real management, which will remain under the authority of the central government. The Law on Loans to Local Government, adopted by unanimous vote in the Parliament in February 2008, will eventually enable municipalities to increase long-term local investments. However, the Ministry of Finance has yet to complete the subordinate legal acts for implementing this law, which currently hampers investment financing through loans. *Albania's rating for local democratic governance remains at 2.75.*

Judicial framework and Independence. Improving the independence, efficiency, career prospects, accountability, and transparency of the judiciary continues to be a major challenge for Albania. A cross-party consensus in the Parliament enabled the adoption of the Judicial Power Law, and the Law on the Office of the General Prosecutor, but by year's end, little progress had followed their entry into force. The judiciary continues to be perceived as one of the most corrupt segments of the society. An overall judicial reform has not been completed yet and seems unlikely before the 2009 parliamentary elections. The infrastructure and administration supporting judges remain poor. Coordination between prosecutors and the police is insufficient. *The independence of the justice system faced a constant threat from repeated government attempts to assert pressure on and control magistrates; therefore the rating for judicial framework and independence worsens from 4.00 to 4.25.*

Corruption. One of the most dramatic failures of the government and its "clean hands" policy can be measured by the way it has handled corruption within its own ranks. Two key ministers from the cabinet faced criminal proceedings for corruption scandals in 2008. Government pressure on the Office of the General Prosecutor and judges increased, particularly when General Prosecutor Ina Rama brought these cases to the court. Overall, magistrates are hesitant, owing to political pressure, to decide major corruption cases involving top politicians and favor the use of legal artifices to postpone the process. The media have continued to play an effective role in exposing corruption cases and informing the Albanian public. *The rating for corruption remains unchanged at 5.00.*

Outlook for 2009. Albania is expected to join NATO and apply for EU membership in 2009. Parliamentary elections slated for June 2009 are expected to have a crucial impact on the country's democratization process, political stability, and Euro-Atlantic path.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25	4.25

In April 2008, Albania received an invitation to join the NATO alliance during the 20th NATO Summit in Bucharest, motivating chief political actors to begin developing cross-party consensus on major strategic issues.

On April 21, the Parliament adopted a number of constitutional amendments concerning changes to the electoral system, the duration of the Parliament's mandate, the convening of the first meeting of the new Parliament, the removal of the Central Election Commission (CEC) from the Constitution, the election and mandate of the president, motions of confidence in the prime minister, and a term limit for the general prosecutor.

The constitutional changes were the result of a consensus reached by the main political parties, the ruling Democratic Party (DP) and the main opposition Socialist Party (SP), but were contested by smaller parliamentary parties. Despite this notable political consensus, no wide process of consultation with local and foreign expertise took place before the adoption of the constitutional changes. The Socialist Movement for Integration (SMI) party and a few public figures called for a referendum on the approval of the constitutional changes, which was subsequently rejected by the CEC in a ruling that was challenged at the Constitutional Court. The Court had not issued a decision by the end of 2008.

The government and opposition failed to reach an agreement on the Joint Pact of Justice, which set forth proposed reforms of the justice system; instead, each of the three parties (SP, DP, SMI) submitted a version of the pact and left it at that. With the exception of the Judicial Power Law and Law on the Office of the General Prosecutor, which were adopted consensually by the Parliament, initiatives in this area were undertaken unilaterally by the government under objections from the opposition and the civic sector. Representatives of independent institutions affected by the legal initiatives, independent legal experts, and international assistance missions either were not involved in discussions of the draft laws or were avoided after initial consultation because of the criticisms they raised.

On March 15, a series of explosions at a military ammunition depot near the capital, Tirana (Gërdec), killed 26 persons and injured 300 more, while thousands of houses were destroyed. Assuming political responsibility, Minister of Defense Fatmir Mediu resigned several days after the tragedy, but the opposition demanded the additional resignation of Prime Minister Sali Berisha.

A full-scale investigation was initiated by General Prosecutor Ina Rama, whose request to lift the immunity of Minister Mediu created tension in the Parliament.

Speaker Jozefina Topalli claimed that the Office of the General Prosecutor had intentionally hidden evidence. This statement was followed by reactions from international representatives in Albania. While supporting the work of the general prosecutor, they called for an independent and comprehensive investigation of the Gërdec tragedy, prompting Parliament to lift Mediu's immunity in June.

In 2008, the first public clash occurred between the ruling party and President Bamir Topi, who was elected only one year earlier primarily by the parliamentary majority. In May, President Topi sent the assembly five decrees for the appointment of judges to the high court, which drew heated debates over their constitutionality. The ruling majority argued that the president should have informally discussed the appointments with the Parliament, citing past practice and the precedent of an earlier, ambiguous Court decision. On June 16, the Parliament voted to reject all five decrees in plenary session, an action later described by the president as "a political execution."[1]

In June, President Topi announced the creation of a nine-member group of legal experts to advise him on professional criteria for choosing new nominees. The group included the deputy chairman of the High Council of Justice, the president's legal adviser, a former Constitutional Court chairman, two law faculty deans, a constitutional law expert, the secretary general of the National Bar Association, and the chairmen of the two judges' associations. He also asked parliamentary groups for their criteria. Later, in a secret vote, the Parliament approved the president's new nominees to the high court, thus ending the paralysis of this institution.

New draft amendments to the Law on the Office of the General Prosecutor featured increased control of the executive over prosecutors, permission to suspend the general prosecutor under certain circumstances, salary reductions, and other measures for interfering in the function of their office. Following criticism by international missions assisting Albanian judicial reforms, consultations took place that led to the adoption of the Law on the Office of the General Prosecutor by the Parliament on December 29, 2008.

In the lead-up to the general elections of 2009, Prime Minister Berisha used publicity spots to communicate to citizens the government's achievements over the past three years. One of the leading TV stations, Media Vizion, discovered that a very similar commercial had been used in the campaign of a presidential candidate in Argentina, a clear conflict with Albania's commitment to prosecute copyright violation under the Stabilization and Association Agreement signed with the European Union (EU). Moreover, the production of the publicity spots lacked transparency, as the producers were contracted directly by the government without bidding procedures. Despite demands from media and civil society actors, the government failed to disclose either the name of the production company or the amount spent by the state budget on the campaign.

After 18 years of pluralist democracy in Albania, the ruling party initiated a Lustration Law to address the crimes of the former Communist regime, and the law was adopted by the Parliament on December 22, 2008. Serious concerns about the constitutionality of this law were expressed by the U.S. government,

EU member states, the Council of Europe, and the Organization for Security and Cooperation in Europe. On the other hand, the opposition alleged that the goal of this law is to remove or intimidate judges and prosecutors who deal with cases involving governmental officials. The government responded that it would establish the Authority for Checking the Figure, which is charged with implementing the law and removing judges, prosecutors, and others from office.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00	3.75

The 1998 Constitution established Albania's electoral system, under which the first 100 members of Parliament (MPs) are selected in a single round of voting and the remaining 40 members by a proportional nominating system at the national level. The proportional list was designed to promote representation of smaller parties, which must exceed a 2.5 percent voting threshold. The proportional aspect of the system was of no use to the country's largest parties, which led to the so-called Dushk phenomenon[2] whereby big parties urged citizens to vote for smaller parties with whom they had formed a coalition.

Albania's electoral system had been favorable to parliamentary candidates who later were discovered to have strong family, business, police, or social connections rather than strong ties to the parties they represented. Also, members elected on the basis of their economic interests often exploited their positions for personal profit or social connections.

By contrast, the new electoral code adopted by the Parliament in December 2008 aims to strengthen government stability and regional cohesion while simultaneously detaching MPs from narrow interests by changing the voting system into regional multinominal lists. According to the new system, the country is divided into 12 regions, with a specific number of seats in the Parliament based on population. Therefore, the electoral threshold for entering Parliament varies by party, and electors will vote for a list of candidates whose ranking is decided by the parties. The stipulation that 30 percent of list candidates should be women is expected to increase their participation in the country's decision-making processes.

The Christian Democratic Party (CDP), a former ally of the ruling party, and the SMI, a former ally of the SP, harshly contested the new electoral code as favoring the two main parties and damaging the interests and representation of other parties in the Parliament. To prevent the adoption of the new code, ten members of Parliament (MPs) went on an eight-day hunger strike inside the Parliament. The CDP and SMI also reduced their requests toward other political actors, explicitly demanding their political representation in the CEC. The new code foresees a CEC with seven members: three from the ruling party (DP), two from the main opposition party (SP), one from other parties in the ruling coalition,

and one from parties in the opposition. Although the CDP and SMI exhausted all forms of democratic protest, it did not prevent Parliament from adopting the new electoral code with a wide consensus.

Although the electoral code was adopted six months prior to the June 2009 parliamentary elections, the delay in technical preparations—that is, preparation and distribution of ID cards, a transparent voter list, and establishment of a new CEC—put the credibility of the electoral process at risk.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00	[illegible]

After the collapse of the Communist regime in 1990, Albania became a productive ground for the development of civil society. Freedom of assembly and freedom of association are guaranteed by the Constitution and unrestricted within the basic democratic order. The legal environment for nongovernmental organizations (NGOs) is open and nonrestrictive. NGOs can register fairly easily. They are also allowed to engage in a broad range of activities. Overall, NGOs and their representatives are able to operate freely within existing laws, and they can openly address matters of public debate as well as express criticism of the national leadership.

The legal framework on civil society organizations was changed in October 2007 without consultations with the civic sector. On the other hand, civil society in Albania demonstrated its weakness and fragmentation by failing to embrace a common position on these amendments. The paragraph providing tax exemptions for nonprofit organizations and other benefits to civil society was removed from the law. Furthermore, the law is ambiguous as to whether NGOs should be taxed on the same footing as companies. In May 2008, Open Society Foundation for Albania prepared amendments to the legal package on nonprofit organizations to more clearly define the status of NGOs, facilitate registration procedures, and improve their functional independence and fiscal autonomy, but no final drafts were discussed with policy makers by the year's end.

Although Albania is often criticized by the international community for lacking respect for human rights related to property, media freedom, torture, and human trafficking, these areas have been widely debated and have become part of public policies. Still, certain groups remain among the most vulnerable in Albanian society, including women, children, and LGBT (lesbian, gay, bisexual, and transgender) persons. The first human rights debate on these and other issues took place on December 12, 2008, on the occasion of the 60th anniversary of the Universal Declaration of Human Rights, with plans to make the debate an annual event. In addition to recommendations for improving conditions for targeted groups, a Declaration of the First Human Rights Debate was approved. It will serve as a

guiding tool for public institutions and civil society. However, it remains to be seen whether this initiative will strengthen ties between policy makers and human rights activists or improve respect for human rights in Albania.

Some organizations have actively monitored the observance of human rights, thus fulfilling Albania's obligations under the Stabilization and Association Agreement and Visa Facilitation Agreement with the EU, as well as offering services to social groups in need. Several policy institutes have been established in recent years providing significant input on public policy issues. However, the general lack of funding and uncooperative behavior of the government diminished their potential. The government does not have an overall strategy for cooperation with civil society. By contrast, the media's role in promoting civil society organizations and their work remains essential. Albanian media increasingly report on events organized by the most influential NGOs, and experts from policy institutes are invited as guests on news programs and talk shows.

In 2008, leading activists from MJAFT! Movement, an NGO known for criticizing the government, formed a new sociopolitical movement called G99, which is expected to transform into a political party and run in a coalition with the center-left opposition in the 2009 parliamentary elections. In an interview on December 18, 2008, Arbi Mazniku, former deputy director of MJAFT! Movement, described this generational transition of leadership by stating that "while MJAFT! Movement was aiming and continues to aim to empower citizens to pressure politics, G99 aims at empowering citizens to participate in politics."[3]

Albanian civil society remains dependent on foreign donations. Many organizations implement projects that are focused on priorities set by donors, while limited financial resources impede the development of human resources within the sector. The EU organized large conferences in Brussels in April, and Zadar in October with the participation of civil society organizations from the Western Balkans. The conference aimed to strengthen the links between civil society in the Western Balkans and the EU policy-making process, as well as to introduce new means for easier access to greater EU funds. These funds, however, remain difficult to access owing to complicated application procedures and lack of stable human resources in Albania's civic sector.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75	3.75

Albania's Constitution guarantees freedom of expression, freedom of the press, and access to information. Journalists and media are able to form their own professional associations, but those that exist are rather weak. No criminal proceedings against journalists were reported in 2008, mainly as a result of the prime minister's statement

that government officials would not bring defamation charges against journalists. However, the criminal code was not amended by year's end to decriminalize defamation in cases involving journalists.

The 2008 World Press Freedom Index by Reporters Without Borders ranked Albania 79th out of 173 nations, an improvement from the 2007 ranking but still worse than the rankings for other countries in the region such as Croatia, Serbia, Montenegro, Bosnia and Herzegovina, Macedonia, and Kosovo.

In July 2008, Parliament initiated a draft Law on Radio and Television Broadcasting to merge the existing Laws on Public and Private Television and Radio and on Digital Broadcasting. The draft law's provisions to guarantee the independence of the National Council on Radio and Television (NCRT) and the Steering Council of Albanian Radio and Television (SCART), however, appear insufficient. The Action Plan Albania adopted with the European Commission and Council of Europe in 2007 foresaw the approval of a new broadcasting law through a transparent process but progress is noticeably lagging in drafting a broadly consulted digital strategy.

The Parliament adopted new legislation in 2007 that increased the membership of NCRT and SCART with experts suggested by the parliamentary opposition. This did not increase the confidence of political actors and media operators in NCRT and SCART, given that both councils faced public criticism in 2008 as institutions virtually controlled by the government. In February, NCRT issued national licenses to Top Channel and Media Vizion, the latter authorized to broadcast only as a national satellite operator.

In September, NCRT imposed a fine of 800,000 ALL (US$8,000) on News 24, known for its criticism of the current government, for broadcasting a television spot by the sociopolitical movement G99 ridiculing the prime minister's commercial about the government's achievements. The NCRT decision was based on Article 55 of the Law on Radio and Television Broadcasting prohibiting parties and other political organizations from broadcasting political spots during nonelection periods. News 24 and G99 appealed the decision, arguing that G99 is registered as a nonprofit organization, not a political organization. According to the ombudsman of Albania the NCRT decision raises serious concerns regarding freedom of expression. Judicial proceedings are under way at the district court of Tirana. The same criticism of government control is targeted at SCART.

Nevertheless, Albanian citizens enjoy a diverse selection of print and electronic sources of information representing a range of political and social viewpoints at both national and local levels. Yet the most influential media outlets are increasingly concentrated in the hands of a few owners. Financial resources and transparency in the media market remain a concern.

Investigative journalism in Albania develops slowly while encountering difficulties, such as the well-publicized government confrontation with the daily newspaper *TEMA* over its continuous disclosure of alleged corruption of officials. In response, the government annulled a 20-year lease with *TEMA* for the use of a state-owned building. *TEMA* filed a complaint against the government, and the

Tirana district court suspended the lease annulment until a final decision can be issued on the matter. Regardless of the court order, the *TEMA* printing press was blocked, but the publisher continued to issue a shorter version of the newspaper. Media associations, public figures, and human rights organizations expressed their solidarity with *TEMA*.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.25	2.75	2.75	2.75	2.75

According to the Constitution, local government in Albania is based on the principles of democracy, decentralization, and autonomy. Local authorities are elected by citizens in free, direct elections. The legal framework is composed of laws covering the organization, function, and financial aspects of local government. The Constitution, European Charter of Local Self-Government, and Law on Local Government provide a comprehensive set of guiding principles for the appropriate functioning of local authorities.

Local government units are financed by revenues collected from local taxes and fees, funds transferred from the central government, and funds derived from shared national taxes.

The legal framework provides mechanisms for involving citizens in the decision-making process, including referendums, consultation, and participation in the plenary sessions of local councils. Local authorities also consider citizen complaints and petitions.

The basic units of local government in Albania are the municipality and commune. Regions are administrative-territorial entities comprising several municipalities and communes with geographic, traditional, economic, and social ties and joint interests. The representative organ (regional council) is not directly elected but consists of members delegated by the elected councils of municipalities and communes in proportion to their population. The mayors of communes and municipalities are always members of the regional council; other members are appointed from among municipal or communal councilors by their respective councils. Currently, Albania is undergoing a process to define the geographic scope and competences of regional authorities, based on recommendations by the Congress of Local and Regional Authorities of the Council of Europe. The central government is represented in regions by the prefect, who guarantees sovereignty, constitutional order, and the protection of public health. The prefect also coordinates and supervises the activity of state institutions at the local level.

Decentralization remains one of the main challenges facing local governance in Albania. In 1999, Albania drafted the National Decentralization Strategy, which was aimed at addressing two priorities: (1) completing the normative and

institutional framework on transferring to municipalities responsibility over local taxes, water pipes, and sewers; and (2) adopting the normative framework on loans to local governments to facilitate capital investments that are necessary to ensure better local services.

Management of the small-business tax was fully transferred to local government in 2006, and the level of collection increased in 2007. However, on January 1, 2008, the government cut the fiscal burden of this tax in half, which immediately had a negative effect on the revenues that local governments could collect. The government's policy of delegating the collection of national-level taxes to local government was not coordinated, and there was no increase in capacities for achieving better fiscal administration at the local level.

The official transfer of enterprises managing water pipes and sewers to local government in November 2007 was finally completed in compliance with the 2001 Law on Transfer of State Property. Yet according to the underlying normative act, only the shares of these companies were transferred to local government units, not their actual management, since the Ministry of Economy, Trade and Energy (METE) will remain the real owner and manager of these companies for a two-year period. METE will be responsible for convening an assembly of partners from these companies and will have the authority to approve supervisory councils composed of members nominated by shareholders. Local government units have objected to the ownership transfer process for these companies, particularly the formula for composing supervisory councils and nominating company managers.

In February 2008, the Law on Loans to Local Government was adopted by unanimous vote in the Parliament. The law was strongly supported by municipalities, which viewed it as a new long-term financing opportunity with the potential to improve local services. The Ministry of Finance, the body authorized to issue subordinate legal acts to implement the law, has yet to act, thus hampering local investment financing through loans.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00	

Judicial reform is considered one of the most important elements in the democratization framework and will help Albania's efforts for a smooth Euro-Atlantic integration. Although the justice system in Albania is far from meeting required standards, there have been certain legal initiatives aimed at addressing these problems. Unfortunately, the same problems have carried over from one year to the next, and the response has been fragmentary and typically devoid of political consensus. In a notable shift, a cross-party consensus in the Parliament at the beginning of 2008 resulted in the adoption of the Judicial Power Law and the Law

on the Office of the General Prosecutor, as well as the creation of the parliamentary subcommittee on justice reform at the Parliamentary Committee of Laws, Public Administration, and Human Rights.

Although the Judicial Power Law was approved in the Parliament, six months after the law became effective it was challenged by the National Association of Judges of Albania (NAJ) in the Constitutional Court. The NAJ motion claimed that the manner of appointing the court chancellor and his role in the appointment and removal of the judicial administration violate the independence of the judiciary.

The Judicial Power Law fails to address the division of competences between the two inspectorates of the High Council of Justice and the Ministry of Justice. The law gives power to the minister of justice to appoint and discharge the chancellor of the court, who according to the law is in charge of the overall management of judicial administration. This provision, together with the draft Law on Judicial Administration, which at year's end was still pending in the Parliament, appears to strengthen executive control over the judiciary, raising questions about the separation of powers.

The Parliament's subcommittee on justice reform brings together representatives of justice institutions and international institutions to filter all legal initiatives prior to sending them to the laws committee for adoption and later to the plenary session of the assembly. Yet the subcommittee met officially only once in 2008. Still, its creation marks a salutary step forward—the government ignores its existence in preparing and adopting laws in the area of justice—in the lawmaking process in Albania.

In 2008, the Office of the General Prosecutor investigated Bosnian Serb businessman Damir Fazlic in connection with money laundering, thus fueling a conflict with the government. Fazlic visited Albania in October for a few hours to give a television interview in which he confirmed his friendly relations with Prime Minister Berisha and Minister of Foreign Affairs Lulzim Basha. He also confirmed media allegations that his commercial activities in Albania were run by the brother-in-law of Minister Basha and that he was legally counseled by the law firm of Prime Minister Berisha's daughter. Police refused to fulfill the prosecutor's office request to question Fazlic during his short stay in Tirana, arguing that the request was made only verbally.

In response, Prime Minister Berisha called for criminal prosecution of the prosecutors who sought to question Fazlic and an international investigation of the case. The government claimed that inspectors from the Ministry of Justice were not permitted by the Office of the General Prosecutor to inspect the investigation files against Fazlic, while the Office of the General Prosecutor requested that Fazlic's assets in Albania be frozen until the end of the investigations. Following strong criticism from both the public and the international community, the government was forced to withdraw its investigation of the Office of the General Prosecutor. However, on New Year's Eve, the Fazlic assets were unfrozen by order of the district court.

In September, the Ministry of Justice completed draft amendments to the Law on the Office of the General Prosecutor, which were contested by the Association of Prosecutors and General Prosecutor Ina Rama, who argued that they increased the executive's control over prosecutors, suspended the general prosecutor, cut their salaries, and provided other measures for interfering in their function. Following criticism from international missions assisting in Albanian justice reforms, the Ministry of Justice involved the Office of the General Prosecutor in consultations on the draft. As a result, a new Law on the Office of the General Prosecutor was adopted by the Parliament on December 29, 2008.

The High Council of Justice (HJC) held two open meetings for the first time in 2008 to select the chairs of the courts of first instance and courts of appeals. These meetings were intended to achieve an open presentation of the candidates, while the eventual selections were made according to tradition, behind closed doors. It is worth noting, however, that candidate decisions and reasons for selection were given for the first time in writing.

The 2007 reorganization and reduction of district courts from 29 to 21 in an effort to increase court efficiency and transparency has been the most disputed of recent decisions. The reorganization—which terminated 24 judges and many administrative staff—seriously conflicted with the constitutional guarantee of continuous employment for judges. Some of the terminated judges challenged the HCJ decision before the high court, which declared the terminations unconstitutional, and in October 2008, these judges were reappointed to the courts that had taken over the jurisdiction of the dissolved courts.

Although the HCJ's increased public activism is perceived as an improvement in the Albanian justice system, in a few worrisome cases it has gone beyond the competences entrusted to it by the Constitution and the law. For example, the HCJ discharged three military appeals court judges serving on a case before the high court, which had yet to issue a final decision in the case.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	[illegible]

The center-right coalition led by Prime Minister Berisha came into power in 2005 on an anticorruption platform, promising "clean hands" policies. In recent years, anticorruption rhetoric has played a major role in the political discourse, but to date there have been only insignificant successes from this approach. The government speaks more about corruption, and donors assisting Albania spend more money combating it, but there is little evidence of actual accomplishment. The European Commission's 2008 progress report states, "Corruption remains a particularly serious problem in Albania."

The fight against corruption is considered one of the fundamental criteria for consolidating rule of law and the market economy, consequently allowing for progress in Albania's European integration. The country's main commitments undertaken to fight corruption are: improving the legislative framework, involving justice institutions, defining measurable indicators in the anticorruption strategy, aligning public procurement legislation and practices with the EU *acquis*, and reducing the list of officials with immunity. However, a clear vision for addressing the problems related to corruption is missing in Albania.

The 2007–2013 National Strategy for Development and Integration (NSDI) contains anticorruption elements but lacks a strategic framework for implementation with objectives and funding that can be monitored. The 2007–2013 Anticorruption Strategy adopted by the Council of Ministers on October 3, 2008, creates a link to the NSDI and identifies the ratings of Transparency International and the *World Bank Business Report* as measurement indicators. However, sections such as the "Regulatory Licensing Reform" or the "Public Service Reform" lack the legal and institutional instruments necessary to meet the stated objectives. In its 2008 *Report for Albania,* the International Monetary Fund recommends detailed elaboration of the NSDI into concrete and measurable objectives with respect to fighting corruption in the education and health care sectors.

The strategy's preventive measures restricting corruption—including those related to transparency, internal and external control, access to decision making, and the monitoring role of civil society, local communities, and media—go unimplemented owing to the lack of provisions for clear monitoring indicators. The measures remain general and do not clearly identify the persons responsible for their implementation. Furthermore, cooperation is weak among institutions charged with implementing anticorruption measures.

The High Inspectorate for Declaration and Auditing of Assets (HIDAA), an independent body that collects asset declarations from public officials, has identified 110 cases of conflicts of interest. Given that HIDAA has no proper investigative mechanism, it can play only a limited role in this regard. Albania lacks strong and independent supervisory or auditing authorities that could effectively investigate the assets of politicians and magistrates. Both internal audit units and the Department of Internal Audit and Anticorruption (DIAA) in the Council of Ministers investigate corruption independently of each other. It should be noted that the 300 inspections carried out in connection with administrative inspections of corruptive practices were initiated not through the mechanisms of internal control of public institutions, but through the DIAA, indicating the insufficient institutional setup and interagency coordination in Albania's fight against corruption.

Despite continuous discussions, the main political actors have yet to agree on a formula for reducing the list of officials with immunity. While in principle all are in favor of lifting immunity for corruption charges, when it comes to concrete cases, political elites are reluctant to cooperate with the justice system. One example involves Lulzim Basha, the former minister of public works, transport, and telecommunications and current Minister of Foreign Affairs, accused of corruption

in the Durres-Morine highway project between Albania and Kosovo, where the government entered into a contract with a construction company without a secured project (detailed plan and construction costs), as required by Albanian legislation. In December 2007, following a request from former general prosecutor Theodhori Sollaku, Basha's parliamentary immunity was lifted. In December 2008, after nearly 11 months of investigations, the new general prosecutor, Ina Rama, who was elected by the ruling party in the Parliament, brought the criminal proceeding against Basha to the high court. Basha ignored calls from the opposition and the media to resign as the minister of foreign affairs. Rather than cooperate with the justice system, Basha accused General Prosecutor Rama of political bias.

According to Transparency International's Corruption Perceptions Index, Albania improved from a ranking of 105 in 2007 to 85 in 2008. Notwithstanding such improvement, corruption is perceived as and remains a serious problem in Albania.

Beginning in January 2009, the Albanian government will use only electronic procurement procedures. Although this initiative constitutes a progressive step, it is still accompanied by skepticism, as Albania's indicators for overall Internet use are very low. According to the High State Control,[4] corruptive practices continue to dominate the area of public procurement. Violations of the new Law on Public Procurement have been found in 60 percent of cases, and the cost of these violations to operational and capital expenses is calculated at 454 ALL (US$454 million), of which 93 percent occurs during the procurement process.

The new electoral code addresses the issue of party finance transparency. Accordingly, a new audit system is foreseen under the supervision of the CEC, but its efficiency remains a question with the approach of parliamentary elections in June 2009.

AUTHOR: DITMIR BUSHATI

Ditmir Bushati is executive director of European Movement in Albania, a nonprofit think tank based in Tirana.

1 Press statement of the President of Republic delivered on June 17, 2008.

2 During the parliamentary elections of 2001, there were no elections held in electoral zone 60, encompassing the commune of Dushku. The national election results showed that some smaller parties did not reach the 2.5 percent threshold at the national level but could do so with a small number of additional votes in the proportional voting. When elections in this zone were held several weeks later, the SP advised its voters to vote in the proportionality system for candidates of smaller parties of their coalition so that the threshold could be reached. Indeed, 10 new members were elected to the Albanian Parliament from this electoral zone. The same technique was used in 2005 on a larger scale by the DP, which won the parliamentary elections, as well as by the SP.

3 Interview with Arbi Mazniku, leading activist of G 99, December 18, 2008.

4 This report was submitted to the Parliamentary Commission of Economy and Finance on January 10, 2008.

Armenia

by Aleksander Iskandaryan

Capital: Yerevan
Population: 3.0 million
GNI/capita: US$5,870

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.25	5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75
Independent Media	4.75	4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00
Governance*	4.50	4.50	4.50	4.75	4.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50
Judicial Framework and Independence	5.00	5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50
Democracy Score	4.79	4.83	4.83	4.92	5.00	5.18	5.14	5.21	5.21	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

The initial years following Armenia's 1991 declaration of independence were marred by the territorial conflict over Nagorno-Karabakh which turned to war, leading to a blockade, energy crisis and overall collapse of Armenia's economy. By the 1994 ceasefire, over a fourth of Armenia's population had emigrated due to poverty, and the authorities were losing popularity. The reputation of the government was further weakened by tarnished elections, the 1998 forced resignation of president Levon Ter-Petrossian, and the 1999 shootings in parliament in which the Prime Minister and seven other officials were killed. At the same time, radical market reforms enabled rapid economic growth, which reached over 13 percent annually in 2003–2008. Yet, despite a growing job market in agriculture, food industry, construction, services and tourism, social expectations, especially among the urbanized educated populace, remain unmet and feed into a growing pessimism concerning politics and economics. Furthermore, while the opposition has challenged the results of every national election since 1995, they are passive between elections, poorly consolidated, and heavily reliant on personalities rather than issue-based programs.

Presidential elections held on February 19, 2008 unfurled into a major political crisis leaving the country in a state of shock and polarization. On March 1, ten people were killed and up to 200 injured when authorities used excessive force to disperse an opposition mobilized protest rally in the capital. Outgoing President Robert Kocharian declared a 20-day state of emergency. Over 100 people were arrested, and many were either convicted or were still awaiting trial by the end of 2008. By autumn, society lapsed back into apathy and the opposition became marginalized. The crisis exposed the immaturity of Armenia's democratic institutions and lack of alternatives to political elites. The authorities attempted to boost their social standing following the crisis by introducing new measures to combat corruption and increase transparency.

National Democratic Governance. Democratized under constitutional amendments in 2005, Armenia's legislation provides for pluralism and rule of law, but executive authorities continue to dominate in governance. Successes in 2008 included rapid economic growth and good progress with integration into the European Union's European Neighborhood. However, the low social standing of the government and the opposition's determination to reverse the election outcomes led to a political crisis in March 2008, followed by a 20-day emergency rule. Despite the government's efforts to consolidate society, social pessimism remains a concern. *Reflecting the fact that the government used force to handle mass protests, and*

the resulting damage to the reputation of Armenia's governance system, the rating for national democratic governance is downgraded from 5.25 to 5.75.

Electoral Process. Armenia has a progressive legislative framework for the conduct of elections. The 2008 presidential election was competitive; according to international observers, the election was mostly in line with international standards in the pre-election period and during voting hours. However, serious challenges emerged after election day. The opposition refused to recognize the official results and sustained mass protests which were dispersed by the police, leading to ten deaths and hundreds of wounded individuals. *On account of the violent post-electoral developments, and low public trust in elections, Armenia's rating for electoral process worsens from 5.50 to 5.75.*

Civil Society. The legal and political environment for NGO activity is generally favorable, civil society organizations are active and play an important role in forming public opinion. NGOs were actively involved in monitoring the 2008 election and post-electoral developments. However, NGOs remain concentrated in the capital and major cities, and largely dependent on foreign funding for their sustainability. Their social base remains narrow, and grassroots ties are weak. Furthermore, the authorities continue to perceive NGOs as hostile actors or political competitors, and have worked to oppose and undermine their efforts. *Armenia's rating for civil society worsens from 3.50 to 3.75.*

Independent Media. Broadcast media coverage of the 2008 presidential election showed technical improvements and was balanced in terms of airtime distribution, but the tone remained biased in favor of the prime minister. Print and online media were plural but failed to reach a significant sector of the society. *Given the de facto censorship imposed during the emergency rule, and the overall failure of most broadcast media to ensure fair coverage of the 2008 presidential election, the rating for independent media is downgraded from 5.75 to 6.00.*

Local Democratic Governance. Armenia's local self-government is clearly defined by the legislation, instituting representative and executive bodies in each of Armenia's 930 communities. However, their authority is limited and administrative control remains strong, despite steps taken in 2008 to harmonize self-government practices with the 2005 constitutional amendments. Local elections in 2008 were highly competitive in many communities, but were marred by insufficient transparency and some unrest. *The rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. In 2008, important reforms implemented in the judicial framework were expected to ensure the transparency, professionalism and independence of the judiciary. However, arrests, investigations,

and trials in connection with the March 1 violence were marred by serious irregularities, including convictions based solely on police testimony, credible allegations of torture and politically motivated charges. Restrictive amendments made to the law on conducting meetings, assemblies, rallies and demonstrations, were later revoked under international pressure. *The rating for judicial framework and independence worsens from 5.25 to 5.50.*

Corruption. Corruption remains the major obstacle to Armenia's democratic development, and perception of corruption in Armenia worsened slightly in 2008. Based on a new anti-corruption strategy for 2008–2012, the government launched a campaign against corruption combining legislative measures and reform of public services, with an emphasis on tax and customs bodies. Yet, only mid-level officials were prosecuted on corruption charges in 2008. *As the results of the anti-corruption campaign remain to be seen, and the consistency of government measures is not obvious, Armenia's corruption rating improves only slightly from 5.75 to 5.50.*

Outlook for 2009. The main challenge for Armenia in 2009 will be the emergence of a viable opposition providing a channel for political protests and overcoming the great divide within society. The government will likely focus on sustaining economic growth and attracting investment while the global economic crisis poses the threat of reducing the investments and transfers that play such an important role in the Armenian economy. Anti-corruption efforts may succeed in some areas, but most likely, not in a consistent way. US-Russian competition in the region will enable Armenia to continue balancing among external stakeholders and achieving gradual rapprochement with Europe, but without an emphasis on resolving the conflict over Nagorno-Karabakh.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75

The 1995 Constitution, amended in 2005, envisages democratic development and rule of law in Armenia. However, existing legislation, including the 2003 Law on Freedom of Information, has not been utilized to hold institutions of governance accountable. Instead, governance is based on consensus among the elite groups controlling political and economic resources. Public confidence in the Parliament and government—especially the president—is low. Coupled with general apathy, this has led to low public participation in decision-making. The right to create political parties is enshrined in the legislation and implemented in practice but parties remain weak and uncharismatic.

The Constitution prescribes the independence of the legislature. Parliamentary debates are open and reported on by the media. Draft and approved legislation are available to the public, and the Web site of the Parliament is functional. The Parliament seated in 2008 was elected in 2007, when the opposition party, *Heritage*, gained 7 out of 131 seats prior to the formation of the opposition political force led by former president Levon Ter-Petrossian. Adoption of laws requires consensus among various members of Parliament (MPs) who may or may not belong to the same party. Parliamentary representation, however, follows business interests rather than political party groupings; most MPs vote and lobby in favor of the large businesses they lead or represent, not according to party affiliation. In autumn 2008, Hovik Abrahamian, a major business operator recently elected to parliament, replaced long-time politician, Tigran Torossian, as the speaker of Parliament. Both were ruling party members, and it was their party leadership that lobbied for the change.

After the excessive use of force in dispersing mass demonstrations, leading to 10 deaths and a 20-day emergency rule following the 2008 spring election, authorities made efforts to boost their public standing and address acute issues. The newly appointed Prime Minister Tigran Sargsyan (no relation to the president) is a technocrat without political affiliation. His public addresses focus on anti-corruption measures and improving efficiency of public services, but while legislation is being brought in line with the Constitution and Armenia's international obligations, the efficiency of practical measures to combat corruption remain to be seen.

Veterans of the war over the area of Nagorno-Karabakh have an important though decreasing presence in Armenian politics and economics. In 2008, the Yerkrapah Union (association of war veterans) split in connection with the

presidential election, with the majority siding with presidential candidate Levon Ter-Petrossian. Three leading Yerkrapah figures, including two MPs and one former Deputy Prosecutor General, were jailed in connection with the March 1 unrest, and the Head of Yerkrapah, Manvel Grigorian was dismissed from his post of Deputy Defense Minister on April 1, 2008. The Yerkrapah Union all but dissolved in mid-2008.

As the conflict over Nagorno-Karabakh remains unresolved, Armenia maintains an army out of proportion to its size (over 40,000 for a population of 3 million) causing economic disparities: in January–August 2008, military expenses accounted for 16.4 percent of Armenia's budget spending, as compared to 5.7 percent spent on healthcare.[1] The Constitution, backed by several laws, prescribes civilian control over the military via the Parliament and civil society groups. In 2008, the Human Rights Defender (Ombudsman) and several NGOs, including the Soldiers' Mothers and the Helsinki Association of Armenia, were active in this sphere. In October 2008, Parliament approved the first draft of a new Law on Defense, which ensures better civilian control over the military.

Armenia's government controls the entire territory of the country with the exception of a small exclave, Artsvashen, which has been occupied by Azerbaijan since 1992. This unresolved territorial conflict has led to economic problems, mostly resulting from blocked borders with Azerbaijan and Turkey. Efforts to resolve the conflict remained futile in 2008, with neither party willing to compromise, and pressure from external actors, including Russia and the US, insufficient to upset the military and political balance.

Armenia continues to implement a complementary foreign policy, maintaining positive relations with both Russia and the West. A series of small steps were taken in 2008 towards establishing diplomatic relations between Armenia and Turkey, which culminated in September 2008 with an informal visit by Turkey's President, Abdullah Gul, to a soccer match in Armenia's capital city, Yerevan.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.25	5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	

The Constitution and electoral framework enshrines the principal of universal and equal suffrage by secret ballot and provides for regular, free and fair elections. Public trust in the electoral process is low, but the struggle over votes at all levels is genuine, sometimes leading to unrest and violence.

In 2008, for the first time since independence, Armenia's incumbent president stepped down after two consecutive presidential terms. The subsequent presidential election differed from the 2007 parliamentary election in which the main competitors representing competing political elites, used various administrative resources and

rendered the competition non-ideological. The ruling Republican Party won the 2007 election due to its access to greater resources, and the fact that its leader, Serzh Sargsyan had become Prime Minister just prior to the election following the sudden death of his predecessor. The population appeared chiefly indifferent to the 2007 election; in fact, the parliamentary polls served as primaries to the 2008 presidential race, making Sargsyan the nominee of the political establishment.

In September 2007, Levon Ter-Petrossian, president of Armenia from 1991–1998, resurfaced after ten years of political seclusion as a potential presidential candidate, upsetting the ruling party's hope for a smooth transition of leadership. Lacking resources to compete against Sargsyan, Ter-Petrossian used his skills as an orator to mobilize various social protests based on a radicalized agenda. Ter-Petrossian himself declined all offers of a televised debate with other presidential candidates, and conducted his campaign mainly though door-to-door activities and street rallies.

The 2008 presidential race was highly competitive. Of the nine candidates, Ter-Petrossian and Sargsyan were clear favorites. The political and business establishment resented Levon Ter-Petrossian; only one major businessman supported his campaign. Many local government officials actively campaigned for Prime Minister Sargsyan, some whilst performing official duties. Accounts surfaced of local government employees and public-sector workers being obligated to attend Prime Minister Sargsyan's campaign events, and media bias was evident. This approach may have backfired. According to the Ombudsman, "Ter-Petrossian's political revival was largely facilitated by mass media propaganda against him."[2]

The Central Election Commission announced that Sargsyan won the election with 52.8 percent of the vote, while Ter-Petrossian received 21.5 percent, with 69 percent voter turnout.[3] The preliminary statement of the Organization for Security and Co-Operation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) Election Observation Mission (EOM) asserted that the election was administered mostly in line with OSCE and Council of Europe commitments and standards. According to a political tradition established since 1995, Ter-Petrossian refused to recognize his defeat and encouraged his supporters to hold peaceful protests to demand a new election.

On March 1, a poorly organized police attempt to disperse a protest rally led to violent clashes between protestors and police who were not trained to handle street violence. Ten people were killed and some 200 were injured; the dead and wounded included police and army officers and civilians. President Kocharian declared a state of emergency in Yerevan, imposed a ban on rallies and gatherings, and introduced restrictions on media freedom. Subsequently, 130 persons were arrested and some 100 criminal cases were opened, with arrests, investigations and trials giving rise to concerns over judicial process and independence. The Constitutional Court heard two appeals against the election results filed by Ter-Petrossian and another candidate, and confirmed Sargsyan's victory.

While the preliminary statement of international observers declared that the 2008 presidential elections mostly met OSCE standards, the final report high-

lighted serious challenges to some commitments that emerged especially following Election Day.

The post-electoral tensions somewhat subsided by autumn 2008, once again leaving society disillusioned with elections and in a state of political apathy. The March 1 tragedy exposed two of the most important deficiencies of Armenia's ruling system: excessive concentration of power in the president's hands and the inefficiency of a system relying on elite groups and business interests. In an efficient system of checks and balances the outgoing president should be prevented from making decisions such as the use of force against election result protesters.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75

Civil society in Armenia is relatively well developed by post-Soviet standards. The activities of over 4,000 non-governmental organizations—of which only about 10 percent are active—are regulated by three laws, the Law on Public Organizations, the Charity Law, and the Law on Foundations. The majority of NGOs are concentrated in Yerevan and in large cities in the north of Armenia. This is probably the result of more skilled staff and funding opportunities in major cities, but also of the centralized NGO registration procedure. Civil society is rather active in human rights protection, election observation and environmental issues.

Most NGOs continue to rely on foreign donor support for financial sustainability, which has an impact on their agendas and personnel recruitment policies: an average NGO worker must be able to speak English and have fund-raising skills in order to survive on the Western donor funding market. NGOs receive little support from local businesses. Government assistance comes to NGOs in the form of small grants, or through funding trickled down from foreign governments and redistributed to civil society. Foundations are allowed to engage in income-generating activities, but are subject to taxation on a par with businesses. Progress with adopting a Law on Volunteers, which would ease taxation and improve access to donor funding for NGOs stalled in 2007 and was not resumed in 2008. Separate agreements grant VAT exemption to a few, large international organizations, and for some organizations, to the activities they support in Armenia. However, this involves time-consuming formalities with the Ministry of Finance for every VAT-free purchase.

NGOs dealing with political issues tend to focus on anti-corruption agendas or support for freedom of speech, and to form political partisanships based on an interpretation of independence as opposition to authority. 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 this is aggravated by the zero-sum nature of opposition politics, and as a result NGOs may become de facto political groups.

This may be a positive development for democratically oriented NGOs, monitoring or rights protection groups, but can be detrimental in the case of groups working on non-political issues.

Civil society groupings focusing on extremist, nationalist or xenophobic agendas are almost nonexistent, as this type of sentiment is concentrated in political parties and is marginal for Armenia. The Order of Armenian Arians regularly makes statements containing ultra nationalistic and anti-minority sentiment; its leader was jailed for two months in 2005 on a charge of propaganda against Jews and the Yezidi, an ethnic minority in Armenia.

Educational, public relations and fundraising support to civil society is often insufficient, especially in the provinces, whereas competition for decreasing foreign funding is strong and growing constantly.

Publicly, NGOs are sometimes regarded as businesses established for the purpose of generating income. Hostility toward civil society can be based on the perception that it implements a foreign agenda and acts as an agent of foreign influence that may be detrimental to national traditions or values. However, according to USAID's 2007 NGO Sustainability Index, the public image of NGOs in Armenia has improved in recent years.

Aside from officially registered NGOs, Armenia has many traditional citizen associations formed on an ad hoc basis for practical activities, such as renovation of common spaces in high-rise buildings or creation of mutual support funds in local communities. Associations of this kind exist throughout the country and do not rely on external funding; they are not institutional, and the actors are not aware that they are engaging in civil society activities. Institutionalization of some of these grassroots associations would enrich the gamut of Armenia's NGOs, and increase public trust in the positive role and grassroots nature of civil society.

The government does not interfere with NGO activity conspicuously and certainly much less than with the media. Members of leading NGOs are often protected by their reputation in the West; and more so in Yerevan than in the provinces. The social status of many civil society actors is rather high. Activists are often invited to speak on television, are interviewed by newspapers and generally have a strong impact on public opinion. Authorities often perceive NGOs as hostile actors or political competitors, and try to oppose them by conducting media monitoring or simply accusing NGOs of political bias. A public chamber was created in 2008 to found a pro-government, or non-oppositional, civil society group. However, the low social standing of authorities contributed to the chamber's relative unpopularity and many independent actors refused invitations to join. The chamber will most likely remain non-functional.

On May 20, 2008 human rights defender Mikael Danielian, chair of the Helsinki Association of Armenia, was assaulted in Yerevan by Tigran Urikhanian, former leader of the Armenian Progressive Party. Following an argument, Urikhanian shot Danielian with an air gun causing light wounds, and later denied that the victim's human rights work had been the motive for the attack. "The circumstances of the attack on Mikael Danielian suggest that his prominence as a human rights defender

was a motive," said Holly Cartner, Europe and Central Asia director at Human Rights Watch. "Given this, the Armenian authorities must consider it as part of a thorough and objective investigation into the attack." Investigation of the case has been inconclusive.

The free activity of trade unions is guaranteed by legislation, but in reality, trade union activity is extremely low and labor protection remains a grave concern for Armenia.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.75	4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00

Freedom of expression is guaranteed in the Armenian Constitution. In practice, media freedoms have come under threat in recent years, and in 2008 these threats appeared most directly from self-censorship by media owners and editors.

Radio and television coverage of the 2007 and 2008 electoral campaigns played a primary role in the formation of public opinion, but was highly problematic, even if more balanced than in previous elections. Local and international monitoring missions pointed out that during the 2008 official presidential campaign, i.e. in the 28 days directly preceding the election, the coverage was "rather balanced" in terms of airtime distribution. Furthermore, they noted that contestants did not encounter obstacles acquiring free-of-charge promotion, but coverage was biased. According to the OSCE ODIHR EOM, the coverage of Ter-Petrossian's campaign by the main broadcast media was selective, distorted and mostly negative in tone. A local EOM also pointed out that the campaign for the 2008 election had in fact lasted at least five months, and that within the first four of these months, coverage was grossly biased in favor of Serzh Sargsyan in terms of both airtime distribution and tone, giving him an unfair advantage over other candidates.[4]

With the exception of the public broadcaster, all TV stations countrywide are privately owned by individuals or companies. From more than 50 TV stations in Armenia, only Gala TV Company, broadcasting in the second largest city, Gyumri, is openly pro-opposition. Furthermore, it was the only station subject to direct tax pressure in 2007–2008. All other stations, though competing against each other and in some cases de facto supporting a particular political party in violation of the Armenian Law on Television and Radio, were prepared to cater to the authorities. In 2008, as in recent years, government pressure on media was exercised primarily through financial leverage by discouraging companies from advertising with non-loyal media. The media subsequently censored themselves, eliminating the need for interference from government agencies.

Armenia's print media are pluralistic rather than independent; they vary greatly in content, political bias, and style—from pro-opposition, *Chorrord Ishkhanutyun*

(Fourth Estate) to nationalist, *Hayoc Ashkhar* (Armenian World). Since the majority of the printed press relies on political patronage for survival, reporting in print tends to be biased, leading to a limited information sphere, poor journalism and small (between 1,000 and 10,000) print runs. Politically neutral, self-sustaining print media are so far almost nonexistent.

The impact of online publications in Armenia is limited as the number of internet users was estimated at 6 percent in 2008, but is expected to grow with the competitiveness of the market for Internet services and the computer literacy of the population. Major print media also publish online. Some international online publications, such as *Caucasus Knot* and *IWPR*, regularly write about Armenia.

The biggest obstacle to media freedom in 2008 was the 20-day emergency rule imposed after street violence on March 1, which included, for the first time in Armenia, an attempt to control the internet. Access was barred to some media websites, including those of RFE/RL, the pro-opposition A1+, and YouTube where people were posting footage of the March 1 events. The emergency rule served to raise public awareness of the internet as a free information realm. The barely emerging Armenian blogosphere went through a boom in March 2008 when the number of active blogs on *livejournal.com* alone surged from 800 to 5000 in a week. Shortly thereafter, the blogosphere followed the tendency prevailing in Armenian media and society and split into two nearly isolated spheres; one pro-government and one pro-opposition.

Television stations remained very cautious following the lifting of the emergency rule. By autumn 2008, government critics began to appear more frequently on TV talk shows and in political debates, although a clear bias favoring incumbent actors remains in place.

On June 17, 2008, the European Court of Human Rights ruled that Armenia's repeated denial of a broadcasting license to the independent A1+ television station, forced off the air in 2002, violated Article 10 of the European Convention on Human Rights. The Armenian government was ordered to pay the station €20,000 (US$30,000) in damages. Following the ruling, the Parliamentary Assembly of the Council of Europe and other European and international bodies recommended that A1+ be allowed to compete for a new license on fair grounds. However, on September 10, 2008 the National Assembly adopted amendments to the Law on Television and Radio Broadcasting foreseeing the digitalization of broadcasting by 2015, and prescribing, inter alia, that no competitions for licenses will be held until 2010. Opposition actors and media organizations in Armenia criticize the digitalization project as having been initiated especially to prevent opposition actors from gaining access to television frequencies. Article 19, an international NGO campaigning for free expression, also expressed its concern with the amendments, and the OSCE Representative on Freedom of the Media, Miklos Haraszti asked the Government of Armenia to review the amendments, saying that "Digitalization should not be allowed to reduce diversity and plurality or preserve a lack thereof. If the broadcasting landscape in a country is not sufficiently pluralistic and diverse, it would be appropriate to delay digitalization and undertake other reforms first."[5]

In 2008, cases of intimidation and attacks against journalists were reported during the campaign for the presidential election, including an arson attempt in Asparez Journalists Club in Gyumri, and cases of physical harassment of journalists. Problems persisted even after the election. August 2008 was especially rich in violence against journalists, with five such cases reported by media organizations.

On November 17, 2008, prominent journalist Edik Bagdasaryan, President of the Investigative Journalists' Association, was attacked by three men and sustained serious head injuries following a series of publications targeting officials and businessmen. The OSCE Representative on Freedom of the Media expressed his concern over the attack, noting that lack of progress in investigating assault on journalists could provoke further violence.

Several defamation and libel cases were filed against news media, including one by a police officer against *Aravot Daily*, and one by the municipality of the city of Ijevan against the Investigative Journalists' Association.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	

In the 1990s, independent Armenia faced the task of completely reinventing local self-governance since community initiatives had been nearly eradicated in the Soviet years. Armenia has a constitutional and legislative framework for local self-government, but practical implementation has been hampered by a lack of citizen incentives, poor funding and over-centralized administrative control. Armenia is subdivided into 930 communities managed by self-government bodies, grouped into 10 regions overseen by regional governors. Each of the 930 communities has a representative body composed of 5 to 15 persons called the Council of Aldermen, and an executive body (municipality) led by the Community Head (equivalent to a mayor). The community elects members to the Council of Aldermen and community heads for 3-year terms. Community heads are accountable to the Council of Aldermen, who 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. Measures were taken in 2008 to harmonize self-government practices and by-laws with the 2005 constitutional amendments, giving local bodies more control over tax collection and local budgets.

Yerevan is designated as a community, but contrary to 2005 constitutional amendments, its mayor is appointed by the President. In December 2007, Parliament adopted a draft Law on Local Self-Government and Territorial Management in Yerevan, under which the mayor of Yerevan will be elected by a Council of Aldermen (city parliament) composed of 65 members elected by proportional ballot. The mayor will appoint district heads in Yerevan, who are currently elected by the

population. In 2008, the draft law was reviewed by Council of Europe experts and was expected to come into effect in January 2009.

Local elections held in May–November 2008 in Armenia were accompanied by tension and unrest. While voter turnout remained at an average of 25 percent in Yerevan, it was much higher in the provinces, reaching 84 percent in a community where the competition was especially intense. One the whole, the 2008 elections showed local self-government plays a much more important role in provincial and rural areas than in the capital city.

Political parties do not have the right to propose candidates in local elections, but a candidate's political affiliation, or lack thereof, is mentioned on the ballot. The role of political parties in local elections has increased over time. Almost 75 percent of the winners of the 1999–2000 local elections were independent candidates. In 2008, members of the ruling Republican Party won in about half of the communities, while the opposition remained very passive with regard to local elections. Since opposition parties in Armenia are mostly groups of intellectuals based in the capital, they have no resources to act in the provinces on a permanent basis. The ruling Republican Party has resources and personnel networks to infiltrate rural communities, but as a result of low trust in the ruling party, they often lose local elections. Hence, a significant portion of local election winners are non-partisan local actors, usually businessmen. Furthermore, in 2008, several incumbent community heads lost to independent candidates; independent candidate Karen Grigorian (son of the leader of the Yerkrapah Union of War Veterans) was supported by the opposition and won the election in Echmiadzin.

Irregularities were observed during and in connection with the 2008 local elections. Local elections in Armenia generally have had a more positive election observation evaluation than national elections. However, Council of Europe observers at local elections in Yerevan in September 2008 were concerned that lack of transparency and tensions at a number of locations overshadowed the continuing development of local democracy in Armenia. Observers noted a lack of transparency in both voting and counting procedures. In October 2008, a group of individuals was charged with preventing the lawful, professional activity of a journalist in connection with protests in the village of Gegamabak village after the June 22 re-election of the local community head who has held the post for nine consecutive years.

Data on the candidates and the results of local elections are promptly posted on the website of the Central Electoral Commission, but is only available in Armenian.

The public is entitled to full access to information on the decisions and laws adopted by communities, yet local bodies and citizens are often ignorant of this obligation, or insufficiently funded to fulfill it. On October 14, 2008, the Administrative Court began hearings on a suit brought by the Freedom of Information Center against the municipality of Hrazdan city for failure to comply with its legal obligation to provide information. During the trial, the defendant fulfilled one of the plaintiff's demands by providing copies of decisions from 2007 made

by the Council of Aldermen and the mayor of Hrazdan. However, the Freedom of Information Center insists that the municipality make legal acts adopted by the Council of Aldermen available to the public, and to pay a fine of about €120 (about US$180).

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	[illegible]

The constitution of Armenia provides for an independent judiciary, but in practice courts are vulnerable to pressure from the government. The judicial framework of Armenia is being revised in accordance with constitutional amendments adopted in 2005. A new judicial code came into effect from January 1, 2008, subsequently putting a new court system in place. Alongside the general jurisdiction courts, specialized civil courts and criminal courts were instituted. An administrative court, instituted in 2008 and first convened in January, handles litigations between citizens and the state, and is intended to better protect citizens' rights. The fact that the new system is based on case law is expected to make it more transparent and give it more independence from the executive powers. It is the role of the court of cassation to ensure the consistent implementation of case law by courts of appeal throughout the country. A school of judges instituted in 2008 is expected to compensate for the poor legal training of judges, which remains a major concern.

The new legislative framework underwent a practical test after the post-electoral unrest in March 2008. Arrests on various charges began on March 1 and continued throughout the 20-day emergency rule. According to authorities, 116 persons were detained in relation to these events. The staff of the Ombudsman of Armenia received over 60 complaints and collective statements on behalf of over a thousand people, reporting politically motivated charges against individuals, unlawful police custody, failures to provide a defense lawyer to detainees, and illegitimate restrictions of liberty and personal immunity rights. Of 110 detainees visited in custody by the Ombudsman, 70 considered themselves political prisoners and 20 complained of having been beaten at the time of arrest or while in custody.

Investigation and court proceedings in connection with the March 1 events were marred by irregularities, including credible allegations of torture and the fact that 19 persons were convicted solely on the basis of police testimony.

On March 17, 2008, upon the government's proposal, the National Assembly adopted a series of amendments to the Law on Conducting Meetings, Assemblies, Rallies and Demonstrations, which considerably limited the right of freedom of assembly and gave great discretionary powers to the authorities to prohibit political rallies and demonstrations. The amendments were generally seen as a way to de facto extend the emergency rule after March 20.

On April 17, 2008 the Parliamentary Assembly of the Council of Europe (PACE) adopted Resolution 1609 (2008) on the functioning of democratic institutions in Armenia, calling for the revocation of the March 17 amendments to the Law on meetings. PACE demanded an immediate, independent, transparent and credible inquiry into the events on March 1, 2008 and the circumstances that led to them, and that all persons detained on seemingly artificial and politically motivated charges who did not personally commit violent acts or serious offences should be released. The Resolution also called for a dialogue among political forces on reforms with regard to the political system, electoral process, freedom and pluralism of the media, freedom of assembly, judicial independence and police behavior.

Following Resolution 1609, the March 17 amendments to the Law on Meetings were amended by the National Assembly in line with Council of Europe standards, and an ad hoc committee was established within the National Assembly of Armenia to conduct an inquiry into the events of March 1, 2008 as well as the circumstances that led to them. However, progress with implementation of other demands expressed in Resolution 1609, including those concerning the release and trials of detainees, was considered insufficient by the PACE Monitoring Committee. In June 2008, PACE adopted Resolution 1620 (2008), urging the government to implement PACE requirements. On October 2, 2008 the PACE Monitoring Committee stated that "only limited progress has been achieved regarding key demands of the Assembly" and invited the Human Rights Commissioner to return to Yerevan and report back to the Committee at its meeting in Paris on December 17, 2008.

In November 2008, the Council of Europe's human rights commissioner, Thomas Hammarberg visited Yerevan on a fact-finding mission and expressed his general dissatisfaction with the course of the investigations, trials, methods of interrogating witnesses, and with 'political detainees' and other issues. He suggested that depriving Armenia of its voting right at the PACE was a serious prospect unless the country's government addressed the situation before January of 2009.

After the December 17 meeting in Paris, PACE's Monitoring Committee stated that the Armenian authorities had failed to comply with PACE resolutions in full and recommended that the voting rights of the assembly's eight Armenian members be suspended until the authorities "have clearly demonstrated their political will to resolve this issue." The Monitoring Committee recommended sanctions against Yerevan while welcoming President Serzh Sargsyan's decision to form a new, supposedly independent body tasked with investigating the postelection violence.

Of all persons charged in connection with the March 1 unrest, 52 persons were sentenced to prison terms by the end of 2008, 38 were put on probation, 5 sentenced to fines and 5 were acquitted— including 2 political party leaders, 1 former Vice-Speaker of the parliament and former Deputy Head of National Security. Twenty-six cases were dropped and one case was dismissed "on the grounds of reconciliation with the plaintiff."[6] Furthermore, on December 19, court hearings began in what became known as the Case of the Seven, brought against

seven activists of the opposition charged under articles 300 (usurpation of state power) and 225 (mass disorder).

A number of persons are still wanted in connection with the March 1 investigation, including businessman Khachtur Sukiassian who partly financed Ter-Petrossian's campaign, and Nikol Pashinian, one of Ter-Petrossian's spokespersons and campaign leaders.

Proceedings in connection with March 1 have demonstrated that legislative improvements have failed to translate into judicial practices, which remain strongly influenced by the executive authorities, nontransparenct and generally leaving citizens unprotected against political manipulation.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	

Corruption is one of the most deeply rooted problems in Armenia. Throughout the period of Armenia's independence, corruption has been perceived by Armenian citizens as having an overall negative impact on their lives. All Armenian governments have faced strong domestic and international pressure to address corruption, but by 2008 they have grossly failed to achieve tangible results. The Transparency International Corruption Perception Index for Armenia remained unchanged in 2003–2007, but in 2008 Armenia's rating worsened from 3 to 2.9 on a scale of 1 to 10, with Armenia rating 109th among 180 countries surveyed.

In 2003 a government campaign was launched against corruption that served to improve the legislative framework for anti-corruption activity, but failed to improve practices or public perceptions. In the 2007 Global Integrity Index, Armenia scored 82 out of 100 points for its anti-corruption legislation, sharply contrasting with its 34 points for law enforcement, indicating a core problem. According to public perceptions, corruption permeates nearly every aspect of Armenian society.

Following the political crisis in March 2008, the new government strongly emphasized its measures to combat corruption in an effort to consolidate the population which had been polarized by violent postelection developments. The 2008 campaign against corruption was based on a newly adopted government strategy for combating corruption in 2008–2012. Rather than promote legislative reform, the campaign aims to focus on the implementation of existing laws, and is based on the assumption that the worst problems are concentrated in the spheres of taxation and customs, and targets these areas.

In 2008, the taxation and customs services were dissolved, and a government Committee on State Revenues was established in their stead. Customs regulations were amended, and businesses countrywide underwent tax inspections. Dozens of employees within the tax service, customs and law enforcement agencies were

dismissed in summer–autumn 2008. Over 40 officials were dismissed from the Real Estate Cadastre Committee alone.

In July 2008, efforts were made to reform the Passport and Visa Department of the Police, a public service which faced criticism in recent years for corrupt practices, including deliberate procrastination and bribery. The head of the department, Alvina Zakarian was dismissed in July 2008, and steps were made to ensure the department fully complies with laws and regulations foreseeing simple and transparent procedures for issuing passports, visas and permits.

Corruption in the education system is widespread and especially detrimental to the younger generation as it involves young Armenians in corruption networks at the outset of their professional lives. In 2008, as in previous years, school graduation exams and entrance exams to Armenia's many universities were marred by mass corruption. In an effort to curb these prectices in the transition from high school to university, Armenia has introduced centralized, written exams with tabulated results. With university admission based on the results of standardized tests, university officials have fewer opportunities to accept or exhort bribes. By 2009 all exams, with the exception of artistic competitions, will be centralized. Ongoing harmonization of Armenia's education system with Bologna process requirements is also expected to reduce corruption opportunities and practices. However, the impact of educational reforms remains to be seen.

In December 2007, the government proposed a draft law prescribing the use of traffic cameras as the main means of establishing violations of traffic rules. The law was reviewed several times during 2008 and two drafts were adopted, but final approval was postponed.

According to official statistics, just 51 corruption suits were filed in the first six months of 2008, meaning that corruption-related offenses only accounted for 1 to 1.5 percent of the overall number of crimes committed in Armenia, whereas their true number is supposedly many times greater.[7] It is a matter of concern that despite the widely advertised dismissals and reform of public services, only mid-level officials were formally charged with corruption in 2008. Opposition and civil society groups, including Transparency International, have expressed their doubts concerning the sincerity of the government's intent to combat corruption. The campaign is seen by many as an apparent attempt to boost the government's low popularity and improve ratings rather than a consistent effort to address a societal concern.

▮ Author: Aleksander Iskandaryan

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

---

1 National Statistical Service of the Republic of Armenia, http://www.armstat.am/file/article/sv_08_08r_211.pdf.

2 Human Rights Defender of the Republic of Armenia. Ad Hoc Public Report on the February 19 Presidential Elections and Post-Electoral Developments. Yerevan, 2008. p. 5. http://www.ombuds.am/main/en/10/31/.

3 Results of the February 19 Presidential Election on the website of the CEC of Armenia, http://elections.am/Presidential.aspx.

4 Monitoring the coverage of presidential elections 2008 by broadcast media of Armenia. Yerevan Pres Club, Team Research Center and Open Society Institute Network Media Program, http://www.ypc.am/downloads/Elections_report-2008-eng.pdf.

5 "Armenia Should Lift Moratorium On Licensing Broadcasters To Ensure Media Pluralism, Says OSCE Media Freedom Representative." OSCE press releases, September 26, 2007, http://www.osce.org/fom/item_1_33196.html.

6 Press Release of the General Prosecutor's Office of Armenia, December 19, 2008, http://www.genproc.am/main/en/121/5321/.

7 "Genprokukor Armenii schitaet neudovletvoritelnoy borbu s korruptsiey v strane" [Armenia's Prosecutor General says efforts to combat corruption are insufficient]. Novosti Armenia News Agency, June 9, 2008, http://www.newsarmenia.ru/arm1/20080609/41892653.html.

Azerbaijan

Capital: Baku
Population: 8.6 million
GNI/capita: US$6,570

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.50	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75
Civil Society	4.75	4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50
Independent Media	5.50	5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75
Governance*	6.25	6.25	6.00	5.75	5.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25
Judicial Framework and Independence	5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75
Corruption	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50
Democracy Score	5.58	5.63	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25

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

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

Executive Summary

Azerbaijan had a brief period of independence between 1918 and 1920, and regained independence when the Soviet Union collapsed in 1991. The transition was complicated by the war with Armenia and separatist Armenians over the Nagorno-Karabakh enclave. The conflict resulted in massive social problems and an estimated one million internally displaced persons. All sides signed a cease-fire agreement in May 1994, shortly after President Heydar Aliyev came to power. During his 10-year term in office, Aliyev strengthened his hold on the country through an enormous concentration of power in the presidency. In October 2003, the presidency changed hands when Heydar Aliyev's son, Ilham Aliyev, gained the office following controversial elections that were deemed not free and fair by the OSCE. The 2005 parliamentary elections, including the reruns in May 2006, did not meet a number of international standards. The presidential elections of October 2008 marked another step back for Azerbaijan.

Azerbaijan's energy resources are considerable, and have attracted interest from foreign oil companies and the governments that back them. A significant portion of energy revenues has gone into the military sector. However, some funds have been allocated to improve the situation of internally displaced persons.

National Democratic Governance. In 2008, civil society institutions weakened while presidential powers were exceedingly strengthened. The President and his administration exercise full control over the legislative and judiciary branches even though separation of powers is envisaged by the constitution. The presidential administration exercised even greater powers in the run-up to and after the uncompetitive 2008 presidential elections; according to official results, Ilham Aliyev received the support of nearly 89 percent of those who voted. The country's leadership began preparations to hold a referendum in 2009 that would aim at lifting a constitutional ban on a third term presidency, which, according to many experts, may lead to a life long presidency for Ilham Aliyev. *Due to the intensified autocratic trends in the country as evidenced by the increasing dominance of the executive branch, Azerbaijan's rating for national democratic governance worsens from 6.00 to 6.25.*

Electoral Process. The Constitution of Azerbaijan states that the people of Azerbaijan are the source of power, and elections are held regularly in the country. However, since the adoption of the constitution in 1995 not a single election has been assessed as free and fair, including the October 15, 2008 presidential elections. In December 2008, the ruling party introduced draft constitution changes eliminating limits for consecutive presidential terms. The move is widely believed to pave the way for lifelong presidency of the incumbent head of state,

Ilham Aliyev. No established opposition parties are represented in commissions at any level. *Due to the failure of authorities to provide even minimal conditions for a meaningful reflection of the will of the people, Azerbaijan's electoral process rating worsens from 6.50 to 6.75.*

Civil Society. The capacity of the national nongovernmental organization (NGO) community overall is low. In addition to problems stemming from the NGO community itself the sector faces obstacles in the form of social apathy and a hostile government expressed in legal barriers and tax policy. Approximately 1,400 NGOs are registered with only 150 functioning, and roughly 10 to 15 active and effective NGOs. Recently, public awareness of NGOs rose considerably, though they are still perceived as anti-governmental, especially those receiving foreign grants. The state is represented by authorities as the single entity entitled to define the public good, and all other views are perceived as expressions of political opposition to the government. Consultations with the NGO sector are perceived by the government as weakening state authority. Civil society groups failed to serve as watchdogs during the presidential elections of 2008. *Azerbaijan's civil society rating worsened in 2008 from 5.25 to 5.50 owing to the increasingly hostile attitude of the authorities towards civil society and the decline in civil activity in the country.*

Independent Media. At least four journalists jailed for their professional activity remain in Azerbaijani prisons. The government exercises extensive control over electronic media and silences all alternative voices. The authorities stopped broadcasts of RFE/RL, BBC, and Voice of America on local frequencies at the end of the year. Although Azerbaijani legislators have passed several laws to enhance freedom of information in recent years, implementation of the law remains problematic. Despite numerous calls by the international and local community, the country's parliament has failed to decriminalize defamation. Libel cases are considered within the criminal code, which leads to severe punishment of journalists in libel cases. Journalists were subject to physical attacks throughout 2008. *The country's independent media rating worsens from 6.25 to 6.75 due to the elimination of pluralism in electronic media and the increased number of attacks on journalists.*

Local Democratic Governance. Conflicts stemming from executive appointments at the municipal level continued in 2008. Municipalities could not exercise their authority as provided in the European Charter of Local Self-Government, which Azerbaijan ratified in 2001, while presidential appointees ran district budgets and led infrastructure projects in constituencies. Despite numerous calls by the Council of Europe, Azerbaijan refused to fulfill its obligations under the Charter, which include creating a separate municipality in the capital city, Baku, and the executive branch eliminating duplication of municipal responsibilities. *Azerbaijan's rating for local democratic governance worsens from 6.00 to 6.25 owing to the increasing dominance of the central government in local affairs.*

Judicial Framework and Independence. Although the law of the Azerbaijan Republic provides legislative ground for an independent judiciary, in practice judges do not function independently of the executive branch. In 2008 the judiciary remained corrupt and inefficient as the executive branch exerted a strong influence over it. Despite ongoing salary increases for judges, credible allegations that judges routinely accept bribes continued to surface. Judges, acting on the instruction of the executive branch, sentenced detainees to jail within hours of their arrest without providing access to a lawyer. *The country's rating for judicial framework and independence stagnates at 5.75 as no significant improvements have been made towards guaranteeing independence of courts and rule of law.*

Corruption. Corruption is one of the main problems hindering democratic gains in Azerbaijan. Attempts to improve the situation on a legislative level fail at the implementation phase as the state agencies entitled to conduct anticorruption activity are believed to be among the most corrupt agencies in the country. *The country's rating on corruption worsens from 6.25 to 6.50 due to lack of transparency in state funded projects and political will in fighting corruption.*

Outlook for 2009. Despite holding vast energy resources, Azerbaijan will also be subject to the impact of the global economic crisis. Unemployment growth and social tension may lead to an increase of political activity. However, the government has cemented its rule by lifting a ban from third term presidency, which may lead to the life long presidency of Ilham Aliyev. The government will continue to silence critical voices in the country and ignore the international community's calls for improvements.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25

Azerbaijan has a centralized presidential system, with an executive branch comprising the president, the Office of the President, the prime minister, and the Cabinet of Ministers. The executive branch, especially the president and his office, enjoy significant authority over the legislative and judicial branches. Separation of powers is not properly defined in the constitution; while the powers of the Parliament are limited to the competences outlined in the constitution, the president's responsibilities include any sphere that does not fall into the competence of the Parliament or judiciary. The government's authority does not extend over the full territory of the country owing to the occupation of 16 percent of its territory by Armenia.

Most citizens are uninformed regarding procedural legitimacy and accept the governing authorities as a matter of fact, which was reflected in the low public interest in the October 2008 presidential elections. The official declaration of the results of the 2008 presidential elections implied that President Ilham Aliyev enjoys support from 89 percent of the 76 percent of registered voters who took part in the voting, although the elections were not assessed as free and fair. The executive continued to consolidate its hold on power following the election, and in December, the ruling party's proposal to hold a referendum to lift a third-term presidency ban was approved by Parliament, paving the way for a lifelong presidency for Ilham Aliyev.

The constitution enables the president to appoint and dismiss ministers without the consent of the Parliament; formal parliamentary consent is required only for the appointment of the prime minister. The Cabinet of Ministers is not accountable to the Parliament, as Parliamentary elections have no effect on the composition of the Cabinet. Futhermore, the resignation of the prime minister does not lead to the resignation of the Cabinet.

On October 28, 2008, the Parliament of Azerbaijan approved without discussion the president's nominee for prime minister, Artur Rasizade, who has held the position since 1996. On October 31, Aliyev signed a decree forming a government of 20 ministers and 4 deputy prime ministers. The only change from the previous cabinet was the appointment of Shahin Mustafayev, a former deputy minister of taxes and vice president of SOCAR (State Oil Company of the Azerbaijani Republic) for economic affairs, to the post of minister of economic development.

The president appoints all judges, including those serving in the Constitutional Court, Supreme Court, and appellate courts, as well as the judges of lower

courts and their chairs. He enjoys substantial influence over the judiciary and uses it to his political advantage. In the summer of 2008, the Parliament passed a law allowing judges of the Constitutional Court to continue to serve until new judges were appointed. The terms of six of the nine Constitutional Court judges expired later that summer, but they continued to serve throughout the year. In October, the same group of judges confirmed the presidential election results. On December 24, they approved a proposal for a constitutional referendum to lift the term limit on consecutive presidential terms.

The authorities may arbitrarily refuse access to information; as of yet, no mechanism has been set up to enforce the Law on Freedom of Information, guaranteeing citizens and media access to government information. The law calls for an ombudsman on information. Although six years have passed since promulgation of the law, this office has not been established.

Civil service is politicized, as documented by the large number of civil servants belonging to the New Azerbaijan Party (YAP). The careers of civil servants depend more on political loyalty than on professional skills. Civil service itself is not clearly defined in Azerbaijan, creating many cases involving conflict of interest.

The constitution is silent on the issue of providing democratic oversight and civilian authority over the military and security services: It neither explicitly provides it nor explicitly prevents it. The law provides judicial oversight of military and securiry services, but in practice, given the lack of judicial independence, it is often ineffective. The number of abuse and suicide cases in the military sparked criticism over the management of the military forces despite increased funding from the budget. In practice, the military is closed to public scrutiny and the defense ministry is largely staffed by members of the military.

The economy is not free from government control since it is dominated by the shadow monopolies of high-ranking governmental officials. Some governmental bodies officially exercise the function of both a business corporation and a supervisory administrative body. In 2008, the government enjoyed the right to induce a private property owner to sell his or her property "if necessitated by public need," in line with amendments made to the civil code in December 2007. Throughout the year, cases of seizure of private property for public need with little or no compensation to the owners were reported in the media.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.50	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	

The Constitution of Azerbaijan states that the citizens of Azerbaijan are the source of power, and elections are held regularly in the country. However, not a single election thus far has been judged free and fair, including the October 15 presidential

elections wherein incumbent president Ilham Aliyev received 89 percent of the vote with a 76 percent voter turnout.[1] Azerbaijan's electoral laws have been amended several times to take into account the recommendations of the Venice Commission of the Council of Europe and the Organization for Security and Cooperation in Europe (OSCE)/Office for Democratic Institutions and Human Rights (ODIHR); but legislation still allows the ruling party to control election commissions.

Since 2005, traditional opposition parties have not been part of the election commissions at any level. In summer 2008, the Parliament of Azerbaijan rejected the Venice Commission's recommendation[2] to establish parity in the election commissions, leading to an opposition boycott of the elections in protest of violations of freedom of assembly and lack of representation in election commissions. Opposition parties are also restricted from holding public meetings, rallies, and conferences during non-election periods, and larger opposition parties have been deprived of their offices in the capital, Baku, and in other districts.

A number of technical improvements were made prior to the 2008 presidential election in terms of voter registration and vote counting, yet the election process as a whole lacked real alternatives. Candidates were not active during the campaigning period. Local media paid minimum attention to the presidential election debates; the incumbent president enjoyed the most airtime, despite the fact that he, as the leading candidate, refused to participate in such debates. Some media reported that the ruling party's support and administrative resources had been used to collect the 40,000 signatures needed to register the opposition candidates running against President Aliyev. These candidates were believed to be only nominally oppositional, especially as two duly registered candidates eventually obtained fewer votes than the number of signatures in support of their registration as presidential candidates.

The largest and most experienced domestic election observation group, the Election Monitoring Center, was deregistered in March 2008, requiring the organization to reregister its monitors as independent observers. Such local, independent observers stated that the election "took place in an uncompetitive and no-alternative environment, voter participation was artificially increased, and it did not reflect the true will of the Azerbaijani people."[3]

The OSCE/ODIHR *Election Observation Mission Final Report* stated that the 2008 election took place in a peaceful environment, but was characterized by a lack of robust competition, a lack of vibrant political discourse, and a restrictive media environment. Thus, the election did not reflect some of the principles necessary for a meaningful and pluralistic democratic election. It also expressed concern that "some voters were subject to pressure to attend rallies or to vote and may not have been able to make a free choice in this respect." Furthermore, a number of media reports confirmed "the existence of hierarchical networks of people, often from the same workplace or institution, overseen by local authorities and/or election commissions and in some cases directly linked to YAP [ruling party], which were supposedly responsible for increasing voter turnout."[4]

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.75	4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	

Approximately 1,400 nongovernmental organizations (NGOs) are registered in Azerbaijan, and of these, around 150 are active, but only 10 to 15 are strong and visible. Despite the low capacity of national NGOs to play a meaningful role in society, public awareness of NGOs has risen in recent years. Social apathy and public distrust of NGOs is widespread. Most NGOs in Azerbaijan are concentrated in Baku, are poorly organized, and are likely not sustainable in the long term. Only a few NGOs have offices and sound financial resources; many depend on the personal connections and capabilities of one strong leader.

In 2008, the Ministry of Justice continued to create obstacles for registering local and international NGOs. A number of new organizations were denied registration, including a branch of the Washington, DC-based International Center for Journalists, while registration of the National Democratic Institute has been pending since 2003. The Independent Writers Union is also among the organizations that failed to register in 2008.

A state NGO support fund was established in 2008 to decrease local NGO dependence on foreign donors. Members of the NGO Council, under the president's supervision, allocated these small grants to a number of NGOs, but the selection process was criticized as lacking transparency. Despite this initial step toward cooperation, many state officials perceive nongovernmental organizations as anti-governmental, especially those that receive foreign grants, and consultation with NGOs in general as weakening state authority. Therefore, the government favors service-oriented NGOs rather than watchdogs and advocacy organizations.

NGOs are excluded from many areas of work where they might have a positive impact through service provision, advocacy, think tanks, and the like. There is almost no demand from the government for public policy notes and analysis prepared by independent think tanks, and the government does not stimulate development of local think tanks. On rare occasions, NGOs are involved in advocacy efforts; however, these contacts are based mainly on individual relations and are not systematic. Advocacy groups in Azerbaijan may influence the decision-making process in individual government agencies, but only if the issue does not challenge the agenda and the corporative interest of the ruling elite. In rare cases, NGO representatives succeed in proposing draft laws.

GONGOs (government-organized NGOs) are a new phenomenon appearing in media reports in 2008. A number of these organizations conducted "election observation" or carried out polling activity aimed at supporting government-announced election results or the popularity of government actions. These GONGOs joined the Association for Civil Society Development in Azerbaijan (AVCIYA) as observers of the October 2008 elections and declared the elections without violation

or flaw. Members of AVCIYA have refused to disclose their funding sources, and independent media reports refer to them as "progovernmental" organizations.

The education system is formally free of political influence and propaganda, yet there is strong, observable pressure on teachers, university staff, and students to join YAP. Likewise, students are strongly discouraged from affiliating with opposition political parties. The concentration of external donors on NGO building has led to negligence of membership-based civil society groups such as trade unions.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.50	5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75

Although Azerbaijani legislators have passed several laws to enhance freedom of information in recent years, implementing these laws remains a problem. Despite numerous calls from the international and local community, the country's Parliament failed to decriminalize defamation. Libel cases are considered within the criminal code, which leads to severe punishment of journalists under libel cases. The majority of lawsuits against media in 2008 were filed by public officials. In all cases, the burden of proof was put on journalists despite the fact that criminal law puts burden of proof on the accuser.

In the first half of 2008, according to the semi-annual report of the Media Rights Institute, media rights watchdogs registered 22 cases of physical and psychological attacks on journalists, twice as many as the first half of the previous year. National Security Ministry officials attacked Agil Khalil, a reporter from the newspaper *Azadliq*, on February 22, 2008, while he photographed them taking part in an illegal land transaction. On March 13, following publication of the photos, Khalil was stabbed in the chest and critically wounded. A few days later, investigators began pressuring him to pin the stabbing on other journalists and to say the attacks were linked to his homosexuality.

At the end of 2007, as part of an amnesty program, the government pardoned six journalists. However, three of these journalists—Ganimat Zahid, Mirza Sakit Zahidov, and Eynulla Fatullayev—remain in prison. On January 21, 2008, an investigative journalist, Mushvig Huseynov, was sentenced by Azerbaijani courts to six years' imprisonment on a bribery charge. Some human rights organizations believe the case was made up to silence Huseynov, who was reporting on corruption. Ganimat Zahid, the editor of *Azadliq*, is serving a four-year prison term for hooliganism charges and lost his appeals in 2008 as well as the court case against prison authorities who confiscated the manuscript of a book he was writing in prison. Prison officials said they confiscated the manuscript because it included propaganda against the state. Satire writer Sakit Zahidov has reportedly been subject to intimidation in prison as he continues to write works of satire while in confinement. He has been refused medical help several times.

Print media in Azerbaijan lacks objectivity as it is mostly under the control of progovernment or opposition political groups. According to the IREX Media Sustainability Index for 2008, defamation cases focus on the print media "because that is the only sector that is not controlled or, at the least, the only one that the establishment has not been able to control, except by harassment or intimidation." Electronic media are believed to be absolutely under government control. The advertising market is not free of political influence; even the most popular opposition papers do not enjoy a subsequent share in the advertisement market due to state pressure directing advertising revenues to progovernment outlets. Although official censorship is banned in Azerbaijan, editors exercise heavy self-censorship, dictated by sponsors or fear.

Chap Evi printing house—the only printing facility that has not exercised censorship toward opposition papers—underwent a major tax inspection in 2008 and faced serious financial restrictions that temporarily brought printing to a standstill and forced the printing house to reduce its working capacity. As a result, the printing house ceased all weekend printing, which was used mainly for the Sunday edition of the opposition paper *Yeni Musavat*.

The distribution company Gaya has been seen as the only nationwide newspaper distribution network. However, Gaya now competes with the formerly state-run distribution companies Azermetbuatyayimi and Gasid, which have been privatized and are reportedly under the control of Caspi, an organization owned by Ali Hasanov, the department chief of the presidential administration.

Local legislation fails to ensure full transparency of the licensing procedures and independence of the National TV and Radio Council (NTRC). Media watchdogs say the current practice of appointments to this regulatory body does not meet international standards. Furthermore, serious problems exist in licensing electronic media owing to legislative gaps allowing the country's leadership to restrict independent information sources and grant licenses to progovernment media.

In 2008, Khazar TV acquired a radio broadcasting license competitively, as did the sports channel of AzTV. AzTV Ltd., formerly a state broadcaster, continues to receive support from the state budget despite the government's Council of Europe obligation to ensure its independence. In December, the NTRC canceled the license of Radio Europa Plus without a court order to do so for broadcasting primarily in the Russian language. Local radio stations are legally required to broadcast in Azerbaijani.

By the end of 2008, NTRC had closed down international radio channels Radio Azadliq (Radio Liberty), BBC, and Voice of America by referring to the necessity of enforcing the Law on TV and Radio Broadcasting adopted in 2002. Without Radio Azadliq, BBC, and Voice of America, the government has almost total control over broadcast media. Legal experts argued that this law includes contradictory clauses and does not require a recall of broadcasting licenses. However, they have suggested that the NTRC was doing the government's bidding by silencing alternative voices ahead of the constitutional referendum that would lift the ban on presidential third terms.

Media monitoring of presidential election coverage revealed that the majority of media outlets did not maintain the minimum standards of pluralism. Broadcasters restricted their reporting to extensive coverage of the official activities of ruling party ministers and the incumbent president.

Rare cases of Internet filtering were reported in 2008 in Nakhchivan, an exclave region of Azerbaijan. The Web pages of the opposition newspaper *Azadliq* (Freedom), Radio Free Europe/Radio Liberty Azerbaijani service, and the Institute for Reporters Freedom and Safety were not available in Nakhchivan for a short period of time. Overall, the lack of high-speed Internet connections remains a problem not only in regions of Azerbaijan, but in the capital city, Baku, although experts say there have been significant improvements in this field. Using the Internet in Azerbaijan is more expensive than in most other Commonwealth of Independent States countries.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25

According to the Constitution, local government in Azerbaijan is exercised both through local bodies of state administration and through municipal governments. Local bodies of state administration are regulated by the Constitutional Provision on Local Executive Authority. As part of its commitment to the Council of Europe, Azerbaijan conducted the first municipal elections in the country in 1999. In general, the constitutional provisions on local self-government and the legislation on municipalities comply with principles stated in the European Charter of Local Self-Government, which Azerbaijan ratified in 2001.

Municipal council members are to be elected for a five-year term by secret ballot. Elections are held by a relative majority system in multimandate territories and are considered valid if turnout is more than 25 percent. The number of municipal council members is determined by population size. Despite the Council of Europe's recommendations, the city of Baku is still governed by an executive appointee, not a municipal council. The government resists reforms aimed at creating large, city municipalities in Azerbaijan, especially in Baku, a city with nearly two million inhabitants.

There are several institutional and economic factors leading to the malfunction of municipalities in Azerbaijan. Institutional challenges include excessively centralized public administration; very limited municipal responsibilities; incapacity of the current public administration to effectively manage territories; and lack of criteria for the formation of municipal territories. The creation of 2,735 municipalities resulted in both dispersed resources and unnecessary administrative expenditures: 45 percent of municipalities contain fewer than 1,000 people.

Redefining the status of municipalities did not lead to the required redefinition of their responsibilities. Contradictory legal frameworks prevent a clear division of powers between elected municipal bodies and executive authorities (appointed by the president). Currently, it is impossible to refer to any significant responsibility of local authorities in addressing socioeconomic problems. Various state bodies de facto carry out a number of functions assigned to municipalities. Community service projects, renovation activities, registration of local citizens, social services, investing in and improving territories, and environmental and entrepreneurship development in Azerbaijan remain in the sphere of central government represented by executive committees. The real responsibility of municipal authorities in Azerbaijan is, at best, related to the maintenance of municipal roads and social assistance to low-income households not covered by state social programs. Owing to the administrative monopoly held by executive committees, centralized public administration funds are not spent in a transparent and efficient manner, and municipalities fall under the control of the chief of executive committees.

In 2004, following the commitment to the Council of Europe to establish a National Association of Municipalities, Azerbaijan instead created three associations (town, settlement, and village), thereby complicating their cooperation with regional associations in Europe.

Economic challenges facing municipalities include inadequacy of real revenue sources vis-à-vis their real expenditure needs; absence of mechanisms for the local taxation and regulation of intragovernmental fiscal relations; and lack of access to financial markets. Municipalities' budgetary indicators and economic development programs are normally not reviewed. Per capita income of an average municipal budget is 2.8 AZN (US$3.50) (including central government transfers to municipalities). The current share of total municipal income amounts to less than 0.5 percent of the consolidated state budget.[5] Municipalities in Azerbaijan gain regular revenues from selling and leasing one-third of their land. In 2008, a ban was imposed on municipal land sales not carried out by auction, although auction procedures have not been defined. Furthermore, the absence of explicit procedures for transferring state property to municipalities has created considerable confusion. Consequently, this property has not yet been transferred to municipalities.

Legislation aimed at forming local budgets entrusted municipalities with the collection of land and assets taxes for individuals, tax on trade of construction materials, and income tax of legal entities. However, owing to the lack of an effective tax collection mechanism, only 13 percent of municipalities are able to collect more than land taxes.[6]

Legislation empowers citizens to participate in the establishment of local government through a variety of forms, including referendums, assemblies, and the proposal of municipal resolutions. However, inhabitants distrust municipal leadership, and this lack of legitimacy has led to a lack of accountability on the part of municipality officials. Furthermore, owing to the dominance of the executive branch, citizens remain uninformed about municipal election processes.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75

The constitution provides legislative ground for an independent judiciary, but in practice judges do not function independently of the executive branch. In 2008, freedoms of expression and assembly were widely restricted. The judiciary remained corrupt, inefficient, and under pressure from the executive branch. Acting upon the instruction of the executive, judges sentenced detainees to jail within hours of their arrest without providing access to a lawyer, despite the legal guarantee of access to a lawyer from the time of detention. In practice, access to lawyers is poor, particularly outside of Baku; in Azerbaijan, there is one lawyer per 12,000 citizens.

The president nominates judges to the Supreme Court and Constitutional Court. On July 4, 2008, the Law on the Constitutional Court was amended to allow judges to remain seated after the expiration of their term until the president appoints their replacements. Although the terms of six out of nine judges expired in July, these six remained in office and approved the presidential election results in October 2008. They also confirmed the amendments proposed by the Parliament majority, one of which envisages lifting the ban on the two-term presidential limit. The same judges were to consider the results of the March 18, 2009, referendum of these amendments. Over the last ten years, these judges have routinely approved election results criticized by election observers as rigged.

Citizens have the right to bring lawsuits seeking damages for, or cessation of, human rights violations. The European Convention for the Protection of Human Rights and Fundamental Freedoms took effect in 2002, giving citizens the right to appeal to the European Court of Human Rights after exhausting domestic appeals. Although the constitution prescribes equal status for prosecutors and defense attorneys, in practice prosecutors' privileges and rights outweigh those of the defense.

The long-delayed trial of Baptist pastor Hamid Shabanov in Zakatala on charges of possessing an illegal weapon continued for several months. These charges carry a maximum penalty of three years in prison. Shabanov's congregation members claim police planted the weapon in the pastor's home to punish him for leading the church. Meanwhile, the lawyer for the Abu-Bekr mosque community, Javanshir Suleymanov, complained of the sudden reversal of a court decision to reopen the mosque for prayers. The mosque was closed after a bomb attack in August left at least two dead and dozens injured. Judge Asif Allahverdiev of Baku's Narimanov District Court ruled that the mosque could reopen on October 27, but reversed this decision on October 31, 2008. According to Suleymanov, the case was due to resume on November 12, 2008.

On July 15, 2008, a court in the Nasimi district of Baku sentenced Sergei Strekalin to 18 months in prison for the March 13 knife attack on *Azadliq* reporter

Agil Khalil. Khalil insisted throughout the trial that Strekalin was not his assailant and that the trial had been staged with the sole aim of discrediting Khalil by presenting the attack as a sex-based revenge. Khalil believes he was severely beaten by two Ministry of National Security officials in February while investigating a land sale case. Miklos Haraszti, the OSCE Representative on Freedom of the Media, commented on the case, saying, "This is the climax of a smear campaign orchestrated by law enforcers against Khalil, his newspaper, and the remnants of critical journalism in Azerbaijan."[7]

On December 4, the Sabail District Court dismissed a complaint from the Opposition Cooperation Center against Baku City for restricting their right of assembly. City authorities refused to authorize nine opposition rallies in central squares in Baku. The same court dismissed a complaint from Ganimat Zahid, the jailed editor of the newspaper *Azadliq*, against prison officials regarding the seizure of a 300-page manuscript he wrote while in detention. Representatives of Misir Aliyev, chief of the detention center, claim the manuscript was confiscated because of the "antigovernment nature of the writing." The court declined the attorney's demand to hear witness testimony from prisoners of Bayil prison and refused to bring Aliyev to court to answer questions regarding the whereabouts of the manuscript.

Throughout 2008, district courts reportedly violated fair trial procedures in cases against local and international oil companies, as revealed through the monitoring of the court trials related to labor rights of oil industry workers by the Organization for Defense of Oil Workers Rights. Yet other monitoring reports noted significant improvement in torture statistics, arbitrary arrests, detentions without trial, searches without warrants, tortures, and abuses practiced throughout 2008.

According to the Institute for Peace and Democracy of Azerbaijan, in 2008 at least three persons died in Azerbaijani police stations in the first hours following their detention.[8]

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	[illegible]

Corruption is a serious problem in Azerbaijan, but attempts to improve the situation at the legislative level have failed during implementation, as the state agencies entitled to conduct anticorruption activity are believed to be among the most corrupt agencies in the country. The government introduced the National Strategy on Increasing Transparency and Combating Corruption for 2007–2011 at the end of 2007 and made specific amendments to a number of laws in 2008. However, experts believe the government reduced the transparency of its spending during 2008, and implementation of anticorruption measures was not effective.

Azerbaijan's Transparency International Corruption Perceptions Index rating in 2008 worsened from 2.1 to 1.9 (with 1 representing the most and 10 the least corrupt), and the country was ranked 158 among the 180 surveyed (near the bottom of the scale, which signifies the highest level of corruption perception).

Since 2007 the Ministry of Finance has disclosed its semiannual budget implementation reports, which is seen as a step forward in increasing budget transparency. However, overall accessibility of budget information remains low. Azerbaijan was positioned among the "Minimum Accessible Budget Category" in the Open Budget Index produced by the Washington, DC-based International Budget Partnership in its 2006 and 2008 rankings.

The country reports on State Oil Fund revenues under the Extractive Industry Transparency Initiative. However, the use of oil funds for refugee assistance and infrastructure projects remains nontransparent. Through the State Oil Fund, about US$180 million has been invested into housing projects for Internally Displaced Persons in 2008 without transparent bidding procedures or proper public oversight of the projects. The government remains the main investor in the non-oil sector, the largest sector of the economy that has not yet been opened for privatization.

Access to economic opportunities depend heavily on political loyalty. The "one-stop shop" system for opening a business was introduced at the end of 2007. The government has eased the passport registration system, which has helped to reduce corruption through bureaucracy. However, bureaucracy and legal loopholes are used widely to control economic activities and gain monopolies on different sectors of the economy. Furthermore, private enterprises believe it is impossible to work in Azerbaijan without violating the law.

After the collapse of a newly constructed building in the center of Baku the Ministry of Emergency Situations was entitled to commission all construction works. Media reports suggested that this has led to additional bribes for the Ministry of Emergency Situations. According to some reports, costs of state-funded projects can as much as triple after assessment by Ministry of Emergency Situations officials.

State agencies rarely respond to inquiries from the media and citizens related to procurement bids and control over spending. Declaration of incomes by public officials has been required by law since 2004 but was never implemented in Azerbaijan. The media reports on the proxy ownership of businesses relevant to certain ministers' public service field. The companies related to top officials are winning contracts for procurement and services in large-scale infrastructure projects.

Fifty-eight criminal cases related to corruption were taken to court in 2008 and the government called for a number of arrests, including that of Samir Dadashev, antimonopoly department chief in the Ministry of Economic Development, who allegedly was detained while taking a bribe for 2,000 AZN (US$2,500). However, Dadashev's case was later dismissed without any explanation. Mahir Nagiyev, a special investigator in the Baku City Office of the Prosecutor, was sentenced to five years' imprisonment for allegedly accepting a bribe while carrying out an

investigation of a close relative of Vice Speaker Arif Rahimzade. During the appeal hearing, Nagiyev claimed to be a victim of an intrigue between law enforcement agencies.

Another allegedly falsified bribery case ended with a six-year prison term for investigative journalist Mushvig Huseynov. Huseynov, a reporter for the newspaper *Bizim Yol*, was arrested for demanding and accepting a bribe. Independent observers of the court trial announced that Huseynov did not demand, but was insistently offered a bribe, adding that Huseynov is the victim of political provocation as part of a campaign carried out by the government to damage the reputation of journalists. Investigative journalist Agil Khalil left the country after being beaten and stabbed because of his investigation of land plot sale corruption in Baku. The land sale case has not been investigated despite the facts he revealed.

Aside from reports in several opposition newspapers and international broadcasters like BBC and RFE/RL, high-level corruption in Azerbaijan does not gain media attention, and electronic media concentrate their reports on low-level abuses. There is no showing of public resistance to abuse and corruption. School officials who demand bribes and students who pay them perpetuate the cycle of corruption in the education system. Protests against corruption are silenced by officials. The hotline for Transparency Azerbaijan receives mostly anonymous complaints of corruption. The Parliament of Azerbaijan has not passed the Law on Protection of Witnesses.

---

1 Statistics supplied by the Central Election Commission.

2 *Joint Opinion on the Draft Law on Amendments and Changes to the Electoral Code of Azerbaijan* (Venice Commission and OSCE/ODIHR, June 16, 2008).

3 *Final Report: Results of the Monitoring of the Presidential Election Held in the Republic of Azerbaijan on October 15, 2008* (Baku: EMDS, January 2009).

4 For example: http://www.azadliq.org/content/article/1330335.html; http://www.rferl.org/content/Azerbaijan_Opposition_Foul_Aliyev_Reelected/1330385.html.

5 Rovshan Agayev, Azer Mehtiyev, Gubad Ibadoglu, Aydin Aslanov "Strengthening Municipalities in Azerbaijan; Concept Paper," Economic Research Centre; Baku, 2007.

6 Ibid.

7 "OSCE Media Freedom Watchdog Calls Baku Trial 'Fake' Aimed to Discredit Opposition Journalist and Protect His Real Attackers," OSCE, July 17, 2008.

8 Statement of Institute for Peace and Democracy, October 28, 2008.

Belarus

by Vitali Silitski

Capital: Minsk
Population: 9.7 million
GNI/capita: US$10,750

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	6.75
Civil Society	6.00	6.50	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25
Independent Media	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Governance*	6.25	6.25	6.50	6.50	6.50	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.75	7.00	7.00	7.00	6.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.50	6.50	6.50	6.75	6.75
Judicial Framework and Independence	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Corruption	5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00
Democracy Score	6.25	6.38	6.38	6.46	6.54	6.64	6.71	6.68	6.71	6.57

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

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

Executive Summary

Following a brief period of relative democracy after gaining independence in 1991, the Republic of Belarus moved toward a form of post-Soviet authoritarianism with the election of Alyaksandr Lukashenka as president. Chosen in 1994 on a populist platform, he quickly set out to reverse democratic changes, consolidate power in the hands of the president, suppress the opposition, destroy independent media, manipulate the electoral process, and reestablish pervasive controls on daily life. By 1996, he had established a firm political grip over the country. The relative success of Lukashenka's economic policy—which was based on heavy subsidies of raw materials by Russia—enabled a degree of social cohesion and stability that forestalled any effective opposition. Lukashenka's prophylactic measures to combat the tide of colored revolutions that swept the former USSR in the mid-2000s ensured his smooth reelection in 2001 and 2006. In 2004, a constitutional referendum removed any term limits and effectively sanctioned his perpetual rule.

This once impregnable position began to slowly erode following the Belarus-Russia gas conflict of 2006–2007, when rising energy prices from Moscow forced Lukashenka to search for new solutions to the long-term goal of infinite political survival. Hence, the Belarusian authorities authorized a modest economic reform program that included tax reform, deregulation of certain sectors of the economy, cessation of social privileges, some privatization, and the active wooing of foreign direct investment. New economic policies also dictated certain shifts in the geopolitical orientation of the capital, Minsk, as Lukashenka could no longer count on Moscow's unwavering support. Thus, the authorities made attempts to normalize relations with the West and engage in dialogue with the European Union (EU) and the United States. Nevertheless, Lukashenka made it clear that this dialogue did not mean he would change his domestic policies or authorize political liberalization. Effectively, he offered some illusion of geopolitical balancing between the West and Russia in exchange for tolerance of his regime by the West. At the same time, Lukashenka's major foreign policy objective remained securing Russia's support, using ties with the West as a blackmailing tool to secure economic privileges and political patronage from the Kremlin under the threat of "going West."

The release of most political prisoners in February 2008 led to a dialogue with the EU on thawing relations, even though the releases were followed by a new round of political repression. Toward the United States, however, the government engaged in a diplomatic war over sanctions that had been introduced against the oil and chemical concern Belneftekhim, leading to the departure of the U.S. ambassador and most embassy staff. The parliamentary elections in September 2008 were

set forth by both the EU and the United States as a benchmark for normalizing relations with Minsk. Although no changes were made in the government's manipulation of the vote and no opposition members were elected, the EU decided to suspend visa sanctions against the head of the Central Election Commission and all but six members of the regime who were implicated in the kidnapping of an opposition leader in 1999. The political bargaining between Lukashenka and the West in the run-up to the elections did result in the release of three political prisoners, including the most famous, Belarusian Social Democratic Party leader Alyaksandr Kazulin.

National Democratic Governance. The release of several political prisoners in February and the freeing of Alyaksandr Kazulin, Andrej Kim, and Sergei Parsyukevich in August 2008 brought the Belarusian authorities into compliance with one of 12 EU demands for internal political liberalization and raised hopes for further progress in softening the political climate. The removal of some of the most odious operatives of the regime's power bloc, such as Security Council head Viktar Sheiman and the notorious commander of the riot police, Dzmitry Paulichenka, also indicated that the regime was undergoing internal changes and abandoning hard-line practices in order to ensure its dealings with Europe and the United States. Nevertheless, the government took a stop-and-go approach, resuming harassment of opponents each time its relations with the West took a turn for the worse. Brutal dispersion of an opposition demonstration on March 25, attacks on independent journalists on March 27, harassment of opposition activists in the aftermath of the terrorist attack in Minsk on July 4, and, above all, failure by the authorities to respect democratic standards proved that democratization of Belarus remains a distant prospect. *Nevertheless, the halfhearted liberalization of the political climate, release of political prisoners, and first steps by the authorities to engage in a dialogue with civil society all warrant an improvement of Belarus' rating for national democratic governance from 7.00 to 6.75.*

Electoral Process. The parliamentary elections on September 30, 2008, were set by the EU (and the United States) as a benchmark for normalizing relations with Belarus and a pre-condition for further dialogue. Overall, according to the preliminary judgment of the observer mission sponsored by the Organization for Security and Cooperation in Europe (OSCE), the elections, in spite of improvements, "ultimately fell short of OSCE commitments for democratic elections." No opposition candidate was elected, and all 110 places in the House of Representatives were elected in the first round, and all pro-government. The election was marred by the harassment of leading opposition candidates and a virtual absence of election coverage in the most important state media. The authorities failed to change the routine for early voting, considered to be particularly vulnerable to fraud, and largely failed to grant election observers an opportunity to monitor the vote count. *Although no progress was achieved in improving key election practices and ensuring meaningful political competition, an improvement in the overall political*

atmosphere during the 2008 election campaign warrants a slight improvement in the electoral process rating from 7.00 to 6.75.

Civil Society. Belarusian authorities abstained from enacting article 193-1 of the criminal code prosecuting unauthorized civil society activities. For the first time in years, representatives of the authorities engaged in open discussions with opposition and civil society activists. Nevertheless, the legal ground for repression remained fully in place, and the authorities continued to deny registration to the independent-minded civil society groups, political parties, etc. *As a result of these small steps forward, Belarus' rating for civil society improves slightly from 6.50 to 6.25.*

Independent Media. A new media law adopted by the Parliament in August 2008 effectively banned independent journalists from working on foreign broadcast media without official accreditation. Journalists working on EU-based radio and TV stations broadcasting in Belarus were subjected to continuous harassment, including the mass public attacks on March 27, 2008. On a positive note, the authorities abstained from enacting measures to control the Internet that were discussed throughout the year, returned some independent publications to the state distribution networks, and engaged in dialogue with representatives of independent media. *Belarus' rating for independent media remains unchanged at 6.75.*

Local Democratic Governance. Participants in protests against the construction of a chemical plant in Druzhny village near Minsk were harassed and threatened by local administrations. Local opposition activists faced firings and lockups in the run-up to key political events in the localities, such as elections or visits by top officials. *Belarus' rating for local democratic governance remains unchanged at 6.75.*

Judicial Framework and Independence. The prosecution of participants in the entrepreneurs' protests in January was conducted with multiple procedural violations and ignored proof of innocence by the court, according to human rights defenders. Opposition activists continued to be discriminated against at work and places of study. Police arbitrarily targeted opposition activists in the investigation of the terrorist attack on July 4, 2008, in the center of Minsk, although detainees were kept within the limits established by law and were not harassed in detention. *Belarus' rating for judicial framework and independence remains unchanged at 6.75.*

Corruption. Belarus continued to make considerable progress in removing excessive business regulations, according to a World Bank study. Nevertheless, problems of excessive regulation and discretionary decision-making power in the hands of state officials continue to affect the operations of the government and its relations with economic entities. President Lukashenka's revelations of corruption in top security bodies in November 2008 highlighted the extent to which the problem continues to plague the state in spite of a series of anticorruption crusades undertaken by

Lukashenka throughout his rule. *Owing to deregulation and improvements in business practices and governance, Belarus' rating for corruption improves from 6.25 to 6.00.*

Outlook for 2009. Balancing between Russia and the West and dealing with the impact of the world financial crisis will underscore internal political dynamics in Belarus in 2009. Belarus-EU relations and the fate of suspended visa sanctions will depend on the ability of the EU to come up with a set of clear benchmarks before April 2009 on which political progress in Belarus will be measured. The slow Westward movement of the Lukashenka regime may be interrupted by fears that it could disorganize the internal coherence of the system, as well as by incentives the Kremlin may offer to keep Belarus firmly in its geopolitical orbit. Nevertheless, the regime is almost doomed to continue with economic liberalization, which will reframe Belarusian relations with the external world and trigger the erosion of the "old" Lukashenka regime grounded in a Soviet-style economy, populism, and pro-Russian orientation. It remains to be seen whether the system will reequilibrate into a "new," relatively liberalized, more market-based regime or whether economic and social tensions will open a space for genuine political change.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.75	7.00	7.00	7.00	

Since the 1996 referendum, the system of government in Belarus has been based on the principle of unlimited presidential autonomy. The president is endowed with vast prerogatives, including unlimited control over the executive branch, local administrations, security apparatus, and, de facto, the legislature. No parliamentary approval is necessary to appoint government members except for the prime minister, and the Parliament faces dissolution if it twice fails to approve the candidacy presented by the president. The president appoints and can fire at any moment heads of all regional and local administrations, 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 National Assembly. The Constitution de facto endows the president with legislative powers granting him the right to issue decrees that, according to the Constitution, overrule laws adopted by the Parliament in case of a conflict of regulations. The constitutional referendum of 2004 removed the last check on presidential powers by waiving term limits on the presidency. This opened an opportunity for Alyaksandr Lukashenka's lifelong presidency.

The National Assembly is a largely ceremonial body whose primary business is to rubber-stamp presidential decrees and legislation prepared by the government. The House of Representatives, whose four-year term expired in October 2008, enacted only four bills that originated in the Parliament itself. Most legislative proposals are drafted at the National Center for Legislative Activities, which is subordinated to the presidency. Out of the four successive compositions of the House of Representatives elected or appointed since the adoption of the 1996 Constitution, none has had a party-based structure, and only the second House (2000–2004) featured any noticeable representation by the opposition.

The most recent presidential elections were conducted on March 19, 2008, and resulted in the reelection of Alyaksandr Lukashenka for a third term in office. The official declaration that Lukashenka took 83 percent of the votes was met with disbelief by the opposition and Western observers. Post-election protests occurred for a week despite a massive campaign of intimidation, arrests, and attacks on opposition activists, becoming the largest act of civil resistance in a decade. However, the protests failed to make an impression on a larger audience that appeared to be genuinely supportive of Lukashenka, although not in the numbers claimed by official propaganda. The opposition's defeat in the presidential elections and its subsequent failure to devise a meaningful political strategy took a heavy toll

on the morale of democracy activists, many of whom either withdrew from politics or, particularly young people expelled from universities, left the country.

The most recent parliamentary elections were conducted on September 28, 2008, and, according to observers from the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR), failed to comply with its criteria for free and democratic elections and Belarus' international commitments. Elections ended in the first round in all 110 constituencies, and all members of Parliament (MPs) elected were supporters of the government. Most international observers, however, noticed some improvements in the electoral process and an overall relaxation of the political climate compared with the previous election, which was carried out in a highly restrictive atmosphere that coincided with the pivotal constitutional referendum on removing term limits. The parliamentary campaign of 2008 was carried out with fewer attacks on democracy activists and opposition candidates, and the opposition had slightly better opportunities to present views to the public through the state-controlled media.

This modest relaxation was a consequence of a complicated foreign policy game undertaken by the Lukashenka regime in the run-up to the elections, which were set up by the European Union (EU) and the United States as a criterion for normalization of relations with Belarus and the end of its international isolation. Yet dialogue and engagement with the West were not on a smooth track throughout 2008. On March 6, the same day Minsk approved the arrival of the European Commission delegation in Belarus, the U.S. government expanded sanctions against Belarus's chief operator in the energy trade, Belneftekhim. A subsequent diplomatic war resulted in the near expulsion of the U.S. embassy from Minsk. Even though the parliamentary elections failed to comply with minimum democratic standards, in October the EU suspended visa sanctions against most Belarusian officials for six months and endorsed dialogue with Belarusian authorities on matters of technical cooperation. The ultimate dropping of the sanctions is contingent on Belarus' compliance with EU demands for media liberalization, electoral reform, elimination of punishments for unauthorized civic activism, and cessation of repression against government opponents.

A modest success in easing political repression and extending the space for independent opinion proved that Belarusian authorities can no longer ignore the West altogether, while the Kremlin is increasingly assertive and unpredictable. The West may find new tools for leveraging Lukashenka amid the unwinding worldwide financial crisis, which could create serious economic problems for Belarus in 2009. Already in 2008, the country recorded a heavy deficit of almost US$8 billion that could trigger dramatic devaluation in the near future. Belarus managed to obtain a US$2 billion stabilization loan from Russia in November 2008, but this loan is tied to the demand to move closer to the introduction of a single currency, something that Belarusian authorities are keen to avoid. The authorities also succeeded in obtaining a stabilization loan from the International Monetary Fund (IMF) in exchange for promises to carry out substantial and highly unpopular economic

reforms, confirming the struggle of Belarusian authorities to emancipate themselves from the Kremlin's absolute control. At the same time, the approval of the IMF loan sent signs that the West was preparing to engage with Russia in a geopolitical competition over Belarus, marking an overall opening in the space for change and transformation in Belarus.

Since 1996, economic expansion has been key to pacifying the Belarusian society and nudging it toward the acceptance of authoritarian rule. At the same time, as economic expansion creates new social expectations, the regime has been pushed toward economic liberalization as the old Soviet-style model fails to generate the same rates of growth. The economic changes slowly but steadily take the Lukashenka regime out of its equilibrium. Even as the West has yet to find an effective leverage for dealing with Belarus, the need for engagement prompted the regime to somewhat relax political repression in 2007–2008. The release of several political prisoners in February 2008 and the freeing of Alyaksandr Kazulin, Andrej Kim, and Sergei Parsyukevich in August brought the Belarusian authorities into compliance with one of 12 EU demands for internal political liberalization and raised hopes for further progress in softening the political climate. The policy changes, however, have threatened to enhance social tensions, especially with the strata that traditionally supported Lukashenka and had the most to lose from the dismantling of the social safety net.

The dismissal of Security Council head Viktar Sheiman and Henadz Padabied and Dzmitry Paulichenka, notorious commanders of the riot police, may indicate that the hard-line faction in Lukashenka's entourage is indeed on the retreat and the regime is clearing the way toward more accommodating relations with the West. In November, Lukashenka cleansed the Interior Ministry apparatus, the staff of the Office of the Prosecutor, and top courts, announcing that these high-ranking officials were involved in illegal real estate deals around Minsk. Many of the designated officials were involved in the repression of political activists and business elite, and their dismissal contravened Lukashenka's customary policies of placing and promoting officials compromised by the abuse of office.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00

The consolidation of absolute presidential rule in Belarus eliminates the possibility for meaningful electoral contestation. The country's electoral code does not guarantee election commissions with multiparty representation and independence, fails to ensure equal campaigning opportunities for candidates representing the government and the opposition, and fails to provide sufficient transparency of the vote count or uniform appeals for the decisions of election commissions. The

CEC, appointed jointly by the president and the Council of the Republic for a five-year term, is not an impartial body. Instead, it ensures that electoral legislation is interpreted to the advantage of candidates nominated by the government, while the head of the commission frequently issues political statements supporting the policies of the president and denigrating the opposition.

The presidential elections held on March 19, 2008, were accompanied by widespread violence, intimidation, and government repression. Official election results granted an overwhelming victory (83 percent) to Alyaksandr Lukashenka, compared with 6 percent for United Democratic Forces (UDF) leader Alyaksandr Milinkevich, 4 percent for pro-presidential leader Siarhej Hajdukevich, and 2 percent for Belarusian Social Democratic Party leader Alyaksandr Kazulin.[1] Independent observers accused the government of fraud, and hundreds of protesters who demanded a rerun of the elections were arrested or beaten by the police. Kazulin was arrested and sentenced to five and a half years in jail for organizing mass disorders in the aftermath of the elections. He was granted early release in August 2008 after the Belarusian government found it necessary to move closer to the West in the wake of the conflict in Georgia. In the most recent local elections, held on January 14, 2007, only a few dozen opposition members were elected into over 21,000 local council seats in a campaign characterized by public apathy, government restriction, and the opposition's near lack of purpose and interest.[2]

Expectations that the 2008 parliamentary elections would be a landmark event leading toward political liberalization were based on the official discourse stressing the necessity of democratic and transparent elections. President Lukashenka repeated throughout the year that the elections would be carried out in the most transparent manner and "at the supreme European level" and promised that Belarus would "show to both the West and Russia how the elections have to be carried out."[3] Likewise, CEC head Lidiya Yermoshina explicitly declared that she would "work to achieve international recognition of the elections."[4] Declarations by President Lukashenka that several opposition members would be admitted to the Parliament appeared to be an invitation to the EU to come to the bargaining table.

The authorities made some low-cost, cosmetic changes to the election process. For example, observers from the ODIHR were allowed during the elections, in contrast with the Kremlin, which turned down the observer mission for the most recent presidential and parliamentary elections in Russia. Additional changes, such as Yermoshina's invitation to members of political parties to observe the CEC or the inclusion of some opposition members on the constituency-level electoral commissions, did not change the overall rules of the political game in Belarus but did create good publicity for the political elite.

At the same time, the authorities showed early signs that the new style would not be followed by much change in substance. Thus, attacks on government opponents began almost at the moment the election campaign was announced. President Lukashenka himself directed the attack against the opposition by instructing officials to check the financial records of opponents running for office. The authorities included 38 opposition representatives on the constituency-level

electoral commissions, satisfying 28 percent of petitions from the opposition.[5] However, when it came to precinct-level commissions, which actually count the votes, only 47 opposition representatives were included.[6] Given the total number of 6,000 election commissions, opposition representatives could observe the vote count at only 1 out of 150 precinct commissions. The CEC denied that it had anything to do with the composition of the commissions, but its representatives "regretted" that the local authorities chose to discriminate against the opposition.[7]

As the Belarusian opposition approached the parliamentary elections, it struggled with the apathy and disappointment of its own rank-and-file activists, many of whom had lost hope that political change was possible. Throughout 2008, the opposition consistently failed to mobilize supporters on the streets. The largest rallies in Minsk rarely attracted more than 2,000 participants, and opposition protests continued to be brutally dispersed by the police. For example, around 70 persons were arrested, beaten, and sentenced on March 25, when police dispersed the Independence Day demonstration in Minsk. The largest protests of the year, including those over the construction of a chemical plant in Druzhny village near Minsk, were carried out by civil society, interest groups, or spontaneous citizen initiatives. Protest organizers often explicitly warned the opposition to stay away, hoping to prove that the protests were of a purely economic nature, thus trying to push their case with the government without fear of a crackdown.[8]

The main issue for the opposition during the 2008 parliamentary elections appeared to be the dialogue between the West and Lukashenka. For segments of the opposition, including the Belarusian Popular Front (BPF), Young Front movement, and Charter-97 human rights group, the very idea of such a dialogue was a sign that the West was giving up on democratic forces in Belarus. These groups called for a boycott of the elections, but the call was rejected by the UDF, and the BPF eventually allowed its candidates to run. Many opposition candidates from the BPF and other parties, however, withdrew in protest of unfair election practices. Early voting, a procedure long criticized by the opposition as a tool for fixing elections, proceeded according to the customary schedule. A total of 24 percent of voters participated in early voting, many mobilized by local administrations. While voting on election day proceeded without major disturbance, most observers noted that the vote count proceeded according to the old scheme, where election commission members stand with their backs to observers, who are required to stand at least several meters away.

Within hours after closing the polls, the CEC declared 76.7 percent turnout and valid elections in all 110 constituencies, with all MPs elected in the first round and no opposition representation in the Parliament.[9] Nearly all winning candidates received a uniform percentage of votes at 65–70 percent regardless of locality. Most opposition candidates received 10–15 percent of the vote, with a maximum of 33 percent. Both President Lukashenka and CEC head Yermoshina declared that the result reflected the society's deep distrust of the opposition, an opinion partly shared by many independent observers. The elections produced the most sterilized and controlled Parliament in the last 18 years, lacking any opposition members.

The opposition cried foul and claimed that it received a much higher share of votes. Indeed, wherever observation was possible, the figures varied dramatically. Nevertheless, there was no public outcry about the vote fraud, partly because, according to independent sociologists, the public has grown accustomed to falsifications and does not see vote fraud as an extraordinary event. In the larger sense, the opposition still faces severe problems in connecting to the society. According to a poll released by the Independent Institute for Socio-Economic and Political Studies, while about 52 percent of Belarusians want political and social changes in the country, about 51 percent still trust the president and 43 percent intended to vote for representatives of the government, whereas only 19 percent intended to vote for the opposition.[10]

International observers from the OSCE concluded that the parliamentary elections in Belarus ultimately fell short of OSCE commitments, despite some "minor improvements." The EU maintained its general direction toward normalizing relations with Belarus, and scores of European officials called for continuing the dialogue with Minsk.[11] The EU decision to renew dialogue with Belarusian authorities, even while the latter failed to comply with demands for free and fair elections, was viewed by some critics as a face-saving exercise over the failure of the overall policy to engage with President Lukashenka. At the same time, the push for engagement reflected the diminishing hope that a bottom-up change is possible in Belarus.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.50	6.25	6.50	6.75	6.75	6.75	6.50	6.50	6.25

Civil society in Belarus continues to operate in a hostile legal environment aimed at delegitimizing and even criminalizing most forms of independent civic activity. Several articles of the criminal code impose heavy penalties for running nongovernmental organizations (NGOs) without official registration or for engaging in activities that can be interpreted by the authorities as incitement of mass disorders or defaming the country in the international arena. Although there was a reduction of repression against the NGO sector in 2008 due to the overall softening of the political climate, this failed to bring forth institutional changes or remove the instruments available for restarting attacks on civil society at any given moment.

According to the Ministry of Justice, there were 2,255 public associations (235 international, 722 nationwide, and 1,298 local), 36 trade unions, and 64 foundations registered in Belarus as of January 1, 2008. The ministry also registered over 14,000 local branches of public associations and 22,000 local trade union chapters. The ministry registered 69 new public associations and over 7,500 new local branches of NGOs during the year but also reported that registration was

rejected for at least 6 NGOs, mostly for improper filing of registration documents. Movement for Freedom, a human rights public association and de facto political grouping of Alyaksandr Milinkevich, registered successfully in December after three previous denials.

There were no liquidations of NGOs by the courts in 2008, nor was any individual imprisoned under Article 193-1 of the criminal code, which provides punishment of up to three years in jail for running or participating in an unregistered NGO. However, Kacia Salaujeva of the Young Front was prosecuted under the article in April and fined approximately US$800. In August, Amnesty International launched an international campaign to abolish Article 193-1, and the EU made the abolition of criminal punishments for running unregistered NGOs one of its key benchmarks for normalization of relations with Belarus. The leader of the Young Front, Zmicier Dashkevich, who was sentenced to one and a half years in jail in 2006 for running an unregistered NGO, was released in early 2008. Members of youth political movements and unregistered NGOs, particularly the Young Front, were subject to attacks and harassment in 2008, although with lowered intensity. Some youth activists were expelled from universities and immediately drafted into the army, while others were banned from traveling abroad, although police revoked these improperly authorized decisions and apologized.

Government-sponsored NGOs include the Belarusian Republican Union of Youth (a replica of the Soviet-era Komsomol) and the sociopolitical movement Belaya Rus, whose creation in 2007 was viewed by some as a sign that Lukashenka might soon organize his own political party. Belaya Rus, albeit enjoying state privileges and mandatory membership for many state employees, appeared to be more of a bureaucratic initiative aimed at granting greater political clout to regional elites than a genuine presidential movement. Lukashenka himself lambasted Belaya Rus in April for Communist Party-style bureaucratization, also signaling his unwillingness to delegate power by turning a pro-regime group into an official party.

During 2008, Belarusian civil society found itself engaged in a deep organizational, ideological, and identity crisis. On the one hand, it is affected by the aftermath of years of political repression that cleansed the social and political landscape and led thousands of citizens to cease active participation in independent life or, in the case of many youngsters, to leave the country altogether. On the other hand, the civic sector has been hurt by a depoliticization of the society, which appears to be trading relative prosperity and security for political loyalty. As a result, independent civic and political activity is restricted to a narrow circle of increasingly marginalized activists with extreme political or religious views. The Young Front, Belarus' oldest antigovernment youth group, neared a breakup in October over Christian fanaticism among its ranks. Early in the year, the group made waves in the media owing to the aggressively homophobic rhetoric of its leader, who complained about the participation of gay groups in the Chernobyl rally.

Nongovernmental actors are challenged to find attractive messages that propose a positive agenda for change, as the value-based opposition fails to attract much attention among the increasingly pragmatic and depoliticized public. Many regional

NGOs have tended to drop the long-standing aspirations for "regime change" and are refocusing their activities on practical issues of daily life. NGO campaigns that gained visibility in 2008 were the antinuclear coalition protest of the construction of a nuclear power plant in Belarus and the cultural campaign Budzma (Let Us Be), which focused on the nonpoliticized promotion of Belarusian history, culture, and arts among the general public.

Channels and platforms for communication and cooperation between civil society and the government are severely underdeveloped in Belarus owing to implicit bans on contacts with unauthorized NGOs and the underground mentality of segments of civil society. One such channel is the Minsk Forum, organized annually by the German-Belarusian Society in cooperation with authorities. The appearance of presidential administration head Uladzimir Makey at the Minsk Forum in November 2008 and his engagement in an open dialogue with representatives of opposition NGOs was treated by the local press as a mini-sensation. The authorities somewhat relaxed travel bans for international civil society representatives in 2008, as demonstrated by their attendance at the forum. Another example of externally sponsored dialogue between civil society and the government was the media freedom seminar conducted under the auspices of the OSCE in Minsk in November, where authorities pledged to abstain from regulating the Internet.

The government continued in 2008 to restrict the activities of independent trade unions. For example, local branches of the Trade Union of Radioelectronic Industry Workers were routinely denied registration. Official trade unions refused to defend Leanid Autokhou, a BPF activist from Haradok, when he was fired from a local housing maintenance facility in May. A union representative declared that Autukhou was automatically expelled from the trade union when his dismissal was announced.[12]

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

In 2008, Belarus ranked 188th out of 195 surveyed countries in the Freedom House Global Press Freedom index, trailing Cuba, Turkmenistan, and North Korea. As of March 1, 2008, there were 1,254 periodicals registered in Belarus, including 692 newspapers, 522 magazines, and 25 bulletins. Out of this number, 393 registered periodicals are state owned and 861 are nonstate owned. The private press is predominantly entertainment and advertisement oriented. According to the Belarusian Association of Journalists, only 30 nonstate periodicals cover mostly sociopolitical issues. Only 370 periodicals are published fully or partly in Belarusian, even though the Constitution grants the language official status equal to Russian.

The state press is heavily subsidized from the budget, and subscription to certain government periodicals is compulsory for government offices and enterprises and can

be imposed on public sector employees. The state press combines pro-government propaganda with pop culture entertainment and secures sales with monopoly rights on certain publications, such as TV broadcast schedules. State publications do not offer alternative views and are generally off-limits to the opposition, except when the programs of election candidates must be published. However, the largest state periodical, *SB-Belarus Segonya*, showed a tendency to offer some independent opinion by hosting roundtables with representatives of civil society on controversial issues such as Belarus-EU relations. This is atypical for the usually monolithic pro-Lukashenka press. In another unprecedented move, representatives of the independent Belarusian Association of Journalists discussed media freedom with the head of the ideology department of the presidential administration, Usevalad Jancheuski, in November 2008.

Nongovernmental publications are discriminated against through paper pricing and access to state subscription and distribution facilities. The Belarusian authorities made promises in November, in an attempt to show progress during a six-month "trial period" given by the EU, to return some opposition periodicals such as *Narodnaja Volja* and *Nasha Niva* to state subscription and circulation. Other independent newspapers, *Novy Chas, Tovarishch*, and *Intex-Press*, appealed to the authorities to be included in catalogs and the distribution network, but their requests were denied. In all, eleven independent publications remained out of the state subscription and distribution networks at the end of 2008.

On February 8, 2008, a presidential decree was signed mandating that journalism majors at state universities submit to a pre-screening interview to determine their competence. Experts believe this places a barrier to opposition-minded youth. Indeed, interviews conducted at Belarusian State University in the spring resulted in the disqualification of five applicants out of several thousand, including Youth of the BPF leader Franak Viachorka, who was expelled from the university in January and later tried to reenroll.

On March 27, police raided the offices and apartments of independent journalists working on EU-sponsored media projects, such as European Radio for Belarus, BelSat, and Radio Racyja. Dozens of journalists were harassed and briefly detained, while police confiscated equipment and computers. The Belarusian Association of Journalists protested the actions, and most equipment was returned by August. Journalists of externally operated media who applied for accreditation in 2008 were rejected, and some were told they would be allowed to reapply in a year. Additionally, Eduard Melnikau, coordinator of BelSat satellite TV, was summoned to the KGB office on May 13 for interrogation as a witness in a criminal case launched in 2005 related to online political cartoons.

In June 2008, the House of Representatives passed the Law on Mass Media. The president signed the law in August, and it was scheduled to come into force in February 2009. The new law bans journalists from working for foreign media without official accreditation, a measure targeted against EU-sponsored broadcast media. The law also extended the range of reasons for which a newspaper or other medium may be warned, providing the possibility to close down media on the first

warning. On a positive note, the new law dropped some of the most odious measures contained in the initial draft, such as the requirement that media reregister with every change of address. The law abstained from demanding that Internet versions of printed publications be registered and declared that registration of Internet media should be voluntary. The law foresees reregistration of all mass media in 2009, although the government assured that reregistration would be considered on the principle of declaration and not approval. The EU commissioner for external relations, Benita Ferrero-Waldner, strongly condemned the adoption of the new law, claiming that it would further reduce freedom of speech in Belarus.

Independent journalists face discrimination in access to information. The authorities announced in October the possible introduction of a special ID for journalists representing state media. Such IDs could be used to expel independent journalists from major events related to state institutions.

Journalists also continued to be harassed by the authorities in 2008. Alexander Sdvizhkov, former editor of the outlawed newspaper *Zhoda*, was arrested in November in connection with the publication of caricatures of the Prophet Muhammad from February 2006 but was granted early release in February 2008. The Law on Combating Extremism, enacted in 2007, was applied in 2008 against the independent press. Police arbitrarily confiscated periodicals and books from democracy activists trying to cross the borders, demanding their recognition as "extremist literature."

As of June 1, 2008, there were 156 registered radio and 65 TV outlets in Belarus, out of which 164 were state owned and 57 private.[13] There are 4 nationwide TV channels, all state owned. According to independent monitors, the official media largely ignored the parliamentary election campaign, as election coverage was limited to reports about the country's achievements over the past four years, not candidates' platforms and views.[14] Opposition candidates were allowed coverage in official media, but mostly those outlets with a minimal audience. Some candidates were denied the opportunity to present their programs on technical grounds. Belarusian-language programs on official TV and radio amount to only 5 percent of total content. There are nine information agencies operating in Belarus.

The number of broadband Internet users in Belarus was approximately 170,000 in 2008.[15] Owing to the state monopoly, high-speed Internet is overpriced in Belarus compared with costs in neighboring countries. The Belarusian segment of LiveJournal.com, one of the Web's most popular blogging resources, is 13th largest in the world, with over 22,000 registered blogs originating from Belarus. Most independent print media have online versions, and some, such as *Salidarnasc* and *Nasha Niva*, made the successful transition to the Internet after their publications were kicked out of the state distribution services. The Internet increasingly serves as a tool of grassroots organizing and political discussion, sometimes replacing real-life activism for online users. At the same time, it is used by government groups to launch defamation campaigns against opposition activists.

Authorities sent conflicting signals in 2008 regarding Internet censorship. On the one hand, Deputy Minister of Information Ludmila Ananich hinted

throughout the year that the government may adopt the "Chinese model"[16] of regulation, implying content filtering and firewalling unwanted sites. On the other hand, authorities, including the newly appointed head of the ideology department of the presidential administration, Usevalad Jancheuski, insisted that the Internet will remain a "free zone."[17]

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.50	6.50	6.50	6.75	[illegible]

Local governments in Belarus are consolidated within the presidential vertical of power. By law, heads of regional administrations are appointed by and responsible to the president. Popularly elected local councils have no control over the executive bodies. Nearly 1,700 local governments exist, subdivided into three levels: regional (*voblasc*), district (*raion*), and village or (in urban areas) township. The Constitution establishes that local councils have the exclusive right to adopt regional programs in social and economic development, establish local taxes and adopt budgets, manage communal property within limits proclaimed by the law, and call local referendums. Nevertheless, as the central budget absorbs nearly 70 percent of the consolidated national budget, local authorities are largely deprived of independent sources of financing.

The last local elections held on January 14, 2007, reduced to a bare minimum the already minuscule representation of the opposition on local councils. Out of 23,000 elected officials, only 20 opposition representatives won seats in the councils at all levels. In spite of the high turnout, the elections raised little public discussion about pressing local issues.

Local governments implement many of the repressive policies of the central government, including harassment of democracy activists and local free press. During the 2008 parliamentary election campaign, many activists running for office or participating in the campaign were subjected to low-intensity harassment, some being fired from their positions outright. The local authorities, effectively unaccountable to the public, engage in dialogue with social groups only under pressure, as was the case with public protests over the proposed construction of a chemical plant in Druzhny village near Minsk. The government overall is more responsive to protests by the depoliticized public than actions staged by the opposition. Even then, the authorities apply pressure against the most active participants and organizers, such as Syarhei Abrazouski, who was fined BYR1.4 million (about US$650) for organizing an unsanctioned protest against the Druzhny plant.[18] In another case, Ales Chyhir, an activist from Babrujsk, was detained in May by militiamen and beaten at the police station in apparent "preventive detention" prior to the president's arrival at the opening of an ice hockey palace in Babrujsk.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

Belarus lacks an independent judiciary system, as all court appointments are controlled by the president and the salaries and promotion of judges depend upon the executive. Judges generally act as agents of the president, and while most cases are heard with due process, many are decided according to political necessity.

On January 10, 2008, police arrested 27 participants in a protest of private entrepreneurs that took place on the streets of Minsk. The following day, 22 persons were sentenced to 15 days of arrest. On January 21, the entrepreneurs held a second unauthorized protest. Interior Minister Uladzimir Navumau personally led the dispersal of the demonstration. As many as 15 persons were fined from BYR525,000 to 1.75 (US$244–814), and 6 were sentenced to 5 to 15 days in jail. One person was fined BYR1.225 million rubles (US$570) and jailed for 10 days. Criminal charges for staging mass disorders were subsequently brought against 13 more participants in the January 10 demonstration, with a trial taking place in April. Although the case disintegrated in court, as the prosecution failed to offer any evidence that the defendants attacked the police or committed other acts of hooliganism, they received heavy sentences, such as two years of hard labor for defendants who held permanent employment and fines of up to US$1,700 for those who did not. The hard labor sentences were mitigated by the fact that defendants were not to be sent to special labor settlements but could maintain their jobs while essentially under house arrest.

Monitors reported multiple procedural violations during the trial and biased treatment on behalf of the prosecution. The harsh sentences given to the protesters reflected a determination of the government to contain the spread of the protest mood from the hardcore of the opposition to new social and interest groups that previously had not confronted the government. The jailed protesters were released in August 2008 after Lukashenka was forced to engage in a new round of dialogue with the EU as political and economic pressure from Russia intensified following the Russia-Georgia war.

The courts continued issuing harsh sentences in the period of "frozen" relations with the West that spanned from March to July 2008. On March 25, over 70 people were detained during the Independence Day demonstration honoring the proclamation of the Belarusian Democratic Republic in 1918. In the following days, 75 administrative cases were brought against demonstrators for "violating the order of organizing and holding mass events." Twenty-six people were sentenced to 5 to 15 days in jail, and over 50 people were fined. More than 20 people were injured as a result of police actions. Detainees were tried on confused evidence by the police. In one case, a participant was found guilty based on her demonstration outfit, a red coat and white balloons attached to her bag, which the court interpreted as an allusion to the colors of the 1991–1995 flag now banned by the authorities.

A bomb explosion injuring 54 at a concert commemorating the official Independence Day on July 4 was used by the authorities to pressure opposition and NGO activists, who were called to militia headquarters for "questioning," fingerprinting, and DNA samples. Four members of the unregistered Bely Legion organization were arrested and held in prison for 10 days with no charges. However, suspects claimed on release that they were treated politely with no harassment or discrimination and that the authorities respected all procedural formalities. The investigation effectively led nowhere, but the authorities used the explosion as a pretext to tighten control and surveillance over the public: For example, in some areas all residents were required to submit full sets of fingerprints under the threat of losing their jobs.

The ordeal of Emmanuil Zeltser, an American lawyer arrested in Minsk in February 2008 and subsequently sentenced to three years in jail on charges of commercial espionage, highlighted the deficiencies of the penitentiary system in Belarus. According to multiple claims by the Zeltser family, he was repeatedly denied medical treatment and medicines while in jail. The authorities apparently improved the treatment of Zeltser after interventions by the U.S. embassy.

During 2008, scores of opposition activists, including United Civil Party head Anatol Liabedzka and many Young Front members, found themselves on exit ban lists while trying to cross the border, for reasons as varied as having criminal cases pending to unpaid taxes or child support. However, the authorities failed to produce a mechanism that would appeal the decision of the border guard services. There were a few instances in the second half of 2008 when courts contradicted the position of the authorities. For example, in an unprecedented decision, the court found one election commission member guilty of rigging the vote during the parliamentary elections.[19] And in October, the Grodno district court rejected a KGB request to recognize as extremist several independent publications confiscated at the border.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.0

Belarus's rank of 151 on Transparency International's 2008 Corruption Perceptions Index is down one place from 2007, a slight change compared with the precipitous decline since 2003, when it was ranked the 36th cleanest country in the world. The decline, while not necessarily representative of the actual spread of corruption, highlights that bribery and abuse of office became more evident to ordinary Belarusians and businesspeople in recent years.

Belarusian legislation contains many anticorruption laws and regulations regarding conflict of interest. Nevertheless, the country's system of unlimited presidential rule blurs the line between the public sector and the private domain

of the president and excludes civil oversight of the government's operations. For example, Belarusian legislation does not require that all state programs be financed through the budget, and a large number of these go through special presidential funds unaccounted to the Parliament. The predominance of the state sector (controlling 80 percent of all assets) creates ubiquitous opportunities for officials to reap administrative rents, take advantage of uncontrolled financial flows, and offer privileges to companies to which they have connections at the expense of competition. Privatizations in 2007–2008 generally targeted the inflow of revenue to offset the balance of payments. Such an approach is relatively clean, as it aims for the highest possible bidder; nevertheless, there was evidence that some of the transactions were carried out to prioritize business groups that had dealt with the Belarusian government for years.

There were controversial trends regarding the transparency of government and its capacity to fight corruption in 2008. The positive news was the increasing streamlining of many government procedures and partial debureaucratization. According to a study by the World Bank, Belarus made impressive progress in 2008 regarding rules and regulations for business activities, jumping from 115th place in 2007 to 85th in 2008 and thus becoming one of the world's fastest economic liberalizers. In particular, the World Bank marked considerable progress in such areas as ease of starting a business, dealing with construction permits, getting credit, and in particular registering a property (Belarus improved to 14th place, up from 95th in 2007). At the same time, Belarus remained the worst country in the world for paying taxes (in terms of complicated regulations), though the introduction of a 12 percent flat rate for personal income taxes will improve the situation.

Investor protection became a hot political issue in 2008 as the government changed its long-standing policy of preserving national control over key economic assets and began to actively woo foreign investors to offset the mushrooming deficit. Prime Minister Siarhej Sidorski blamed government bureaucracy for sluggishness and actual sabotage of investment deals and claimed that at least 20 potential investors had complained about government abuse at the Belarus Investment Forum in London. Sidorski's revelations highlighted that the bureaucratic inertia, of which corruption is an important part, outweighs the orders and directives of top officials. On a positive note, the government removed some excessive regulations in the wake of the financial crisis—for example, those that violated the protection of bank clients from excessive oversight by financial authorities.

The advance of "Lukashenka's capitalism" intensified competition among factions in the ruling elite, who are eyeing the transition from being state bureaucrats to state capitalists. According to an independent analyst, there is a system of bureaucratic rent extraction in Belarus by which certain public offices control opportunities for bribery and kickbacks in branches of the economy and clusters of the bureaucracy. Competition over these "spheres of interests" instigated "law enforcement agency wars" in 2007–2008, where simultaneous attacks, criminal prosecutions, and occasional street violence by members of one security agency against another actually reflected the fight for rent opportunities. Corruption cases

in this system had increasingly become instruments for getting rid of unwanted competition in the rent market. In 2008, the bureaucratic tug-of-war between the Ministry of the Interior and competing security agencies from the State Control Committee and KGB continued with a series of arrests and criminal investigations routinely opened by members of one agency against another.

President Lukashenka himself acknowledged that the competition was getting out of control. Since his anticorruption crusade propelled him to the presidency in 1994, Lukashenka has built his public image as a campaigner against government abuse and defender of the interests of ordinary people. It is in his interest, therefore, to periodically revive the issue of corruption and stage showcase reprisals on officials whose loyalty he questions. As time goes by, however, new corruption revelations are increasingly uncomfortable for the regime, as they prove that the government is unable or unwilling to defeat corruption, which ultimately disorganizes the government apparatus and erodes the president's power.

Indeed, speaking to law enforcement agencies in March, President Lukashenka declared that "court trials over customs officials, border guards, high-ranking bureaucrats, and representatives of the Interior Ministry and KGB had become commonplace. Public officials supposed to fight crime have become criminals themselves."[20] High-profile corruption cases in 2008 include Major Oleg Roschenja, son-in-law of the powerful State Control Committee head Zianon Lomat, who was put on trial for illegal entrepreneurial activities, and a corruption scandal in the National Olympic Committee, whose financial director was accused of bribery.

At a November meeting with security services devoted to the corruption fight, Lukashenka declared that top officials in the Ministry of the Interior and high courts were involved in corruption deals to illegally acquire land for residential construction in the environmentally protected zones around Minsk.[21] Lukashenka ordered the dismissal of 10 high state officials, including 3 deputy ministers of the interior; this was seen by many as a move to undermine Minister Uladzimir Navumau, who grew increasingly strong after the firing of Viktar Sheiman in July. At the same time, several cleansings of the security apparatus, which spread in 2007–2008 to all its subdivisions, signal the departure of the old generation of *siloviki* and the arrival of a new one that may eventually control the transition to Lukashenka's new capitalism.

▮ Author: Vitali Silitski

Vitali Silitski is a director of the Vilnius-based Belarusian Institute for Strategic Studies.

1 Information of the Central Election Commission, March 23, 2007. Available online at the Central Election Commission Web site, http://rec.gov.by/elect/prrb2006/mess13.html.

2 See Rodger Potocki, "Flawed Elections... And Parties," Appeared in *Transitions Online*, February 6, 2007, reprinted by Charter-97, http://www.charter97.org/eng/news/2007/02/21/text.

3 "Lukashenka promises exemplary democratic elections," *BBC online*, June 25, 2008, http://news.bbc.co.uk/hi/russian/international/newsid_7473000/7473860.stm.

4 "Lidia Yermoshina: Central Election Commission Will Be Working Towards the International Recognition of Elections," *Belorusskiye Novosti*, June 27, 2008, http://naviny.by/rubrics/politic/2008/06/27/ic_articles_112_157798.

5 OSCE Election Observation Mission Report, September 28, 2008.

6 "Only 0.06% of Opposition Members in Election Commissions," *European Radio for Belarus*, August 15, 2008, http://www.euroradio.fm/by/576/news/22640.

7 Ibid.

8 "Inhabitants of Druzhny for Health and Against the Chemical Plant," *Belorusskiye Novosti*, April 25, 2008, http://naviny.by/rubrics/zdorovie/2008/04/25/ic_articles_292_156820.

9 Information of the Central Election Commission, http://rec.gov.by/elect/ppns4/ppns4_soob_ob_itogah.html

10 Independent Institute for Socio-Economic and Political Studies, www.iiseps.org

11 "EU Commissioner for External Relations Benita Ferrero Waldner: The EU Now Has to Think How to Better Develop Relations with Belarus," *Belapan*, September 30, 2008, http://by.belapan.com/archive/2008/09/30/257310_257324/; "A.Strub: Belarus is Moving in the Right Direction," *Radio Liberty Belarusian Service*, October 7, 2008, http://www.svaboda.org/Content/Article/1294676.html.

12 "Official Unions Denied Protection to Illegally Fired Opposition Member." *Charter-97 news service*, June 13, 2008, http://www.charter97.org/ru/news/2008/6/13/7394.

13 Media in Belarus. Electronic Bulletin. *Belarusian Association of Journalists*, July–August 2008, http://baj.by/index.php?module=p&type=file&func=get&tid=4&fid=pdf&pid=23.

14 "2008 Parliamentary Elections Coverage in Belarusian Media. Final Report," *Belarusian Association of Journalists*, http://baj.by/index.php?module=p&type=file&func=get&tid=4&fid=pdf&pid=24.

15 "Minister of Communication: 170 Thousands Broadband Internet Users in Belarus," *Tut.by* news service, April 21, 2008, http://it.tut.by/news/96647.html.

16 "Ludmila Ananich: 'There is Chinese experience...'" *New Europe*, June 3, 2008, http://n-europe.eu/news/2008/06/03/ananich_pra_internet_%C2%ABale_ests_vopyt_kitayu%C2%BB.

17 "Usevalad Jancheuski: There are no absolutely free media," *Naviny.by*, November 24, 2008, http://naviny.by/rubrics/society/2008/11/24/ic_articles_116_160036.

18 "Activist Siarhej Abrazouski Fined Again," *Viasna Human Rights Center*, May 23, 2008, http://spring96.org/be/news/22025.

19 "Opposition Member Proved Vote Fraud," *Telegraf.by*, November 20, 2008, http://telegraf.by/in_belarus/6003.html.

20 *Sovetskaya Belorussia*, http://sb.by/print/post/64720.

21 "Lukashenka Fired 10 High-Ranking Interior Ministry Officials," *Telegraf.by*. November 13, 2008, http://telegraf.by/in_belarus/5232.html.

Bosnia-Herzegovina

by Jasna Jelisić

Capital: Sarajevo
Population: 3.8 million
GNI/capita: US$8,020

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.00	4.75	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00
Civil Society	4.50	4.50	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50
Independent Media	5.00	4.50	4.25	4.25	4.25	4.00	4.00	4.00	4.25	4.50
Governance*	6.00	6.00	5.50	5.25	5.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75	5.00	5.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75	4.75	4.75
Judicial Framework and Independence	6.00	5.50	5.25	5.00	4.50	4.25	4.00	4.00	4.00	4.00
Corruption	6.00	5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50
Democracy Score	5.42	5.17	4.83	4.54	4.29	4.18	4.07	4.04	4.11	4.18

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

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

Executive Summary

Competitive nationalism among the three main ethnic groups of Bosnia and Herzegovina (BiH) caused near paralysis in state institutions in 2008. As a result, the country failed to achieve concrete progress in addressing conditions relevant for Euro-Atlantic integration. There was also unsatisfactory progress in addressing the objectives and conditions which have been set for the closure of the Office of the High Representative (OHR) and its transition into an Office of the EU Special Representative. As a result there was no decision on changing the set-up of the international presence in the country.

The political situation in BiH was partly affected by the Kosovo's declaration of independence in February 2008 as well as by the general elections in October 2008. These events led to a further slowdown of reform. The signature of the Stabilisation and Association Agreement with the EU in June 2008 did not change the overall situation in the country, and the six parties of the ruling coalition in the Council of Ministers continued to be unable to place the goal of EU integration and its associated obligations ahead of their divergent political priorities. The themes of the election campaign in the fall were largely unrelated to the everyday concerns of BiH citizens, and the reform agenda, with its promise of economic and democratic development, was almost forgotten.

The presidents of the largest Bosniak, Serb, and Croat parties in BiH—the Party of Democratic Action, the Alliance of Independent Social Democrats, and the Croat Democratic Union–BiH, respectively—concluded what became known as the Prud agreement in November 2008, laying out a way forward on constitutional reform, the conduct of a census, and other matters related to the closure of the OHR. However, no concrete follow-up measures were taken by year's end.

Throughout the year, leaders on all sides of BiH's divided political scene aimed criticism at the international community. The Bosniak member of the BiH presidency, Haris Silajdžić, sent an open letter to the UN Security Council in December to object to an OHR report that blamed him and other local leaders for the continued political deadlock in the country. Mr. Silajdžić argued that the crisis was caused not by political infighting, but by the international community's failure to secure full implementation of the Dayton Peace Agreement.

Milorad Dodik, prime minister of the Republika Srpska (RS), also clashed with the OHR, complaining that it was too deeply involved in BiH politics and should let local leaders reach their own compromises. Moreover, the RS government's claim that it had the right to call a referendum on secession drew repeated rebukes from the international community, including a resolution adopted in October by the European Parliament reaffirming that the BiH's constituent entities did not enjoy

autonomous sovereignty and that only the BiH as a single state had membership prospects in the EU.

The slow pace of reforms during the year prompted the Council of Europe to warn in September that "without greater cooperation between the various state- and entity-level structures, Bosnia and Herzegovina will not be able to benefit fully from European integration." The statement also condemned moves by the RS to undermine BiH state institutions.[1]

In the last quarter of the year, several analyses claimed that the situation in the country had worsened gravely, with one finding that the BiH was "not at the brink of war, but it has slid well down the slope in that direction."[2]

National Democratic Governance. There were no improvements in democratic governance in 2008, as the ruling coalition lacked consensus on almost every issue, especially when it came to state building. There were no serious attempts to address the fundamental question of constitutional reform. Ethnic identity continued to hamper the functioning of public institutions, while divisive rhetoric negatively affected the overall atmosphere and stalled decision making and legislative activity. *Owing to all these factors continuing from the previous year, the national democratic governance rating remains at 5.00.*

Electoral Process. The October 2008 muncipal elections were characterized as free and fair by international monitors. Besides confirming once more the decisive roles of ethnicity and fear in BiH election campaigns, the elections showed that the post-Dayton political system does not provide ample opportunities for the emergence of new political forces, partly because of the significant financial and media resources at the disposal of the ruling nationalist parties. Despite these obstacles, newcomers—including Naša Stranka (Our Party), a multiethnic party founded in April—managed to enter the political scene. *Owing to a lack of improvement in the country's electoral dynamic, BiH's electoral process rating remains at 3.00.*

Civil Society. There were no signs of improvement in the strength of civil society. Effective advocacy and articulation of citizens' interests are rare, with only a small number of nongovernmental organizations exercising these functions with some results. The most active and numerous civil society organizations are religious groups, which continued to strengthen their agenda and influence during the year. Education in BiH remains a major issue that could prove a catalyst for even greater instability in the future. Civil society is independent but faces growing pressure when dealing with the issue of corruption or tolerance toward minority groups. *The civil society rating for BiH remains 3.50.*

Independent Media. The media environment is shaped by ethnic divisions as well as alliances with political circles and business interests. Such special interests continued to influence reporting and editorial independence. The year featured notable attempts to exert influence on the electronic media, which had generally

been less subject to ethnic and political bias than the print media. *These developments, combined with additional threats to journalists, has led to a worsening of the independent media rating from 4.25 to 4.50.*

Local Democratic Governance. There was no significant improvement in the implementation of the entity legislation on local self-governance in accordance with the European Charter of Local Self-Government, nor were there any practical steps toward genuine decentralization. The majority of local authorities continued to pay allegiance to the entity and cantonal authorities. The municipalities' lack of resources remains a problem in both the Federation and the RS. The state government had no powers over local self-government, which complicated BiH compliance with international obligations in this area. *Owing to a lack of improvement, the rating for local democratic governance remains at 4.75.*

Judicial Framework and Independence. The judiciary of BiH remained divided into four separate jurisdictions and continued to function in a complex and legally incoherent environment. BiH still lacks a Supreme Court, which would harmonize the application of legislation across the country. The existence of 14 different Ministries of Justice, each preparing separate budgets, negatively affects judicial independence. Delays and backlogs in the courts did not substantially improve, and political interference remained a concern. A National Strategy for Development of the Justice Sector was adopted, but there were no strong indications that it would be swiftly implemented. *As a result, the rating for judicial framework and independence remains at 4.00.*

Corruption. Corruption in BiH remains widespread, and government efforts to combat it have been weak. Combined with the country's constitutional arrangements, this presents a major obstacle to political and economic development. Alliances between business and political circles seem stronger than ever. Owing to a lack of political will, there was no progress in implementing the 2006 BiH Anticorruption Strategy, and amendments to the Law on Conflict of Interest that were adopted in July 2008 effectively reduced the scope of the law. No serious efforts were made to establish an independent anticorruption agency. *Owing to the lack of political will and capacity to effectively halt the rampant spread of corruption, BiH's corruption rating worsens from 4.25 to 4.50.*

Outlook for 2009. Joining the EU and NATO remain BiH's most important strategic priorities, but events in 2008 suggested that the current political leaders find it difficult to cooperate and make decisions that would bring the country closer to declared foreign-policy goals.

The year's developments highlighted the need for a constitutional reform, without which BiH will be unable to meet the EU's administrative and political requirements or achieve an acceptable level of functionality in its institutions. However, in this respect the ruling parties have hardened their positions since the failure of the

so-called April package of constitutional changes in 2006. If the prevailing negative attitude and distrust among leading politicians prevail, progress will remain blocked.

The harmful influence of events in the wider region on the backsliding trend in BiH prompted strong arguments throughout the year for a serious reengagement by the United States and the EU. The NATO membership perspective and the promise of EU accession have long been the pillars of BiH and regional security. It is expected that these aspects will be strengthened, and hopefully have positive influence of the political situation on the ground.

As a number of analysts have observed, the lack of interest and focused engagement by the international community in 2008 was interpreted by the ethno-nationalist elites as a green light for a return to separatist policies.

Still, BiH fell back under the international spotlight by the end of the year, and reengagement is expected in 2009. Its success will depend on an accurate assessment of the underlying problems and a readiness to address them directly. The policy of waiting for the domestic political elites to do so on their own has amounted to a costly waste of time and resources, and it has even undermined the security situation.

EU accession remains the only issue with the potential to change the internal and regional political dynamic in the long run. Public opinion polls show that more than 80 percent of the people of BiH, of all ethnic backgrounds and from both entities, want to join the EU. The prospect of accession could help to drive improvement on a number of governance indicators. However, if the trends of 2008 continue, the perceived likelihood of a deeper crisis or even some form of instability in BiH will increase.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75	5.00	

The year started with a crisis over the failure of Bosnia and Herzegovina (BiH) institutions to agree on the state budget, and this unwillingness to compromise proved a central theme of 2008. The dispute was temporarily suppressed on February 20, when the BiH House of Representatives (BiH HoR) formally appointed the state-level government of Prime Minister Nikola Špirić, who had resigned in November 2007 to protest High Representative Miroslav Lajčák's introduction of changes aimed at facilitating more efficient decision making in the BiH Parliament and Council of Ministers.

Hopes for further progress grew after the BiH HoR approved a draft police reform bill in its first reading. The measure, which came after four years of negotiations, was expected to pave the way for the final signature of a Stabilization and Association Agreement (SAA) with the European Union (EU). The whole project fell into doubt after the largest Bosniak party, the Party of Democratic Action (SDA), abandoned its previous acceptance of interparty agreements on a two-stage police reform. However, with pressure and heavy involvement by the Office of the High Representative (OHR), the Parliament finally made a breakthrough in April and passed the reform package. The SAA was then signed in June. However, enthusiasm associated with the SAA signing lasted not more than 20 days. It was soon eclipsed by the political dynamic of a typical election year as party leaders prepared for the October municipal polls.

Meanwhile, Republika Srpska (RS) prime minister Milorad Dodik had set his course for the year on January 26, when his Alliance of Independent Social Democrats (SNSD) called for the transformation of BiH into an asymmetric federation (or confederation) and claimed the right to self-determination, up to and including secession by the RS. This move was also seen as a warning shot fired in anticipation of Kosovo's unilateral declaration of independence on February 17. A few days after Kosovo's declaration of independence, the RS National Assembly overwhelmingly adopted a resolution claiming that the RS had the right to secede from BiH if a majority of UN and EU countries recognized Kosovo's independence.

The resolution caused an outcry in other parts of the country and exacerbated the tense political climate. International officials reminded local actors several times during the year that the constitutional structure of BiH, including the existence of the entities, could be changed only in accordance with constitutional provisions. The international community was united in denouncing the RS position, stating that the two entities had no right to secede under the Dayton

Peace Accords (DPA). Verbal attacks on the Dayton-based structure of BiH were common throughout 2008, damaging the mutual trust and confidence among the three major ethnic constituencies. They included a proposal by RS officials to disband the BiH military and frequent inflammatory exchanges between Dodik and Haris Silajdžić, the Bosniak member of the BiH presidency and the only wartime leader still in office.

In September, the RS government began the process of revoking the approval for a 2004 law creating a state electricity transmission operator and cancelling an agreement on the issue among the entity prime ministers. The ambassadors of the Peace Implementation Council (PIC) Steering Board, an international body tasked with advising the OHR on implementation of the DPA, immediately reminded the RS government that an entity could not unilaterally withdraw from previous reforms transferring various functions to the state government.

While the RS authorities claimed that they were simply trying to protect the entity's capital in other parts of the country, international representatives and most of the media in the country's other constituent entity, the Bosniak- and Croat-dominated Federation of Bosnia and Herzegovina (FBiH), saw it as yet another attempt by the RS to create preconditions for secession.

The FBiH-based parties fiercely opposed the RS government moves but did little to improve the situation in the FBiH itself. Its government had been less efficient in adopting and implementing legislation, mainly because of the difficult political atmosphere and diverging party and ethnic interests in the entity's governing coalition.

In general, FBiH politicians seemed to be overwhelmed by and reactive to the RS moves, lacking their own progressive policies. The SDA (Party for Democratic Action) claimed that Dodik was undertaking steps to control resources and proclaim independence, and introduced the idea that unless the DPA was fully implemented, BiH had to return to its pre-war Constitution.

In the RS, threats to pursue secession continued into the fall. In October, RS president Rajko Kuzmanović called a special session of the entity's National Assembly, which served to reinforce the February resolution asserting that the RS had the right to launch a referendum on its status if the majority of EU states recognized Kosovo. The National Assembly also concluded that the RS government could review all past transfers of responsibilities from the entity-level to the state-level authorities and pushed strongly for the transformation of the OHR into the Office of the EU Special Representative (EUSR).

The PIC Steering Board had discussed the latter issue in February 2008, agreeing on five strategic objectives and two other conditions that must be achieved by BiH authorities before the transition from OHR to EUSR can take place. The five objectives were the resolution of state property disputes, resolution of defense property disputes, resolution of the status of Brčko district, the fiscal sustainability of the state, and the entrenchment of the rule of law. The two conditions were the signing of the SAA and a positive assessment of the political situation in BiH by the PIC.

Some progress on these matters was seen in late March, when the state and entity governmenrs reached agreement on movable defense property. This led NATO to grant BiH an "intensified dialogue" toward a Membership Action Plan. However, little progress was made during the year on the issue of state property.

Resolution of the status of Brčko district required the adoption of an amendment to the BiH Constitution, but this was delayed by the municipal elections and opposition from Silajdžić, who insisted that the problem be discussed within the framework of broader talks on constitutional reform.

After the elections, the leaders of the SDA, SNSD, and Croat Democratic Union–BiH (HDZ-BiH) agreed in November to work on resolving the state property and Brčko final status problems, along with the issue of a population census and other issues addressed by the PIC. But this accord, known as the Prud agreement, did not lead to any concrete actions by year's end.

It was unclear how the parties would ultimately bridge the gaps in their fundamental positions on constitutional reform. Throughout 2008, all of the major political players in BiH repeatedly touted their mutually exclusive and adversarial proposals in media appearances and other formats. While Serb leaders defended RS autonomy, major Bosniak parties, especially the Party for BiH (SBiH), reiterated their proposal to replace the existing administrative divisions with at least five multinational regions, based on economic, functional, geographic, transport, historical, and ethnic criteria. At the same time, Croat leaders renewed calls for a third ethno-national entity within BiH, and the increased cooperation among the three Croat-majority cantons within the FBiH was seen as laying the groundwork for this objective. However, the Croat parties failed to achieve a unified stance on constitutional reform even among themselves.

These divisions suggested that the ruling ethno-national groups had not given up on key elements of their respective wartime goals and were insisting on them so fiercely that they actually spread a feeling of insecurity among the country's citizens.

The year ended as it started, with a failure to adopt a state budget for 2009 on schedule. Indeed, numbers collected by the Center for Civic Initiatives (CCI) show just how inefficient the country's government had become amid the various political battles and stalled reforms. The nongovernmental organization CCI found that the Council of Ministers of BiH realized only 47 percent of its total work program for 2008[3] and indicated that leading politicians' verbal commitments to EU-related reforms were not matched by a substantial devotion of time and effort.[4] This lack of effectiveness and accountability led to a decline in public confidence. A UN Development Programme poll in June showed that public approval ratings had dropped for all major institutions in BiH.[5]

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	4.75	4.25	3.75	3.50	3.25	3.00	3.00	3.00	3.00

The international community had hoped that the October municipal election campaign would focus on the major concerns of citizens: unemployment, quality of education, lack of economic development, and political stability as a precondition for overall security. An EU-led "perspective campaign," consisting of open debates in 16 towns and cities across BiH, revealed that these basic governance issues were the main priorities for voters. Several NGOs called upon voters to concentrate on their real, everyday needs and not on the rhetoric of politicians. The group ACIPS (The Alumni Association for Interdiciplinary Studies), for instance, emphasized that 98.8 percent of promises made by politicians before the last elections had not been kept.

However, the political discourse did not shift from its nationalist themes, and the election results showed no sign of a substantial change in voting patterns. The three main ethnic groups voted mostly along ethnic party lines, keeping the same or similar parties in power some 13 years after the war. The overall turnout 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 the towns of Tuzla, Zenica, and Banja Luka. This reflected a general disaffection with the political system, which continued to be shaped by dominant interest groups and a structure designed to divide citizens by ethnicity.

The ruling SNSD more than doubled its number of mayors in the RS, while the Serbian Democratic Party (SDS) emerged as the second-strongest party in the entity. In the FBiH, the SDA won the most mayoral posts, gaining votes from the SBiH. Bosniak voters increasingly saw SBiH leader Haris Silajdžić's constant rivalry with RS prime minister Milorad Dodik as an obstacle to progress. The HDZ-BiH confirmed its dominance in the Croat-held areas of the FBiH, taking mayoral posts in 16 towns. The Social Democratic Party won nine mayoralties, including two Sarajevo municipalities.

The election campaign officially started on September 5, 2008. A total of 3,240,127 registered voters were presented with a choice among 72 parties, 41 coalitions, 147 independent candidates, and 20 independent candidates' lists. Of the 29,043 candidates who were registered, only 35 percent were women.

Election monitoring was conducted by NGO workers and roughly 20 Council of Europe observers invited by the BiH Central Election Commission (CEC). The Organization for Security and Cooperation in Europe (OSCE) sent only a modest monitoring team, stating that BiH had made sufficient progress on elections and should now be regarded as a well-organized democratic country.

As in previous elections, the local candidates campaigned not on relevant municipal issues like infrastructure and public services, but on major constitutional questions that were far beyond the purview of local governments. In a rare attempt

to dissipate the heated electoral atmosphere, the RS government decided to allow former Srebrenica residents, who had been displaced by the war and were now registered in the FBiH, to vote in Srebrenica. However, a similar problem involving the registration of 2,048 Croats from Posavina who were now living in Croatia created additional political tensions.

In most cases, the main competition was between rival parties within each ethnic group: the SNSD and the SDS among the Serbs, the SDA and the SBiH among the Bosniaks, and the HDZ-BiH and Croat Democratic Union 1990 (HDZ 1990) among the Croats. This dynamic did not promote true issue-based politics, as the parties strove to outdo one another in their nationalist stances.

A notably different approach was adopted by Naša Stranka (Our Party), established in April on the initiative of award-winning Bosnian filmmaker Danis Tanović. The party planned to introduce a novel type of cross-ethnic politics that focused on fighting widespread corruption and improving the public's quality of life.

At the founding assembly of Our Party, delegates elected Bojan Bajić, a Serb from the RS town of Rudo, as the party president. Three vice presidents of different ethnic backgrounds—Maja Marjanović, Boris Divković, and Danis Tanović—were also elected, offering a liberal program with strong social elements. The party's creative and issue-based campaign was largely absent from the public space owing to a lack of financing, but it won a mayoral position in Bosanki Petrovac and became the fourth-strongest party in the BiH capital.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.50	4.50	4.25	4.00	3.75	3.75	3.75	3.50	3.50	

NGOs took part in monitoring the October municipal elections and in limited advocacy activities in 2008. However, civil society is still not vibrant and lacks sufficient organizational capacity; many groups are not financially viable. The government did not prove to be receptive to advocacy by different social groups, nor did those groups strongly articulate their interests, although veterans' groups did press the FBiH government to allocate nearly 40 percent of its 2008 budget to social payments, forcing the entity to the brink of bankruptcy.

The most powerful NGOs remain religious organizations, which received the greatest attention from the media. They have been better organized and more articulate than other NGOs. This was particularly obvious after the Sarajevo-based NGO, Q, representing gay, lesbian, and other sexual minority communities, announced the First Sarajevo Gay and Lesbian Festival in September. The festival triggered fierce reactions from members of the Islamic community and a majority of Bosniak politicians, in addition to those representing other ethnic groups.

The ensuing hate speech, widely publicized via dominant media outlets, added to a hostile atmosphere. Misleading news reports suggested that the small-scale

festival, consisting of a few indoor cultural events, would evolve into a public parade during the Islamic holy month of Ramadan. This fueled a broader debate on the nature of BiH society. It was a sobering time for the country's weak liberal groups and showed the ongoing influence of conservative Islamic, Roman Catholic, and Orthodox religious leaders in politics, culture, business, and other secular areas.

What started with hate speech ended with violence, as Islamic radicals attacked attendees at the Sarajevo festival's opening event. A small group of progressive and liberal citizens was deeply concerned about the manifestations of intolerance expressed in the media by religious and political leaders and tried to defend the festival, calling for Bosnian ratification of the European Convention on Human Rights and its protocols against discrimination. However, the festival was closed following the initial violence.

The civic response to a separate incident of violence in February was more vigorous. A 17-year-old Sarajevo resident, was stabbed to death by three youths while riding a crowded mass transit vehicle. The murder caused a public outcry and triggered fierce and long-lasting protests against the canton government for failing to guarantee public safety and combat crime in the capital.

Also in 2008, religious institutions advanced a well-organized initiative to introduce Islamic teaching in public kindergartens in the Sarajevo canton. Citizens opposing the plan began a petition drive, but the Islamic community mounted a sophisticated advocacy campaign claiming that the parents of most children in Sarajevo kindergartens were in favor of religious education. Despite the fact that such a practice would segregate children from non-Bosniak minorities and involve the use of public funds, educational authorities in the canton drew up a program for introducing religious instruction into the kindergarten curriculum.

Opponents argued in part that kindergarten children were not mature enough to follow such courses, and the OSCE mission to BiH warned that the proposal "threatens to work against the fundamental freedoms guaranteed in the country's own Constitution."[6] While Catholic and Orthodox institutions remained very influential, they did not take any concrete steps analogous to those of the Islamic community in 2008.

The State Framework Law on Higher Education remained largely unimplemented during the year. The separation of children of different ethnic backgrounds through a system of "two schools under one roof" was also left in place. Almost 50 percent of schools in BiH did not satisfy the criteria from an agreement on the rights of the returnee children that was signed in 2002 by ministers of education at all levels of government. School names and symbols in classrooms were characterized as "insulting for minority national groups" in a survey on the situation in schools, which showed that many schools in BiH "have no proper lavatory facilities or computers, but have humongous religious monuments in school yards, sometimes costing more than the school building."[7]

Reports by the Foundation of Local Democracy and the Ministry for Human Rights came to the same conclusion after examining 2,088 schools, confirming that 72 schools in FBiH did not fulfill criteria for school names, while 220 schools in

the RS did not fulfill the same criteria. School symbol provisions were violated in 205 FBiH schools and 351 RS schools. Some schools did not allow the survey to be carried out, including facilities in Livno and Western Herzegovina cantons.

The OSCE and other international organizations operating in BiH believe that reform of the education sector at all levels remains one of the most important strategic priorities for securing long-term stability in the country. The current segregated, politicized, and poorly funded education system is widely seen as a breeding ground for growing intolerance and future conflict.

Brčko district remained an exception, as unacceptable and discriminatory elements were removed from all schools. The Brčko Assembly adopted a Law on Primary and Secondary Education in March, giving the district the only truly multiethnic education system in BiH and providing a model for the rest of the country. The new law requires modernization and harmonization in line with European standards, including rationalization of the school structure and higher professional requirements for teachers. A wide range of both ruling and opposition parties voted for the law, indicating general acceptance of an integrated educational system in the district.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	4.50	4.25	4.25	4.25	4.00	4.00	4.00	4.25	

The state of media freedom deteriorated in 2008, owing in part to verbal and physical abuses against journalists as well as threats to the independence of the Communication Regulatory Agency (CRA). The OSCE noted that "the level of political coercion, pressure by nationalist lobbies, and financial bullying against journalists was growing."[8] The OSCE also warned of obstacles to reforming the country's public broadcasting system.

The EC's 2008 Progress Report on BiH added that the "withholding of financial resources from certain media by the authorities, including the public broadcasting system, as a result of political pressure, is a matter of serious concern."[9]

Public broadcasting reform was one of the prerequisites of the SAA signing and will continue to be one of the key issues in EU accession negotiations. An integrated system with public broadcasters overseen by a single corporation, striving for balance and objectivity in reporting, has not yet been achieved. Nor has a joint newsroom shared by all three public broadcasters in BiH.

Media representatives of FTV (the entity broadcaster of the FBiH) and BHRT (the state-level broadcaster) claimed that political representatives constantly sought to exert pressure on their financial, managerial, and editorial policies during the year.

RS prime minister Milorad Dodik and his government intervened in media matters several times in 2008. The state government's ongoing block on the

independent selection of a CRA director was generally attributed to pressure from the RS. Separately, Dodik filed a number of lawsuits against FTV news editor Bakir Hadžiomerović and correspondent Slobodan Vasković for alleged libel after reports on the station's newsmagazine *60 Minutes* accused him of corruption and other abuses. A Sarajevo court struck down at least one of the suits in July. Dodik also accused BHRT of trying to hide a loss of nearly BAM 10 million (around US$7 million) and violating procurement rules, claims that the state broadcaster's director vehemently denied. In September, the head of the governing board of BHRT tried to dismiss the director, a move that was also seen as political interference by the RS government.

In a step that could further divide the media space along ethnic lines, the BiH Parliament in May adopted a resolution to oblige the Council of Ministers to found a separate Croat-language public radio and television broadcaster.

Print media in BiH remained subject to the influence of powerful political and business interests. Electronic media were divided into private outlets dedicated to light entertainment and public stations that lacked financial stability and sound management.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	4.75	4.75	4.75	4.75	4.75

There were no serious improvements in the field of local self-governance. The RS government remained centralized, with municipalities dependent on the authorities in Banja Luka, while the cantons in the FBiH continued to exercise more power than municipalities, which provide the majority of services to citizens.

Laws on local self-governance adopted at the entity level are largely unimplemented, mainly because of the reluctance of the higher levels of government to surrender authority and revenues to local officials. Legislation on local self-governance has not been enacted at the state level. As a result, local authorities are not free to design programs and governance processes that would suit the needs of the population.

Higher authorities sometimes use their control of public funds to enforce political loyalty at the local level. During the campaign for the October 2008 municipal elections, politicians in the RS reportedly warned citizens that if they did not vote for the candidates preferred by the entity government, the community in question would not receive financing for local services and development.

The multiethnic city of Mostar benefited from greater political maturity on the part of the local political parties in 2008. The city council adopted its annual budget on time for the first time since the unification of the body in 2004. City officials also made progress in establishing a unified public utility company, finally qualifying for a World Bank waste management program. However, a number of

issues, including outstanding items on the unification agenda, were put on hold owing to the October elections.

Meanwhile, Brčko district continued to function better than the state according to most major indicators, although the country still needed to enshrine the district's unique autonomous status in the Constitution; that step remained entangled in BiH's broader political disputes over constitutional reform. Despite the disturbed political situation in the rest of BiH, politics in Brčko were relatively stable during 2008, and its healthy economy attracted investment. A new customs terminal that met EU standards was opened in March. Brčko also introduced BiH's first modern real estate tax law during the year.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
6.00	5.50	5.25	5.00	4.50	4.25	4.00	4.00	4.00

The limited progress the country achieved during the year in the areas of judicial independence and the rule of law came only as a result of heavy international involvement. Some legislation was passed, but it has yet to produce significant results.

One of the key objectives that must be reached before the OHR can transition into the EUSR is the "entrenchment of the rule of law" in BiH. The PIC has stated that such entrenchment would entail the adoption of a national war crimes strategy, the passage of a law on aliens and asylum, and the adoption of a national justice sector reform strategy.

After almost two years of pressure and turmoil, a draft of the war crimes strategy was completed on December 17, 2008, and it was adopted by the Council of Ministers on December 29. The document envisioned the resolution of the country's nearly 10,000 registered war crimes cases over the next 15 years, although it remained unclear whether the Parliament would provide the courts with sufficient resources to process the backlog.

The July 2008 capture of Bosnian Serb wartime leader Radovan Karadžić in Belgrade and his transfer to the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague, the Netherlands, contributed to the sense that concerted international pressure on domestic institutions led them to exert pressure in turn on persons and networks suspected of protecting ICTY fugitives.

The BiH Parliament adopted the Law on the Stay and Movement of Aliens and Asylum in April. Meanwhile, the draft of the National Strategy for Development of the Justice Sector was prepared by January, and thanks to international pressure, it was adopted by the Council of Ministers, both entity governments, and the government of the Brčko district in June. The RS government had argued for the maintenance of exclusive entity competency over judicial reform.

The year's developments in the judiciary sector did not amount to a significant improvement. Fragmentation and disparities across the judicial framework continued to impair the courts' efficiency, and the European Commission reiterated its call for a sustained effort to ensure the independence and accountability of the judicial system. Constitutional flaws were left unaddressed because of the fundamental disagreements among major political parties and nationalist politicians on constitutional reform, and progress on antidiscrimination legislation was similarly lacking.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50

The level of corruption and tolerance for corruption in BiH is seen as high. Transparency International's 2008 Corruption Perceptions Index ranked BiH 92nd out of 180 countries surveyed, marking a decline from the previous year's index, and making BiH the worst performer in its region.

The existing anticorruption strategy was not implemented, and all the deadlines have expired. The small number of NGOs dealing with corruption issues claimed that the survival of the country was at stake. They appealed to the EU and other institutions to help combat the problem, the magnitude of which they said outmatched the abilities of domestic institutions.

According to the 2008 annual report of the Transparency International BiH (TI BiH) Advocacy and Legal Advice Center, the level of corruption in the country has a major influence on human rights abuses. During the year, the organization received 1,354 complaints from citizens, civic groups, and legal bodies referring to potential cases of corruption. As in previous years, the largest number of complaints involved the proceedings of local administration bodies (25 percent), while corruption in the area of education, mainly bribery, was the second-largest category (14 percent).[10] The corruption exposed at institutions of higher education in 2008 indicated that the phenomenon needed to be addressed more seriously, since it threatened to prevent BiH from fostering an intellectual elite capable of carrying out necessary reforms and social development, even as a chronic deficit in political, professional, and moral responsibility became more obvious.

Widespread corruption at public universities became a subject of regular media reports in the second half of the year. Some private universities reportedly guaranteed diplomas to students paying a high enrollment fee, and a sex abuse scandal involving Sarajevo law school professors stirred public outrage. EU police advisers praised a students' Web portal initiative that would allow users to submit data on corruption cases.

The RS National Assembly adopted the Law on Conflict of Interest in Governmental Bodies of Republika Srpska in July 2008. The FBiH followed suit in

October, while Brčko district had passed such legislation in 2003 and amended it in 2007. However, there was no convincing evidence that these laws were properly implemented in the entities. The public has a low degree of confidence that they are or will be enforced.

Contributing to this poor public perception was a prominent incident in which TI BiH asked the CEC (Central Election Comission) to investigate a conflict-of-interest case involving FBiH prime minister Nedžad Branković. The CEC argued that it had no authority to adjudicate cases at the entity level and refused to act on the allegations. TI BiH also clashed with RS prime minister Milorad Dodik after it published two reports on RS government privatization deals in January. Following harsh exchanges in the media, TI BiH suspended its activities on July 10, citing security concerns stemming from a campaign to publicly discredit the organization. TI BiH had resumed its activities by the end of July, but the incident clearly reflected an atmosphere of political pressure on civil society organizations, especially those engaged in anticorruption work. While domestic politicians remained largely silent on publicly revealed corruption cases, members of the European Parliament expressed deep concern about the difficult environment faced by anticorruption watchdogs in BiH.

In the last quarter of the year, it was reported that state-level investigators were examining the RS government's sale of an oil refinery to Russian buyers. The terms of the deal were suspected of harming taxpayer interests. The media speculated that the contract included several severe violations, noting the fact that the RS authorities had classified the document as strictly confidential.

The RS government in October initially refused information requests from the state investigation agency and Office of the Prosecutor, questioning the state's jurisdiction.[11] The documents were eventually handed over after several weeks, with international officials demanding that the RS authorities respect the rule of law.

The FBiH also saw a downward trend in this area. In November, FBiH vice president Mirsad Kebo stated that the entity's problems with organized crime and corruption were much more alarming than the public knew. He argued that "it is high time the FBiH authorities took measures and settled accounts with organized crime and corruption and established the foundation of a state which would allow every citizen to work and live freely."[12]

▮ Author: Jasna Jelisić

Jasna Jelisić has worked in BiH since 1997 as a journalist, political advisor and analyst.

1 PACE "Reforms Stalling in Bosnia and Herzegovina Warns PACE Committee," September 9, 2008, http://assembly.coe.int/ASP/NewsManager/EMB_NewsManagerView.asp?ID=4041&L=2. The RS authorities reacted harshly to the PACE report, denying that they were undermining state institutions and attributing the claim to lobbying by their opponents in the Bosniak-Croat Federation.

2 "Sliding Toward the Precipe: Europe's Bosnia Policy," briefing of the Democratization Policy Council, November 7, 2008, http://www.democratizationpolicy.org.

3 Under its work program for 2008, the Council of Ministers planned to adopt 102 laws. During the first six months, the council adopted only 15 laws (together with 9 that were not planned under the program). Some 85 percent of the planned laws had not been considered. The research showed that the Council of Ministers would need the entire mandate to realize only the laws that it had planned for 2007.

4 According to the CCI report, the ministers spent approximately six eight-hour days in sessions during the first half of the year. The FBiH Parliament and government were no more efficient. CCI summary reports on monitoring government performance, http://www.ccibh.org/main.php.

5 UNDP Early Warning System, Second Quarterly Report, June 2008, http://www.undp.ba/index.aspx?PID=36&RID=82.

6 OSCE, "Education in Bosnia and Herzegovina Should Be Inclusive, Not Exclusive," press statement, February 2, 2008, http://www.oscebih.org/public/default.asp?d=6&article=show&id=2164.

7 "Monitoring i analiza provedbe Kriterija za školske nazive i obilježja" [Monitoring and analysis of the implementation of Criteria for names and symbols], Fondacija lokalne demokratije [Foundation of Local Democracy], http://www.fld.ba/index.php?type=0&id=20.

8 OSCE, "Conclusions of the Conference on the Freedom of the Media," Sarajevo, May 8, http://www.oscebih.org/documents/11370-eng.pdf.

9 *Bosnia and Herzegovina 2008 Progress Report, Commission Staff Working Document,* Commission of the European Communities (Brussels: Commission of the European Communities, November 5, 2008), SEC (2008) 2693 final.

10 Transparency International, "Corruption in Local Administration and Education Most Reported by Citizens," *Banja Luka,* January 26, 2009, http://www.ti-bih.org/Articles.aspx?ArticleId=59bbeed2-0b39-4355-ac99-5003c4b7ed20.

11 The Prosecutor's office asked for information in relation to the construction of the RS administrative center building (copies of tax returns and balance sheets of the contracted companies, and other information from the RS Government and a number of Ministries).

12 "Kebo: Alarming State of Affairs," *SRNA,* November 14, 2008.

Bulgaria

by Rashko Dorosiev and Georgy Ganev

Capital: Sofia
Population: 7.7 million
GNI/capita: US$11,100

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	2.25	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Civil Society	3.75	3.50	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50
Independent Media	3.50	3.25	3.25	3.50	3.50	3.50	3.25	3.50	3.50	3.75
Governance*	3.75	3.50	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.00
Judicial Framework and Independence	3.50	3.50	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00
Corruption	4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00
Democracy Score	3.58	3.42	3.33	3.38	3.25	3.18	2.93	2.89	2.86	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 19 years since the collapse of communism in 1989, Bulgaria has succeeded in consolidating its system of democratic governance with a stable Parliament, sound government structures, an active civil society, and a free media. Over this period, a number of general, presidential, and local elections have been held freely, fairly, and without disturbance. Power has changed hands peacefully. In 2004, the country officially became a NATO member. On January 1, 2007, Bulgaria became a full member of the European Union (EU), completing its integrationist agenda, which had dominated political discourse within the country over the period of transition. However, the development of political events during 2008 has shown that despite these indisputable achievements, many efforts are still needed to make Bulgarian democracy irreversible and vital. Essential issues still need to be addressed including the reform of the judiciary, fighting corruption and organized crime, and enacting measures that might restore people's trust in democracy and bring them back into politics.

National Democratic Governance. The Bulgarian government faced serious problems in several policy spheres in 2008. Several scandals broke out in the first part of the year, revealing that mismanagement of European Union (EU) funds had led to irregularities and corruption. As a result, payments under several EU funded programs were suspended. In June 2008, a leaked OLAF (European Anti-fraud Office) report linked several members of the ruling Bulgarian Socialist Party and the President Georgi Purvanov to misuse of EU financial assistance. A government appointed minister responsible for the management of the European funds made some positive headway, but further efforts are needed, especially as Bulgaria is at risk of losing EU financial assistance to some programs due to missed deadlines. *Owing to the government's inability to effectively manage its financial assistance in the form of EU funds and its failure to enact much needed judicial reforms and address widespread corruption, the rating for national democratic governance decreases from 3.00 to 3.25.*

Electoral Process. Apart from interim local elections in a few municipalities, no elections were held in Bulgaria in 2008. With low public interest, the interim local elections featured no real engagement of political ideas and races were reduced to a competition of personalities. At the same time, the popular perception of widespread corruption among politicians remained strong. At the local level, a growing ambition among business interests to gain control over local authorities and decision-making processes, which perhaps contributed to the phenomenon of vote buying, posed a potentially serious challenge to the Bulgarian democratic

system. *There are no considerable changes to indicate either an improvement or a decline in the electoral process rating for Bulgaria, which remains at 1.75.*

Civil Society. Over the last 19 years, Bulgaria has managed to develop a vibrant civil society. However, the non-governmental organization (NGO) sector has yet to develop sustainable fund-raising mechanisms. Many NGOs established after 1989 followed donor-set agendas, which did not necessarily overlap with the goals and objectives of the civil society that these NGOs were meant to represent. Many foreign donors withdrew from Bulgaria after the country joined the European Union, and many Bulgarian organizations readjusted their activities to fit new, European funding agendas. Furthermore, European funding is distributed by the state, which puts NGO independence at risk should preference be shown to those NGOs that are supportive of government policies and programs. *Bulgaria's rating for civil society remains unchanged at 2.50.*

Independent Media. Print media in Bulgaria are generally free from state interference. Libel is still a criminal offense in the penal code, but in most cases the courts interpreted the law in favor of journalistic expression. According to several international organizations monitoring media development and performance, Bulgarian media are not fully independent from direct economic and indirect political interests. An alarming trend has developed of law enforcement agencies interfering in media independence, and cases of violence against journalists. In August 2008, the State Agency for National Security (SANS) investigated and shut down the Internet news portal, Dangerous News, which contained information about alleged relations between SANS and individuals linked to organized crime. A journalist thought to be behind the news portal was beaten shortly thereafter, and most suspect that the attack was related to his work. It was later revealed that SANS had carried out a separate investigation of several Bulgarian media outlets and even Members of the Parliament with the vague justification of alleged leaking of classified information. *Owing to these cases of law enforcement agency interference in media independence, and the violent attack against a journalist, the country's independent media rating worsens from 3.50 to 3.75.*

Local Democratic Governance. During 2008, Bulgarian municipalities received several opportunities to develop their governance capacities. First, beginning in 2008 municipalities were allowed to set local tax rates at their discretion within nationally defined limits. Second, due to a package of reforms on secondary education, municipalities were better equipped to decide whether and how to participate in the financing of municipal schools. Third, European Union structural funds allowed municipalities numerous opportunities to formulate development projects and obtain generous funding. *While positive structural developments in the area of local governance continued in Bulgaria in 2008, their results remain to be seen, which justifies retaining the local democratic government rating at 3.00.*

Judicial Framework and Independence. The judicial system faced mounting pressure to undergo reforms from Bulgarian civil society, media, and through various bodies of the EU. Yet, the official bodies of the Bulgarian judiciary have thus far reacted to and commented on reports, criticisms and recommendations in a manner that suggests that opposition to reforms will continue from within the judicial system. *The increased pressure to reform the Bulgarian judiciary, and ongoing resistance from within the system justifies worsening Bulgaria's rating for judicial framework and independence from 2.75 to 3.00.*

Corruption. In 2008, a series of small steps were made towards improving the institutional framework for fighting corruption. However, a major corruption scandal related to conflict of interest in the road agency triggered the freezing of major capital transfers to Bulgaria, and was added to a list of corruption-related problems already under investigation regarding Bulgaria's misuse of European funds. *The events and information which transpired during 2008 indicate that actual corrupt practices and networks in Bulgaria are more deeply embedded and serious than previously thought, warranting a downgrade in Bulgaria's corruption rating from 3.50 to 4.00.*

Outlook for 2009. General elections slated for June will be a key event in 2009. Public opinion polls from the end of 2008 suggest that the political formation Citizens for European Development of Bulgaria (GERB) is most likely to win. Whatever form the new government takes, it will face several crucial policy challenges related to improving the management of EU assistance funds, fighting organized crime and corruption, enacting judicial reform, and responding to the global financial crisis.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.25

The current Constitution of Bulgaria has been in place since 1991; it provides for a system of governance featuring a parliamentary regime and checks and balances guaranteed by the legislative, executive, and judicial branches. Citizens are involved in the political process through elections, consultations during the legislative process, civil society organizations and the media. Bulgaria's political system is stable, with two consecutive governments having served their full constitutional terms without any major political disturbances, and a third government well under way. Democracy has firmly taken root in society, and even though the public voices its dissatisfaction with the performance of Bulgarian democracy, no alternative non-democratic projects exist.

Bulgarian citizens and media have access to government information under the Law on Access to Public Information, in force since 2000. The law includes a mechanism to initiate proceedings when these rights are violated. In recent years citizens and civil society organizations have actively exercised their right to information. Yet, the state administration is not frequently willing to publish public information as the law requires. In many cases, motives such as commercial secrets and the interests of third parties are used to refuse or limit access to public information without sufficient grounds to do so.

Beginning in 1990, Bulgaria began a slow and difficult process of economic liberalization and privatization. Currently, state influence over the economy is much less significant than the free market forces of the private sector, and there are no significant government barriers to economic activity in the country.

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

The Bulgarian National Assembly receives sufficient resources to meet its constitutional responsibilities and has established strong committees and subcommittees.

It also consults with a considerable number of experts and NGOs in the legislative process. Committee hearings and legislative sessions are open to the public and the media, and most bills are posted on the Parliament's Web site.

The second year of Bulgaria's membership in the European Union proved rich in disappointments. Several scandals broke out in the first part of the year, revealing that the mismanagement of financial assistance provided to the country through EU funds had led to numerous irregularities and corruption. As a result, payments under several EU funding programs were suspended. In June 2008, a leaked OLAF (European Anti-fraud Office) report linked several donors of the ruling Bulgarian Socialist Party and President Georgi Purvanov to misuse of financial resources received as part of EU assistance to Bulgaria. Furthermore, the Bulgarian government came under strong criticism in the European Commission Report on Progress in Bulgaria under the Cooperation and Verification Mechanism for failing to effectively counteract high-level organized crime and corruption. Thus, in 2008 the government appointed a separate minister responsible for the management of the European funds. Yet, assistance under several EU funding programs remains suspended and Bulgaria is at risk of losing further EU financial assistance due to missed deadlines.

The Bulgarian military and security services went through reforms during Bulgaria's NATO candidacy. As a result, more information is currently available to the public and NGOs, especially regarding the activities of the Ministry of Defense. Insufficient progress in combating corruption and organized crime, however, has caused the government and Parliament to establish changes to the internal security system. The State Agency for National Security (SANS) began operating in January 2008 with the task of guarding national security and investigating grand corruption and organized crime. But, the agency was involved in several scandals that raised questions about the democratic oversight of its activities, and led to the establishment of a parliamentary committee to monitor and control the organization.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
2.25	2.00	2.00	2.00	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. Some recent problems aside, elections since 1991 have been free, fair, and in compliance with electoral law. The last parliamentary elections in 2005, presidential elections in 2006, and European Parliament elections in May 2007 were also generally assessed as free by all political parties and observers. However, the last local elections, held in October 2007, as well as some local interim elections in 2008, demonstrated some of the negative effects of the increasing commercialization of politics. 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.

According to the Bulgarian Constitution, all citizens over 18 years of age have the right to vote by secret ballot. Bulgaria has a proportional electoral system for parliamentary elections, which ensures fair polling and honest tabulation of ballots. Until 2005, legislation for parliamentary elections provided all political parties, coalitions, and candidates with equal campaigning opportunities. However, amendments to the electoral law in 2005 required a monetary deposit in order to register MP candidates. The rationale for the amendments was to reduce the number of parties participating in elections since many do not represent actual social interests and only contribute to voter confusion. As a result, the number of registered parties and coalitions decreased from 65 in 2001, to 22 in 2005.

In December 2006, a new political formation, Citizens for European Development of Bulgaria (GERB), was established by the mayor of Sofia, Boyko Borissov. GERB managed to create stable local organizations and achieved positive results in the 2007 European Parliament and local elections. GERB is currently not represented in the legislature, but public opinion polls from the end of 2008 predicted that the political formation would likely take the lead in the 2009 general elections.

The Bulgarian Constitution guarantees all citizens the right to organize political parties, movements, or other political entities. It bans the establishment of political organizations that act against national integrity and state sovereignty; that call for ethnic, national, or religious hostility; or that create secret military structures. Additionally, the Constitution prohibits the establishment of organizations that achieve their goals through violence. The Attack coalition was the first to use anti-minority statements in a campaign, which led a broad alliance of NGOs to initiate a court case against the coalition.

Political party registration is transparent and uncomplicated and requires a threshold 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. Voter turnout in the October 2007 local elections was 42 percent in the first round and 29 percent in the second round. Voter turnout in the European Parliament elections held in May 2007 was 29 percent. This low number reflects a growing distance between voters and politicians based on public disappointment with government reforms from both the Left and the Right.

The general legislative framework in Bulgaria provides all minority groups with essential political rights and participation in the political process. Although MRF bylaws state that members are welcome regardless of their ethnicity or religion, the party essentially represents the interests of Bulgarian Turks. As part of the current governing coalition, MRF is well represented at all levels. However, there are problems that have become clearly visible over the last several years. The MRF has created a monopolistic, strict, and hierarchical clientelistic structure that controls the lives of Bulgarian-Turks not only politically but economically. In practice, few

political options exist for Bulgarian-Turks, since the MRF is the only party that guarantees economic protection and development in return for votes. In September 2008, the chief of the political cabinet of the leader of MRF killed himself in a party building, raising serious concerns in the general public and the media about the methods of financing used by the ethnic Turkish party, and the way it participates in the political life of the country.

By contrast, the Roma minority 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 fact that a political party consolidating and representing Roma interests at the national level still does not exist, despite attempts to create one.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.50	3.25	3.25	3.00	2.75	2.75	2.50	2.50	2.50

The Bulgarian Constitution guarantees citizens the right to organize freely in associations, movements, societies, or other civil society organizations. There have been no administrative or other barriers to NGOs over the last 18 years, nor do they experience significant state or other influence on their activities, which are regulated by the Law on Non–Economic Purpose Legal Entities.

At the end of 2007, the Bulstat Register indicated that 26,696 nonprofit organizations were registered in Bulgaria. Of these, 83 percent were foundations, and the remaining 17 percent were societies. The number of active groups is not known, but according to the Central Register for Nonprofit Legal Entities, in 2008 there were 6,544 registered nonprofit organizations working for the public benefit. Both private and public benefit NGOs are involved in human rights, minority issues, health care, education, women's issues, charity work, public policy, the environment, culture, science, social services, information technology, religion, sports, and business development. There are no clear statistics on volunteerism in Bulgaria.

The growth of civil society in Bulgaria after 1989 follows the emergence of programs and grants for NGO development. The sector was formed with a top-down approach led by donors. A positive result of the donor-driven emergence of Bulgarian NGOs is their well-developed instructional framework, human resources, and networking capacity. However, one of the major shortcomings is their inability to involve the community in decision making. NGOs expect resources from the central and local governments but do little to empower their own target groups within the community. Thus, citizen participation in civil society primarily takes the role of passive beneficiary.

Most ethnic and religious groups, including Turks, Roma, Muslims, Armenians, and Jews, have their own NGOs engaged in a variety of civic activities. Although the Roma ethnic minority is not represented in government, some Roma NGOs function as political discussion clubs and proto-parties. The Orthodox Church remains the most influential religous group in Bulgaria, but only a small percentage of the population attends services regularly. Anti-liberal nonprofit institutions are constitutionally banned, and none are officially registered. Several informal organizations could be considered anti-liberal, but they have little public influence.

NGO registration is inexpensive and takes approximately one month to complete. Public NGOs are not obliged to pay taxes on their funding resources, but they must be listed and report their activities annually in the register. NGOs are allowed to carry out for-profit activities, provided the work does not clash with their stated organizational aims and is registered separately. Groups must pay normal taxes on all such for-profit work, and they must invest all net profits in their main activities.

A significant number of large foreign NGOs and their donors withdrew from Bulgaria after the country joined the European Union in 2007 causing funding problems for some organizations. On the other hand, the accession of Bulgaria into the EU has opened new funding possibilities. European funding is distributed by the state, putting NGO independence at risk and favoring those NGOs that are supportive of government policies and programs. There are clear cases of conflicting interests where the state funds certain NGOs to monitor their performance in some policy fields related to European integration without sufficient guaranties of the neutrality of the process.

Despite these issues, there were some positive recent developments in Bulgarian civil society. Environmental organizations managed to engage a large number of young people in protest campaigns against unregulated construction projects on the Black Sea and at mountain ski resorts. In 2001, a permanent parliamentary Committee on the Problems of Civil Society was created to serve as a bridge between civil society and the Parliament, reflecting the government's changing attitudes toward the NGO sector. The committee's public council includes 21 members representing 28 NGOs. Other parliamentary committees recruit NGO experts as advisers for public hearings on issues of national importance. Despite this positive practice, no formal mechanism exists for consulting civil society in the development of legislation.

The partnership between the media and NGOs has become reliable and stable. However, partnerships between civil society and the government continue to work primarily on a project-based approach. As noted by Balkan Assist, interaction between the government and civil society is most often built on the "opportunistic" goal of securing financial resources from international or domestic government funders.

The activities of interest groups are largely unregulated. Bulgarian think tanks have advocated for increased transparency and decreased clientelism and have

repeatedly urged the Parliament to legalize and regulate lobbying. As a result, the Committee on the Problems of Civil Society launched a bill in 2002 calling for the registration of lobbyists, but there were still no developments on this legislation at the end of 2008.

Bulgaria has three major independent trade unions, and the rights of workers to engage in collective bargaining and strike are protected by law. Trade unions take part along with the government and employers in the Tripartite Commission for Negotiations on various issues. There are also a growing number of farmers groups and small-business associations. The activity of trade unions is focused mostly on bargaining with the government for common social policies rather than protecting the labor rights of employees in private companies.

Bulgaria's education system is largely free of political influence and propaganda. Low wages and poor funding for secondary education led to a teachers strike in September–October 2007. The government consented to raise teacher salaries in exchange for an agreement on a package of reforms. According to data from the National Statistical Institute for 2007–2008, there are 5,782 educational institutions in Bulgaria, including 2,456 child care centers, 2,563 primary and secondary schools, 503 professional schools, and 53 colleges and universities. Of these, 363 are privately owned, including 36 child care centers; 120 primary, secondary, and professional schools; and 16 colleges and universities.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.25	3.25	3.50	3.50	3.50	3.25	3.50	3.50	[illegible]

The Bulgarian Constitution proclaims that media are free and shall not be subject to censorship, and the country's media freedoms are further developed in legislation. A court decision is required for an injunction or confiscation of printed matter or other media. The right of citizens to seek, obtain, and disseminate information is also guaranteed by the Constitution and the Law on Access to Public Information. Legal framework aside, the 2008 Media Sustainability Index of the International Research & Exchanges Board, reports that some political and economic interests are posing obstacles to the proper implementation of the laws related to media freedoms. Additionally, Bulgarian society is not fully utilizing freedom of speech as a fundamental right.

There is still no specific legislation protecting journalists from victimization by state or nonstate actors. Libel, which can include criticizing government officials, is a criminal offense in the penal code. Both prosecutors and individual citizens can bring libel charges, with penalties running in some cases as high as US$13,300. Since the penal code was amended in 2000, a number of cases have been brought forward, but in most cases the courts interpreted the law in a manner

that favored journalistic expression, with only a few convictions. The previous prosecutor general filed several charges of illegal use of surveillance devices against reporters investigating corruption. However, the policy of the prosecutor general in 2008 leaned in favor of journalistic expression. Shortly after taking office, the current prosecutor general canceled a preliminary investigation of BBC journalists who created the film *Buying the Games*, in which former Bulgarian International Olympic Committee member Ivan Slavkov was accused of corruption.

In general, there is free competition among media outlets and differing viewpoints are presented. Print and electronic media have successfully emancipated themselves from governmental control, though the state-owned National Radio and National Television are still not sufficiently independent from the state. They are governed directly by the Council for Electronic Media (CEM), whose nine members are appointed by the National Assembly and the president. Although the CEM is not under government orders, the parliamentary majority approves its budget. Throughout its existence, the council has had a reputation of political dependence. CEM is also responsible for licensing private electronic media. Many experts assess the process of media licensing as overcomplicated, lengthy and politicized.

While media in Bulgaria are generally free from direct government interference, it is not clear whether they are independent of special interests, either political or economical. According to the 2008 Media Sustainability Index prepared by the International Research & Exchanges Board, the process of ownership consolidation in the media sector poses a danger to smaller and regional media. This might have a negative impact on the plurality of sources of information. Often, topics covered by the media are dictated by the ownership's business priorities or political affiliation, and journalistic self-censorship is officially disguised as editorial policy, especially in regional media, which are more exposed to pressure from advertisers or local political interests.

Reporters without Borders has stated that despite the existence of universal and equal suffrage, media pluralism, and constitutional guaranties, freedom of media in Bulgaria continued to deteriorate in 2008. They ranked the country 59th in their annual survey—the lowest score among all members of the EU, and 20 points lower than last year.

In August 2008, the State Agency for National Security (SANS) investigated and shut down the Internet news portal, Dangerous News due to an alleged leak of classified information. Soon afterwards, a journalist from Frog News (another Internet news portal) was attacked and beaten. There are suspicions that the attack was related to his work on Dangerous News, which involved information about alleged relations between the SANS and members of organized crime. It later became clear that SANS had carried out investigations of many Bulgarian media outlets and even members of Parliament with the vague justification of alleged leaking of classified information. All of these events are indicative of the environment in which Bulgarian media operate, and the threats to freedom of speech in the country.

With the exception of a few local newspapers and the official *State Gazette*, all print media in Bulgaria are privately owned. Overall, there are more than 500 newspapers and magazines. At the end of 2007, the nation's largest newspapers were *Troud*, *24 Hours*, *Standard*, *Monitor*, *Sega*, *Novinar*, *Douma*, *Dnevnik*, and the weeklies *Democracia Dnes* and *Capital*. *Troud* and *24 Hours*, which enjoy the highest circulation, are owned by the German publishing group Westdeutsche Allgemeine Zeitung. The newspaper market includes many other dailies, guaranteeing that readers have a broad selection of information sources and points of view.

As of 2008, there were 210 radio stations in Bulgaria. Of these, 169 are wireless and 41 are cable and satellite broadcast. There are 213 television stations in the country, 3 of which reach national audiences through wireless broadcasting.[1]

The public's interest in politics has declined over the last few years, which has resulted in a decrease in circulation at the top newspapers, especially those with ties to political parties. Only the BSP-affiliated *Douma* maintains wide public significance. Low public interest in newspapers has led to their increased commercialization. It is often suspected that newspapers are used by different economic players to pursue financial or political interests. The largest private newspapers are printed by IPK Rodina, a private-owned print house.

Among Bulgaria's most important journalistic associations are the Media Coalition and the Free Speech Civil Forum Association; another, the Journalists Union, is a holdover from the Communist era currently attempting to reform its image. More than half of the journalists in Bulgaria are women. The publishers of the biggest newspapers are united in their own organizations, such as the Union of Newspaper Publishers. Of the few NGOs that work on media issues, the most important is the Media Development Center, which provides journalists with training and legal advice.

The Bulgarian media code of ethics, signed in 2004 by 160 national and regional outlets, includes standards for the use of information from unidentified sources, preliminary nondisclosure of a source's identity, respect of personal information, and nonpublication of personal pictures of children (unless it is in the public interest). Adopting the code of ethics demonstrated that Bulgarian media have matured enough to assume self-regulation. As a next step, two commissions on ethics in all media began to collect and deal with complaints and infringements of the code in 2006. The major functions of the commissions include promoting adherence to the code, resolving arguments between media outlets and audiences, and encouraging public debate on journalistic ethics.

The Internet in Bulgaria is free from regulation and restrictions, and access is easy and inexpensive. Over the last few years, the number of Bulgarian Web sites has grown significantly. According to data reported by the Alpha Research polling agency in May 2008, the percentage of adult Bulgarians who have access to the Internet has expanded to 31 percent over the last year.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.50	3.00	3.00	3.00	3.00

The municipality, with an elected municipal council and mayor, is the basic unit of local governance in Bulgaria. Municipalities can formulate and implement policies, own property, make budgets and conduct financial transactions. The public's right to hold local referenda and general assemblies is also envisaged by the Constitution.

In 2008 municipalities utilized a 2007 constitutional amendment allowing municipalities in Bulgaria to set local tax rates at their own discretion, within limits set by the National Assembly. Furthermore, reforms in secondary education initiated in 2008 allowed municipalities to support local schools by augmenting the nationally delegated budgets. A third important development was the introduction of EU structural fund financed projects, many of which benefit local governments or focus on the municipality. While these three developments represent a structural change in the institutional capacity of Bulgarian municipalities in the direction towards greater autonomy from the national budget, it is too early to tell how successfully municipalities are coping with this increased capacity.

Local by-elections were held in several Bulgarian towns in 2008. According to media reports, the practice of vote-buying in local elections continued, but two relatively new points should be noted. First, several persons were charged with, and a few were sentenced for, vote-buying following the by-election in Sandanski. Second, a general evaluation indicates that vote-buying is not a very effective way for special interests or shady money to secure seats in the local parliaments. At the same time, some smaller municipalities in Bulgaria remain relatively vulnerable to powerful local interests, while their administrative capacities in formulating policies and delivering services to their residents remain limited.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.50	3.50	3.50	3.25	3.25	3.00	2.75	2.75	3.00

Basic rights such as the freedom of expression, of association, and of religious beliefs, as well as the rights to privacy, property and inheritance, and economic initiative and enterprise, are enshrined in the Constitution, further defined and regulated in national legislation, and generally protected in practice. Major problem areas are discrimination against the Roma minority and against certain religious beliefs, cases of abuse of the rights of suspects, and significant delays in judicial decisions.

The Bulgarian judiciary provides an effective check on both the legislature and the executive. The Supreme Judicial Council consists of 25 members appointed

for five-year mandates in a manner preventing complete political control over the Council. 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 Judicial Council, with rotating 9 year mandates. Both bodies have successfully opposed government decisions and acts of Parliament. The two supreme courts have also made decisions in favor of citizens against government bodies on numerous occasions.

The Supreme Judicial Council appoints and dismisses Bulgarian judges. In 2008, the Supreme Judicial Council continued to sanction judges with unsatisfactory performance. The authority of the courts is recognized, and judicial decisions are effectively enforced in Bulgaria.

Among the three branches of government, the judiciary is highly independent and creates an imbalance in democratic accountability. In 2007 annual reports from the three highest figures in the judicial branch to Parliament on the state of the judiciary were introduced, as well as a change to the Law on the Judicial System to make the Supreme Judicial Council a permanent body whose members are no longer engaged in everyday work as judges, prosecutors, or investigators. In 2008, an inspectorate of the Supreme Judicial Council was tasked with investigating procedural deficiencies and disciplinary cases in the judiciary. Despite these positive institutional and legal developments, judicial performance has not significantly improved, especially in regards to proceedings against individuals involved with organized crime and corrupt state servants. The Bulgarian judicial system remains under review by the European Commission, which in its July 2008 evaluation marked some progress, but noted the need for further improvements.[2]

Parliament adopted changes introducing an independent inspectorate for monitoring the judicial system and a new Judicial System Law in 2007 in response to a European Commission report[3] on judicial sector reforms in Bulgaria. As a result, the SJC became a permanently sitting body,[4] with the expectation that this would improve its capacity and incentives to exert de facto control over the activities of the Bulgarian magistrates. However, the 2008 report by the European Commission[5] suggests that while improvements in the Bulgarian judiciary continue, positive developments in legislative changes and action plans still need to be followed by practical implementation and actual results.

Throughout 2008 formal and informal sources of monitoring and evaluating the judiciary became visible. Firstly, in 2008 the independent inspectorate of the judicial system began publishing monitoring reports, which were both discussed in the Supreme Judicial Council and widely covered in the media. Secondly, business organizations began organizing events highlighting the problems Bulgarian businesses have with inconsistent judicial practices, lengthy procedures, and especially issues related to the security of property rights due to judicial decisions. Concrete cases under discussion included several attempts to fraudulently register governing bodies of private companies, submitting false documents, and relying on insufficient checks on the part of the judiciary. Another problem area concerned low level courts disregarding the decisions of higher courts, and setting

disproportionately severe limitations on the activities of companies as a guarantee of future claims against them. A third problem area, which has the potential to become a very significant problem in light of the economic crisis, is the lack of experience and established practices in enforcing insolvency legislation, which came to light during court decisions related to the insolvency procedure of the largest steel plant in the country.

Despite these two additional sources of pressure on the judicial system, the expectation that this added pressure will lead to actual changes and results needs to be moderated by the opposition from within the Bulgarian judiciary to reform pressures. This opposition became clearly visible in the official and unofficial reaction from the Supreme Judicial Council and individual representatives of the judicial branch to the findings and recommendations of both the European Commission and the Bulgarian judicial inspectorate.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00

Bulgaria has a growing structure of governmental bodies fighting corruption, but coordination between these bodies is lacking and there is no clear definition of the responsibilities for achieving anti-corruption aims.

In 2008, the results of changes to the Law on Publicity of the Property Owned by Persons Occupying High State Positions in 2007, which gave the National Audit Office the right to cross-check the declarations of high officials, politicians, or parties, could be seen as personal declarations became more numerous and detailed. This has attracted media interest, and led to extensive coverage of the issue. Furthermore, political parties became more sensitive to issues related to party financing, and in October 2008, proposed legislation envisaging important changes aimed at decreasing the dependence of parties on non-transparent private donations.

At the outset of 2008, two additional, institutional changes contributed to the gradual decrease in state involvement in economic activities of private, economic agents: a flat 10 percent personal income tax rate decreasing the incentive for tax evasion, and the transfer of the process of registering new companies from the courts to an agency in the executive. The latter was associated with a drop in administrative barriers in the registration process, and the possibility to register online. While in the long term this is expected to represent a major alleviation of administrative burden, many Bulgarian businesses experienced difficulties registering in the transition period from the old procedures to the new ones. Despite the short-term problems, the World Bank's *Doing Business* survey noted the reform with a 22 place improvement for Bulgaria in the category "registering a new business" for 2008.

The Bulgarian economy is free from excessive state involvement. The private sector produces more than 80 percent of the gross value added and provides about 75 percent of the country's employment. The budget proposal adopted by the government envisages a surplus in 2009. The ratio of state budget expenditures to gross domestic product was less than 39 percent in 2008, but the government proposed an increase in capital expenditures for 2009 as a reaction to the economic crisis, which will most likely increase this ratio. In 2008 the Heritage Foundation indicated a slight increase in the degree of economic freedom in Bulgaria from 62.2 to 62.9 points.[6]

A major corruption scandal broke at the end of 2008, after earlier in the year a Bulgarian newspaper published information about a major conflict of interest in the executive road agency. The government was slow in responding to this information, which triggered an in-depth investigation by the European Commission. The case was combined with ongoing investigations into conflict of interest and fraud, all related to potentially corrupt practices in various European pre-accession programs in Bulgaria. The Bulgarian government reacted by introducing structural changes—creating the position of a deputy prime minister responsible for the administrative capacity of absorbing European funds, closing down the previous road agency and creating a new one with a different status and level of accountability, adopting conflict of interest legislation, and changes in the public procurement legislation towards more competitiveness and higher transparency. However, by the end of July the European Commission decided to block a significant portion of the funds for Bulgaria and to temporarily deny the accreditation of two payment agencies. At the end of November, the European Commission made a final decision to permanently strip the two agencies of their accreditation, and thus cancel a significant portion of remaining pre-accession funds. The main argument of the Commission is that Bulgaria, after two years of membership in the EU, still cannot show concrete results in its fight against corruption and organized crime, and cannot be entrusted with spending European taxpayers' money.

The scandal gives ground for two important, albeit differing, inferences. On the one hand, the information which transpired during the scandal indicated that the degree of penetration of corrupt practices and of lack of capacity of the executive to resist such practices in Bulgaria are significantly higher than previously thought. As an example of such reevaluation, the Transparency International index of corruption perceptions in the country, released in the middle of 2008, marked a significant worsening from 4.1 to 3.6. On the other hand, the scandal itself, as well as the active participation of the media covering it, indicates that the Bulgarian public is highly sensitive to corruption, and, with EU assistance, is making it the focus of the governmental agenda.

▮ AUTHORS: RASHKO DOROSIEV AND GEORGY GANEV

Rashko Dorosiev is a project director and political analyst, and Georgy Ganev is a program director for economic research, at the Center for Liberal Strategies, a nonprofit think tank based in Sofia, Bulgaria.

---

1 Data from the registers of the Council for Electronic Media (CEM).

2 Report from the Commission to the European Parliament and the Council On Progress in Bulgaria under the Co-operation and Verification Mechanism, Brussels, July 23, 2008.

3 *Report from the Commission on Bulgaria's progress on accompanying measures following accession*, (Brussels: European Commission, June 27, 2007).

4 Before this change the SJC consisted of acting magistrates (judges, prosecutors and investigators), who were sitting with the Council while simultaneously performing their routine magisterial tasks. Today they are separated from such tasks and sit with the Council full time.

5 Report from the Commission to the European Parliament and the Council On Progress in Bulgaria under the Co-operation and Verification Mechanism, Brussels, July 23, 2008.

6 *2008 Index of Economic Freedom*, The Heritage Foundation and The Wall Street Journal.

Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GNI/capita: US$15,540

The data above was provided by The World Bank, *World Bank Indicators 2009*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25
Civil Society	3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75
Independent Media	5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00
Governance*	4.00	3.50	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25
Corruption	5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50
Democracy Score	4.46	3.54	3.54	3.79	3.83	3.75	3.71	3.75	3.64	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

The first year of the second mandate for the Croatian Democratic Union (HDZ) did not go as smoothly as Prime Minister Ivo Sanader might have hoped. Throughout 2008, the government continued the country's pro-European agenda with the same slow results and excuses that have surrounded the Croatian reform process during the past decade. Strategic reform in the areas of the judiciary and corruption was overshadowed by several high-profile murders in the autumn, which illustrated the government's limitations in taming the complicated web of organized crime, government actors, and business interests. Countervailing influences—either by civil society or by the media—did not manage to substantially influence the overall reform process.

European Union (EU) integration negotiations continued during 2008 but lacked major results. The country remains poised as a former Yugoslav regional leader in its integration prospects (as well as in its level of skepticism toward EU integration) but maintains this position owing more to the lack of marked improvement by others than to its own efforts.

The one bright spot of 2008 in terms of Euro-Atlantic integration was a much-worked-for and -anticipated NATO invitation to the Bucharest Summit in April 2008. The invitation validated the efforts of security sector reform and, despite continued concern over intelligence sector oversights, represents a step forward in Croatia's democratization efforts.

National Democratic Governance. Croatia has continued to build a functioning democracy with a foreign policy centered on gaining EU and NATO membership. After half a decade of relatively progressive ruling, the moderate HDZ appears finally to have met its own limitations in fighting corruption and reforming the judicial system. The Croatian EU integration process has been slowed owing to EU concerns in these areas, despite the hyperproduction of accession-related parliamentary laws. Domestic concern over public safety in the wake of two high-profile murders further exposed the level of widespread corruption in the system and the weakness of state institutions to take appropriate measures. *Accordingly, the rating for national democratic governance worsens from 3.25 to 3.50.*

Electoral Process. Preparations of regulations and campaigning continued in a nontransparent manner in the lead-up to the first direct election of city mayors and county prefects, slated for April 2009. Political party financing regulations adopted during 2007 have been only partially implemented, and voter registries remain problematic in some areas of the country. *Thus the electoral process rating remains at 3.25, with some concerns.*

Civil Society. Civil society continues to evolve in its abilities to encourage both democratic values and values of a more nationalistic and extremist bent. Engagement in the policy process and influence in monitoring and advocating government performance continued to increase even as the power and involvement of the Catholic Church and veterans' groups remained strong. Mounting concern over youth violence was partially tempered by news of increased university enrollment. *The rating for civil society remains at 2.75.*

Independent Media. The public beating of one journalist and assassination of another sent a clear signal that investigative reporting on organized crime–related issues in Croatia is becoming increasingly dangerous. The closure of *Feral Tribune* illustrated the continued concentration of media interests on sensationalism and advertising revenues rather than on journalistic standards. While the Internet provided new outlets for media diversity, mainstream television stations, both state and commercial, did little to suggest a more diversified and quality offering of news and programming. *The independent media rating worsens from 3.75 to 4.00.*

Local Democratic Governance. Decentralization has made little progress in 2008. The redistribution of county-level powers to Zagreb and municipalities is ineffective in empowering local government. The first direct mayoral elections in 2009 will provide a good opportunity for stronger local government, but candidate selection and campaigns appear concentrated in centrally located decision-making bodies. *The rating for local democratic governance stagnates at 3.75.*

Judicial Framework and Independence. Some progress has been made in judicial reform in 2008, but many of these more administrative steps were overshadowed by larger structural problems. War crimes trials continued, with some cases (such as the Ademi-Norac case) receiving international scrutiny and following international standards of professional conduct. Other cases struggled against procedural difficulties, delays, and retrials. The judicial system continues to present one of the biggest challenges for Croatia's acceptance to the EU. *Croatia's judicial framework and independence rating remains at 4.25.*

Corruption. Widespread corruption has hindered Croatia's transition. In 2008, violent attacks and the murders of several public figures brought to the forefront of public discussions the government's inability to successfully resolve problems related to corruption and its murky links to organized crime. Institutional efforts to push forward anticorruption strategies have made small strides, but the lack of considerable progress demonstrates the larger challenges of a deficient political will and capacity. *The rating for corruption remains unchanged at 4.50.*

Outlook for 2009. The first direct mayoral elections will take place in 2009. While EU negotiations are expected to be complete by 2010, Croatia's slow progress in the fight against corruption and organized crime, and in developing its judicial system, coupled with EU anxieties over Croatia's progress and its own general enlargement could mean integration timelines remain a moving target.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25

The system of governance in Croatia is generally understood as democratic and functional in a manner that represents the will of the people. The system in place in 2008 represents a progression toward democracy that can roughly be broken down into two periods: the Tudjman era from 1990 to 1999 and the post-Tudjman Croatia of 2000 until the present. While the Social Democratic Party (SDP) formed a coalition government from 2000 to 2004, the Croatian Democratic Union (HDZ) has dominated the political sphere in both the Tudjman era and the post-Tudjman era. Yet since 2000, HDZ has come to resemble more closely the SDP. This has resulted in a country where the main political parties are generally considered mainstream, following a European agenda,[1] providing stable governments, but making slow progress in reforms to date.

In November 2007, Prime Minister Ivo Sanader and the HDZ began its second mandate by forming a new government with a set of policies similar to those of the previous administration. This included a particular emphasis on European Union (EU) accession as an official candidate country (from June 2004) and the extensive list of reforms that this requires.

A year into Sanader's second mandate, however, few of the reforms promised and planned have been implemented. Slow results in the judicial reform process and in the institutional fight against corruption bogged down other reform processes and presented an image of government stagnation rather than government innovation.

According to the most recent EU progress report covering events through the beginning of October 2008, a number of action plans or revised strategies for key reform areas were put forward or adopted in 2008. These included a revised anticorruption strategy and revised action plan for tracking judicial reform progress in June, as well as a new action plan for public administration reform strategy. Yet the EU assessed Croatia's progress in 2008 as minimal; despite the hyperproduction of legislation in line with EU requirements, little or any of it has managed to be implemented or put into place in an effective manner.

The progress report reflects similar domestic assessments as well as a sense of weariness in the ability of government to continue to move things forward. According to the local newspaper *Slobodna Dalmacija*, the trend of express development of new laws has provided a sense of a vibrant reform process, but one held up by "glass legs." Combined with a sense that the reforms are happening more because of international pressure than domestic initiative, this creates a climate of reform statements with only partial follow-up. For example, GONG, a citizens'

organization encouraging participation in political processes, attempted to test the much-acclaimed but only partially implemented Law on Access to Information and reported that less than 50 percent of requests made between May and September 2008 received appropriate responses.[2]

As might be expected, the reform process is not as straightforward as many would have hoped, especially taking into consideration the composition of the new government—led by HDZ as the minority leader, accompanied by a set of smaller coalition partners: the Croatian Peasants Party (HSS) and Croatian Social Liberal Party (HSLS), including a Serbian minority party, the Independent Democratic Serbian Party. Small party coalition partners "extorting" more positions and influence than their numbers would justify has meant that the government has often lacked a coherent and disciplined governing team.

The government has a narrow majority of parliamentary seats—83 of 153. This should not affect pro-European reforms, but the slightly bitter SDP loss in the last elections has meant that political grandstanding on both sides has often absorbed more energy than cross-party cooperation in the reform process. SDP head Zoran Milanović has made it a personal task to use any minor crisis as an opportunity to call for confidence in the current government. This has limited the SDP to preoccupation with its own set of internal power gains and stances vis-à-vis HDZ rather than advancing a constructive, forward-looking, vibrant oppositional set of policies and positions.

Prime Minister Sanader remains clearly in control of the party following the defection/departure of a number of well-known personalities of the Right (Ivić Pašalić, Branimir Glavaš, and so on). But, paradoxically, this has left him without internal and external party enemies (or even international/regional enemies) who could take some responsibility for the current institutional mess. Instead, accepting that blame lies within his own party could cost him internal support and thereby threatens to reveal the murky relationships with business, organized crime, and the like that have exemplified the ruling party's network of influence.

Public confidence in the government's efforts to fight corruption and reform the judiciary remains guarded. The high-profile murder of Ivana Hodak, daughter of a lawyer defending an indicted general (for allegedly misusing Croatian state money), and the follow-on assassination of a well-known journalist and weekly owner, Ivo Pukanić, in October 2008, triggered strong public distrust in the government's intent and abilities.

To curb growing public discontent and concern for public safety, Prime Minister Sanader replaced Minister of Justice Ana Lovrin with Ivan Simonovic, while Tomislav Karamanko replaced Berislav Rončević as Minister of Internal Affairs. Public demand for change and a mass rally against violence (full of police units) in the capital, Zagreb, was followed by SDP calls for extraordinary elections and a government of national unity. Whether any of these efforts will result in real changes remains questionable as long as government officials and institutions continue their tangled set of interests with some of the very people they target as responsible for the current state of affairs.

Events were a bit more positive on the security front. An invitation to the April 2008 NATO Bucharest Summit was both anticipated and welcomed by Croatia's leaders. The public, however, was less thrilled, as was demonstrated by a civil society petition campaign calling for a public referendum on accepting membership to NATO. The campaign ultimately failed to gather the 50,000 necessary signatures but should be noted as one of the first mass actions to influence national policy (not in relation to supporting indicted war criminals). Regardless, the NATO invitation does mark progress in security sector reform and oversight and as such should be seen as a step forward despite lingering concerns about access to information and the use of citizen information.

On issues of war-related reforms, progress has also been slow, but without any major setbacks (with the possible exception of the Branimir Glavaš trial). Cooperation with The Hague on war crimes remains quite good, and domestic trials proceed according to general European standards. Lack of real progress on the Lora prison camp cases[3] in Split is the notable exception.

A smaller Organization for Security and Cooperation in Europe (OSCE) mission to Croatia reopened in January 2008, after the long-term mission ended in 2007. Tasked with observing war crimes cases as well as observing the progress on return and integration of the Serbian minority, the mission's mandate represents the continued problems of minority integration and human rights in Croatia today.

Serbian minority political representatives still support the HDZ government and have their own representatives within it, yet throughout the year this coalition appeared on the verge of collapse. The number of violent incidents against Serbian returnees decreased, while the general situation remained the same; life for the Serbian minority already in or returning to most rural regions of Croatia remains difficult owing to a lack of socioeconomic opportunities. In war-affected areas such as the Lika or Zadar regions, it is difficult to find ethnic Serbs on the police force or in any other state institutions. But despite ongoing property disputes, the government continues to build houses for Serb returnees.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	

The electoral system in Croatia is multiparty based, with elections conducted by secret ballot. International election-monitoring organizations have judged recent elections free and fair.

Owing to close election results and the inability of parties to form a government, parliamentary elections held at the end of November 2007 were not completely resolved until mid-January 2008. By mid-January, HDZ's president Ivo Sanader managed to form a coalition with HSS and HSLS and members of ethnic minorities to take 83 out of 153 parliamentary seats. This marked the end of an almost month-

long process of negotiation during which the Croatian government functioned in a so-called technical capacity.

During this time, there was considerable pressure on President Stipe Mesić to give the governmental mandate to HDZ. To grant the mandate, President Mesić needed to wait for either HDZ or SDP to collect a parliamentary majority. Several extremist voices, coming mainly from associations for war veterans, called publicly on Mesić to immediately grant Sanader the mandate without waiting for the procedural conclusion of coalition negotiations. Some went so far as to suggest that Mesić was betraying Croatian national interests.

The process opened discussion on the need for constitutional amendments regulating this kind of situation. The eventual coalition deal, however, turned attention away from engaging in a more serious discussion on constitutional change. This short-term national crisis demonstrated the limitations of the Croatian electoral system but also its ability to resist populist demands. Perhaps this can be contributed more to the strong personality of Mesić than to the institutionalized responsibilities of the office, but the process did manage to take precedence over public pressures.

Election season continued into 2009 in the eastern city of Osijek following coalition breakdowns between the ruling parties and the added complication of having one of the coalition partner leaders, Branimir Glavaš, on trial for war crimes. A total of 44,200 voters out of 102,000 elected an equally unwieldy local government comprising nine city representatives from the Croatian Democratic Assembly of Slavonia and Baranja and HSS, five from the HDZ, three from the SDP, and two from the coalition of the Croatian Party of Pensioners, Green Croatia, and Croatian National-Liberal Democratic Party.

Osijek is an extreme case, reflecting a general trend of national political party interest dominating and contrasting regional standards of party politics and platforms. The particular vein of nationalism present in the region where Glavaš, as a far-right party leader, has a considerable following has been further distorted by Zagreb-based power plays for a stake in local city government. As a result, far-right and center-left coalitions have emerged in a manner reflective of political expediency, but with little regard for local city needs.

Direct local voting for city mayors and county prefects (*zupans*) will occur for the first time in April 2009, representing a step forward in democratization. Yet new regulations stipulating that mayors and *zupans* will have two assistants were not welcomed by the opposition, which expressed fears that the inclusion of two additional assistants or deputies could provide HDZ with another tool to attract coalition partners hoping to be awarded with positions of power. At the very least, the additional positions raise concerns regarding the tendencies to promote political horse-trading.

Voter registries remain a problem in Croatia. In some cities, such as the Bosnian border town of Imotski, the number of voters is greater than the number of citizens owing to the dual citizenship of many ethnic Croats from Bosnia and Herzegovina (BiH) who are accordingly registered as voters in Croatia. The issue

of BiH and other diaspora citizens voting in Croatian elections has been ongoing for many years. The SDP particularly made it an issue of public discourse during the 2007 parliamentary elections but has since focused on other things. Upcoming local elections will reinvigorate interest in this issue of "dual citizenship" and its ability to affect the results of local and national elections.

Party finance regulations adopted in 2007 did not have a significant impact on 2008. Few parties complied fully with the new regulations, and legal repercussions were rarely instigated against any political party that did not submit clear reports on its financing. A coalition of several nongovernmental organizations (NGOs) led by GONG made a public appeal to the Parliament requesting legislative provisions to monitor compliance of the law, but no official response was noted. Yet members of the parliamentary Committee on the Constitution agreed that the country needs legislation on financing electoral campaigns, since the present regulations are not sufficient to control the finances used for campaigning.

While it is unclear when Croatia will join the EU, the Croatian government presented the EU Parliament with a draft of the Law on Elections. Critics pointed out a number of unclear details in the law, including the right to allow foreigners to vote, which contradicts the Constitution. The new law, like many passed quickly during 2008, requires further modifications and clarifications for practical use.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75

Civil society continued to expand its role in Croatian society during 2008. While most of these efforts focused on developing a democratic society, a number of influential and state-supported NGOs invoked nationalist or antidemocratic values.

Civil society influence on policy process is growing, albeit slowly. A small group of organizations, mostly Zagreb based, are involved regularly in consultations and high-profile monitoring of government actions and policy implementation. This garnered media attention, and a number of civil society leaders have been asked to serve as experts in panel discussions. This marks a positive change from the 1990s, when civil society actors were often regarded as "enemies of the state."

At the same time, the reputation of one of the most well-known human rights and citizen action organizations, the Croatian Helsinki Committee (HHO), took a bit of a beating during 2008. An internal spat within the well-regarded HHO was made public and did little for its public image. Transparency International and GONG continue to maintain the moral high ground. Yet if they take on more and more politically hot and direct targets—as did the Partnership for Democratic Development in its political integrity campaign against Mayor Milan Bandić of Zagreb—it is likely they will also face increased public scrutiny, not to mention a more aloof government response.

As in previous years, two of the largest and most influential types of Croatian NGOs are connected to the Catholic Church and war veterans' volunteer groups. Overall, there were fewer incidents of veterans' groups expressing radical nationalist remarks (except for a few cases in the Dubrovnik area and public speeches related to Marko Perković Thompson). However, both sets of organizations continue to play a dominant role in setting the values of society. A recent report that a Catholic priest in Šibenik directed elementary-school children to write Christmas cards to indicted General Ante Gotovina partly captures this state/church/civil society set of influences.[4]

Youth violence entered the public consciousness in 2008 with the beating death of Zagreb teenager Luka Ritz, particularly as initial police investigations failed to find a suspect. Several NGOs helped local youth find the suspects. Their activism became a symbol of self-empowerment, but their decision to organize was also related to the growing number of similar cases that have spread around Croatia. It has become a trend for youth in Croatia to divide into populist/traditional and modernist groups that collectively attack each other.

The use of technology to engage youth and the number of computer-literate citizens grew in 2008, but with mixed government reactions. Use of the Internet to criticize public officials and to organize and plan demonstrations shows both the virtual power and interest of such groups and the government's lack of understanding in dealing with them. For example, in what became known as the "Facebook affair," in December 2009 police arrested the 22-year-old who created a group entitled "I Bet I Can Find 5,000 People Who Hate Sanader," showing Prime Minister Sanader in a Nazi uniform, which could be interpreted as an act against Croatia's antifacism laws. The police handling of the arrest caused a public outcry and eventually resulted in government apologies and embarrassment. The mishandling of the case demonstrates that the potential and challenges of a virtual civil society are still poorly understood by government officials.

The World Economic Forum lowered Croatia's ranking on gender equality, as men outnumber women in political representation and leading business positions in Croatia, despite having equal access to basic and higher levels of education. Shelters for abused women are rare in Croatia, and the few that do exist have not received increased support and provisions. In the region of Dalmatia, for example, the closure of a women's shelter in Split in the summer of 2008 left a gap in safe havens from Zadar to Dubrovnik.

Significant efforts by the Ministry of Education have been made to counter the drop in high school and university attendees. In 2008, Croatian universities accepted new students, built new student housing, and expanded university facilities.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	

Since the Tudjman years, media freedom in Croatia has progressed significantly. The diversification of the sector has become well-known, and most overt government intervention has become a thing of the past.

However, the *Makarska Kronika* case brought into the spotlight the role of new media and the issue of government access to and use of confidential data. In the summer of 2008, police requested confidential data regarding the individuals who had posted comments on the *Makarska Kronika* Web site. The police searched the media house building and threatened legal charges against the daily paper, but the local media house refused to allow the police to search through their server.

The Croatian media environment was greatly shaken by acts of violence against several notable journalists throughout the year. The motivation for these attacks remains unclear, but the involvement of organized crime is strongly alleged.

In spring 2008, Dušan Miljuš, a journalist with the daily *Jutarnji List* reporting on organized crime–related stories, was attacked. This action became a symbol of both the deteriorating working environment for journalists attempting to engage in investigative reporting related to organized crime in Croatia and the lack of will on the part of state institutions to protect journalists in their work. The Croatian Journalists Union cited police incompetence in investigating the Miljuš case and called upon the government to make changes within the Ministries of Justice and the Interior. These changes were made only following the death of Ivo Pukanić.

The assassination of Ivo Pukanić in October overshadows the case of Dušan Miljuš in both its severity and its brazenness. Pukanić and Niko Franjic, his marketing colleague, were murdered in Pukanić's car, in front of his office, with the use of remote-controlled explosives. While this act speaks of a strong and relatively well-organized (and fearless) set of actors bent on silencing key media figures, it should be noted that this is not necessarily a clean case of media violence; Pukanić himself was known to have widespread links with media, politics, and organized crime. His funeral in October was attended by both President Mesić and known organized crime figures. These connections also allude to the tough set of evidence and links that police will have to wade through to come to a clear understanding of those responsible for the killing. To date, no substantial progress has been made on the case.

The state-owned national television network, Hrvatska Radio Televizija (HRT), remains the most influential media outlet without a serious competitor. HTV earns 40–50 percent of its revenues through a mandatory subscription fee[5] and additional finances through advertisements. The fact that HTV is allowed to collect large amounts of advertising revenue while also bringing in mandatory fees from Croatian citizens exemplifies the power of this outlet and the lack of regulatory control over its activities.

HTV focuses mostly on sports and entertainment programming, while educational or cultural programs play a secondary role and informative news programming lags severely behind. It should be noted, however, that the quality of political programs such as *Latinica* and *Nedjeljom u 2* has improved and that they serve as the most public service–related offerings of the network.

Development of private television stations such as NOVA and RTL have not jeopardized HTV's role, despite taking away some advertising revenues. In terms of professionalism, HTV remains far ahead of the competition, which tends to tolerate nationalist extremism and sensationalism on a larger scale. On rare occasions, competitors of HTV score higher audience ratings, mostly for sports-related programming.

The connection between media and profit margins is taken quite literally in Croatia, resulting in compromised quality of both printed and electronic media and overall dependence on advertising companies. Croatia's media outlets have done little to improve their standards (arguably following a global trend of lowered journalistic standards). Furthermore, the country's newsstands are filled with newspapers and magazines, but most contain less news than sensationalist articles.

Feral Tribune, once the most internationally awarded Croatian paper, collecting more prizes for investigative reporting and standards than all other papers together, closed in 2008 owing to financial problems. The editorial board issued a public statement claiming that advertising companies had been organized by the highest political circles against the paper. Whether this or managerial problems led to *Feral*'s closure, the result is one less weekly publication with the ability to provide diverse views to the Croatian (and regional) public. The most prominent journalists from the *Feral Tribune* transferred to the Belgrade-based Web outlet *E-novine,* while others continue to work for daily papers in Croatia.

Partially as a result of the increasingly constrained market, Web-based journalism has been on the rise. News portals such as *Index,* as well as several Web pages like *Javno.com* or *Politika.com,* publish information largely ignored by print and mainstream media and are gaining more viewers each month.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75

For more than two decades, Croatia's internal territory has been divided into 20 *zupanijas* (counties), 120 cities, and 420 municipalities based only partially on territorial and demographic logic. The system of regional counties did not exist prior to 1990 and was created primarily to neutralize oppositional parties that were not close to the late President Tudjman's HDZ.

For years, the lack of geographic logic in the *zupanija* system has meant a duplication of administrative functions between central and local jurisdictions. Politically loyal second-grade officers have been rewarded with state jobs as local administrators employed in *zupanija* offices, while the needs of citizens are often a secondary priority. The historical political struggles between the ruling HDZ and oppositional coalition further complicated the *zupanija* system, as HDZ-run *zupanijas* received (at least more de facto) power while oppositional regions were marginalized.

Efforts to streamline this system in accordance with the decentralization reforms demanded by the EU accordingly have reflected this continual political power play and have often proven to be disempowering in their results. Professional capacities (at both central and regional/local levels) to take on and carry out the often conflicting legal issues that decentralization requires still appear to be lacking.

As part of the decentralization process, the powers once vested in the *zupanija* level of state institutions have been partially taken on by the administration of the central government offices and city-level institutions. However, this primarily fiscal decentralization process has not demonstrated significant improvements in local governance. Notably, a number of local authorities claim that they now have less rather than more control over their local budgets, which are insufficient to cover basic responsibilities.

The transfer of resources from the *zupanija* to the central government level has in effect "recentralized" a portion of the fiscal system, requiring the central government to allot payments back to the municipalities rather than allow direct municipality oversight. The Association of Cities requested the government return a certain amount of tax revenues collected by city officials instead of distributing it directly to local communities through central government programs, which it charges has the danger of political rewarding or punishing.

Changes in the electoral law allowing for the direct election of city mayors and county prefects reflect enhanced local democratic governance and will be tested in the spring 2009 elections. Indications of a diversifying local political scene are not as yet encouraging; party decision-making powers are becoming more centralized as the country prepares for the direct election of mayors.

The ongoing trend of centralization within political parties brings into question the ability of mayoral races to accurately represent local political party interests. For example, mayoral candidates in cities such as Split, Trogir, Osijek, and Zagreb appear to reflect the decisions of main political party headquarters in Zagreb rather than local decision making. This is true for both the SDP and the HDZ. Thus despite the fact that voters will now have the right to directly elect leaders at the local level, their rights are only partially enhanced as the candidates are "pre-selected" for the direct local vote.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25

In 2008, the minister of justice, minister of internal affairs, and chief of police were replaced following the murders of Ivana Hodak and Ivo Pukanić. Despite these developments, only small steps were actually made toward judicial reform over the course of the year.

Following the public and political outcry over the murder of Ivana Hodak, the daughter of Zvonimir Hodak, Croatia's first lawyer at the International Criminal Tribunal for the Former Yugoslavia, and Ljerka Mintas-Hodak, vice president of Tudjman's government, Prime Minister Sanader replaced Minister of Justice Ana Lovrin with Ivan Simonovic and Minister of Internal Affairs Berislav Rončević with Tomislav Karamanko. The chief of police, Marijan Benko, was also replaced by Vladimir Faber. The drama of these changes belies the more languid progress and set of hurdles of judicial reform that have taken place during 2008.

In its yearly progress report, the European Commission in Croatia noted several positive (as well as some negative) points related to judicial reform. On a positive note, the commission acknowledged the continuation of reforms, despite the weak administrative capacity within the Ministry of Justice to track and evaluate the impact of the reform process. Accordingly, it is too early for domestic, EU, or other external actors to assess the effects of the revised action plan put in place in June 2008 or the significant efforts taken by the former minister of justice, Ana Lovrin, to reorganize the local network of courts. With respect to the reorganization of the local courts, many experts have suggested that this may be window dressing rather than a substantial change. The reform was not completed by the end of 2008, and given the change in leadership (and potential change in priorities in the wake of recent murder cases), it is unclear whether the government will continue with this specific effort.

The poor selection of judges, most of whom were elected through political connections from the 1990s, remains a key problem facing the judicial system. Removing judges is not impossible, but it is difficult, especially when so many judges come from a particular political era and point of view. These judges, consequently, have little desire or ability to take on difficult, politically connected cases, particularly those where ruling party members might be involved. Investigations of some of these judges and a list of their questionable rulings have created the impression of bias in the system and a certain level of impunity for a portion of the political class, whether involved with corruption, war crimes, or other types of alleged transgressions.

At the same time, the war crimes case of Generals Mirko Norac and Rahim Ademi, which began in 2007 and subsequently faced a series of procedural difficulties, came to a close in May 2008. Norac was found guilty and was sentenced

to seven years in prison, mostly because of parallel command structures. Ademi was acquitted. The trial and verdict were considered up to the standards of international law and demonstrated Croatia's ability to fairly and competently judge war crimes cases domestically. However, this case does not necessarily represent the general situation in the judicial system. International scrutiny of the case, including almost constant OSCE monitoring of the court proceedings and daily trial activities, likely had some influence on the high level of professional conduct during the trial.

The war crimes trial against General Branimir Glavaš did not demonstrate such a high degree of professionalism. The trial was adjourned from July to September 2008, leading to a retrial under Croatian law. The ongoing trial had gone through its share of procedural difficulties, including a hunger strike by Glavaš. Until the new trial begins, Glavaš has been granted his freedom, which could be useful for him should he bear out speculations that he will run for Osijek mayor or *zupan* in upcoming local elections.

Similarly, the complex war crimes case related to the Lora prison camps did not progress during 2008 for unclear reasons related to the reconstruction of the Split city courthouse.

The investigative and prosecutorial services of the police have also been only partially improved. In cases of sensitive nationalist-related issues, police tend to err on the side of nationalist sentiment. For example, the nationalist singer known as Thompson was once again charged with promoting and sponsoring hate crimes in public places during 2008. As a pop singer using Ustashi (World War II Croatian Nazi puppet state symbols) rhetoric and images of ancient warriors for Croatian national freedom, Marko Perkovic Thompson often pushes the limits of free speech and is seen by many as inciting his crowds to shout racial offenses during a number of his concerts. Such offenses are legally considered a crime in Croatia. Yet after a particularly controversial concert in Zagreb during the summer of 2008, the one police officer who took the effort to prepare an investigation against Thompson for encouraging his audience to commit such acts was put on a forced leave of absence, subsequently bringing the case to a halt.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	[illegible]

Corruption continued to be a high-profile issue in Croatia during 2008 due to both government actions and the spate of violence thought to be linked to organized crime and corruption activities. While Transparency International improved Croatia's Corruption Perceptions Index score from 4.1 to 4.4, institutionwide corruption is still considered a serious problem by a significant portion of the population, particularly in the fields of health care and education, as well as in general administrative services, and in relation to tenders for construction work.

In 2008, some developments were made in tackling institutional corruption. A revised anticorruption strategy and action plan and strengthened set of coordination powers around the Office for Fighting Corruption and Organized Crime were put in place in 2008. The government also went on the offensive in 2008 with several high-profile sting operations such as Operation Index, which led to the arrests of professors and students involved in corrupt university practices. But few of these cases, including Gruntovcani, Dijagnoza 1, Dijagnoza 2, Index, and particularly Operation Maestro (2007's highest-level investigation against the Croatian Privatization Fund), have resulted in clear results and convictions. Most recent efforts appear to target mostly mid- and low-level actors rather than top actors in terms of both charges and eventual indictments.

The shadowy area between political corruption, organized crime, and the security services is not as pronounced as in other Balkan countries. There are clear signs that traditional organized crime activities such as drug and human trafficking continue, particularly along the borders with BiH and Serbia. Yet it is the less apparent organized crime involvement in Croatia's economy and political space that is gaining attention as the true challenge to anticorruption efforts.

The violent murders of Ivana Hodak and Ivo Pukanić, and the public beatings of Josip Galinec, a businessman from Zagreb, and Igor Rađenović from the company Zagrebački Holding, are believed to have resulted from the intersection of some of these business interests. The government's performance in investigating and prosecuting these cases has been poor despite heightened concern over public safety and increased scrutiny by EU monitors.

The government has been relatively forthright about limitations in terms of both its prosecuting and investigating capacities and its ability to take on the political dimension in the fight against corruption. Public outcry over heightened safety concerns may increase public interest in corruption issues and prompt officials to demonstrate greater political will to tackle these problems. However, cleansing state structures and related institutions as well as their links to the larger business community is a significant and midterm task. The recently appointed national chief of police, Vladimir Faber, took on his mandate by declaring that the time has come for Croatia to stop falsely believing in its security. Whether this will lead to impassioned political will and surmounted energy to take on the tangled set of interests involved remains to be seen.

▮ AUTHOR: PETAR DORIĆ

Petar Dorić works as a journalist in Croatia and is a political analyst on southeast Europe. He holds an MA in international relations from the City College of New York.

---

1 It should be noted that while all political parties have a pro-European agenda, public opinion polls show a public that oscillates between 47 and 53 percent in favor of joining the European Union, http://www.predsjednik.hr/default.asp?gl=200805120000005.

2 Transparency International Hrvatska (TIH) i Hrvatsko novinarsko društvo (HND) September 28, 2008, http://www.gong.hr/news.aspx?NewsID=1812&PageID=1.

3 The Lora prison cases focus on crimes committed in the early 1990s by prison guards against primarily Serbian detainees, which resulted in both deaths and injuries of said inmates. The trials have been regularly delayed owing to either administrative issues or delays in obtaining witness testimonies (particularly from those who are outside of Croatia and reluctant to travel to Split to testify).

4 Davorka Blažević, "Don Tomislavov uvjet prvopričesnicima: Pišite Gotovini u Haag" [Don Tomislav's condition to confirmatiors: Write to Gotovina in Haag]. *Slobodna Dalmacija*, November 16, 2008, http://www.slobodnadalmacija.hr/Hrvatska/tabid/66/articleType/ArticleView/articleId/30267/Default.aspx.

5 Television subscription obligates every Croatian household that owns a TV set to pay a fee to HTV, without the possibility to claim that the household does not watch HTV programming. Refusal to pay the television subscription causes additional fee punishments and criminal charges.

Czech Republic

by Jeremy Druker

Capital: Prague
Population: 10.3 million
GNI/capita: US$22,690

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50
Civil Society	1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50
Independent Media	1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25
Governance*	2.00	2.00	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	3.00	2.75	2.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	1.75	1.75	1.75
Judicial Framework and Independence	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25
Corruption	3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.25	3.25
Democracy Score	2.08	2.25	2.46	2.33	2.33	2.29	2.25	2.25	2.14	2.18

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

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

Executive Summary

In 2008, the Czech Republic weathered the world financial crisis but fared far worse on the political front, with a shaky governing coalition unable to implement the radical reforms necessary to overhaul the tax, health, and pension systems. When Parliament did adopt more aggressive measures, government officials did a poor job selling the changes to the public, and as a result, the Social Democrats won in both regional and Senate elections. This in turn led to the unreformed Communist Party, for the first time since the 1989 Velvet Revolution, joining left-wing coalitions in several of the country's regions and the return to power of Communist apparatchiks determined to halt any major reform. Furthermore, while the country prepared to take the rotating European Union (EU) presidency in January 2009, President Václav Klaus, a leading Euro-skeptic, won reelection and promptly upped his diatribes against the Lisbon Treaty—taking a stance in direct contrast with the government, which constitutionally sets foreign policy goals.

National Democratic Governance. The ruling coalition continued to struggle to pass any major legislation and refused to seek consensus with the opposition. *The Czech Republic often resembles a fully functioning democracy—stable and secure, with checks and balances in place—but political instability and a poor communication policy have put real reform in doubt, leaving the national democratic governance rating at 2.75.*

Electoral Process. Presidential, Senate, and local elections all took place 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. *There was little to no progress in political party development or inclusion of the Roma minority, but the country's reputation for competitive, well-run elections was again strengthened, improving the electoral process rating from 1.75 to 1.50.*

Civil Society. The reputation of nongovernmental organizations (NGOs) continues to grow, 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. Extremist groups seemed emboldened in 2008, as highlighted by attempts late in the year to attack a mostly Roma-inhabited housing estate in north Bohemia. *Continued growth in the reputation and activities of NGOs is offset by an increase in interethnic tension and mandates a downgrade in the rating for civil society from 1.25 to 1.50.*

Independent Media. Czech media are independent and diverse, but critics continue to speculate about behind-the-scenes political and financial interference. *An unsavory example of two of the country's most popular media acting in the service of one political grouping, as well as the wholesale banning of the publication of police wiretaps, holds the rating for independent media at 2.25.*

Local Democratic Governance. While more control systems need to be put in place 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 remains at 1.75.*

Judicial Framework and Independence. Despite progress in digitalizing the judicial system, diversifying the composition of judicial review boards, and revamping the criminal code, the Justice Ministry repeatedly called into question its commitment to preserving the independence of the judiciary. *From alleged high-profile meddling in a corruption case to the strengthening of the president's role in naming the heads of courts, the executive branch's intention to increase its power over the judiciary seemed evident, lowering the country's ranking for judicial framework and independence from 2.00 to 2.25.*

Corruption. Positive steps were taken in the fight against corruption, but the year lacked the radical advancements promised in the government's ambitious anticorruption strategy. *Further revelations over the intersection of business, political, and criminal interests, as well as the lack of progress in passing well-needed restrictions on lobbying, keep the country's corruption rating at 3.25.*

Outlook for 2009. The Czech Republic will take the helm of the EU in 2009—the first former Soviet-bloc nation to have such an honor. Yet if the government and opposition fail to initiate a peace pact preventing the calling of a vote of no confidence over the course of the six-month presidency, it could become very difficult for Prime Minister Mirek Topolánek and the Civic Democrats. This situation will become more bleak if coalition partners, struck by their own drop in popularity, become less reliable and if the financial crisis finally starts to make a greater impact on the economy.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.50	2.50	3.00	2.75	[illegible]

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. The KSČM holds 26 of the 200 seats in the powerful lower house of Parliament, but the refusal of other political parties to include it in coalitions has greatly complicated the process of forming stable governments among the remaining, often conflicting parties. That was again the case in 2006, as parliamentary elections in June of that year ended in a tie between the two main left- and right-wing 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 cobble together a coalition that survived a vote of no confidence—after two rebels-turned-independents from the Social Democrats (ČSSD) agreed to abstain.

Since then, the government has spoken continually of reforms but has been 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 have squeezed through Parliament—including a flat tax, mandatory health payments, and new social benefit regulations—but most analysts deemed them ineffective in bringing down the country's massive deficit.

The lack of significant progress is also closely tied to the failure of the country's leaders to seek consensus across party lines; on the contrary, the animosity between Prime Minister Topolánek and Jiří Paroubek, the ČSSD head, excludes practically any cooperation on the national level. Heading into the Czech presidency of the European Union (EU), the ruling coalition and opposition had great difficulty agreeing on the terms of a "peace pact," whereby the opposition would promise not to call a vote of no confidence in the government when ministers would be absent, fulfilling their EU responsibilities.

Prime Minister Topolánek's position was considerably shaken by ODS's disastrous showing in the regional and Senate elections, which some viewed as a referendum on the government's performance during its first year and a half in

power. Many political observers felt that cabinet officials had done a particularly poor job explaining the need for the unpopular reforms and the small steps they had implemented. According to polling carried out during the regional elections, the low ODS voter turnout was caused by a lack of communication, as well as a misunderstanding of or ignorance about key aspects of the reforms. As a result, it seems unlikely that Prime Minister Topolánek's cabinet will be able to push forward with the second stage of pension reform, an overhaul of the health system, and slashing the deficit.

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. Since the 2006 murder of businessman František Mrázek, the reputed king of the Czech underworld, the daily *Mladá Fronta Dnes* has published dozens of articles revealing a web of contacts between Mrázek, the police, the Interior Ministry, the Office of the Prime Minister, and the secret services. Revelations seeping out from high-profile investigations have suggested that one part of the Czech police serves the government and the other favors the opposition. In the same vein, throughout 2007–2008, compromising information on well-known people's supposed or real collaboration with the Communist secret police appeared periodically in the media, often for apparently political purposes. The newly established Institute for the Study of Totalitarian Regimes should partly rectify this situation, but some political analysts have expressed doubts that it can remain independent with a supervisory board chosen by politicians.

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 and sneak in calculated additions that have little to nothing in common with the debated bill. As a result, the Parliament sometimes passes error-ridden laws requiring repeated revisions as well as numerous amendments that serve only to complicate the interpretation of laws.

Some analysts believe that the Constitution creates an overlap of executive power between the government and the president. The position of the president is chiefly ceremonial yet retains some important powers, such as forming a government. For example, President Václav Klaus, in office since 2003, has sought out candidates closely tied to his political philosophy when appointing new governors to the central bank and new justices to the Constitutional Court. In addition, despite government criticism of his activities, he has espoused his personal views at various international forums and during official visits, clashing with the official government line on issues such as the Lisbon Treaty, global warming, and the introduction of the euro. As the Czech presidency of the EU approached at the end of 2008, Klaus appeared to be even more outspoken, despite his lack of authority for setting foreign policy.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.50

Political organizations in the Czech Republic have no problem 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, which could happen as early as 2010. The Justice Ministry is currently considering various alternatives guaranteeing small parties more seats and allowing the winning party to form a stronger, more stable government with them. This will eliminate the need to rely on rebels and outcasts from other parties to pass legislation and thus reduce political corruption.

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.

Several elections took place in 2008. President Václav Klaus was reelected in February, defeating Jan Švejnar, a Czech-born U.S.-based economist. Klaus garnered 141 votes from among the 279 legislators present, only a 2-vote margin of victory (in a joint session, both houses elect the president for a five-year term by a simple majority, though the Justice Ministry has been working on a bill to allow for direct elections in the future). As in years past, these elections were not without their intrigues: Several independent senators said they were threatened after voting for Klaus in an earlier round; others stayed home for questionable health reasons; and Social Democrat Evžen Snítilý voted for Klaus and was prompted expelled by his party, which claimed he had been blackmailed.

The ČSSD won a landslide in the October regional elections, taking all 13 regions at stake and adding nationwide 175 seats to their present number, while the ODS lost 111 mandates.

The ČSSD succeeded with a centrally driven, populist campaign encouraging people to use their votes as a referendum on the central government. Billboards focused on unpopular steps taken by the government—such as the institution of obligatory medical payments and support for the stationing of a radar station on Czech soil as part of the planned U.S. missile defense shield. In contrast, local ODS candidates ran their own campaigns and failed partly as a result of corruption scandals in regional capitals.

By mid-November, it was clear that the ČSSD would lead in at least five regions with either direct or indirect support of the Communists, who for the

first time since 1989 would share in the administration of the country. Some new coalitions vowed to use regional government funds to pay mandatory doctors' fees for citizens—which would effectively overturn one of the central government's key health sector reforms.

In the first round of Senate elections, ČSSD took 23 seats, ODS gained only 3 (in Prague), KSČM took 1, and the Christian Democrats and Greens gained none (one-third of the Senate's 81 seats were at stake). Some analysts viewed the loss of an ODS Senate majority as a welcome development bringing greater diversity and new thinking to the Senate. The addition of more senators with a favorable attitude toward the EU (from the ČSSD) also increased the chance of passing the Lisbon Treaty.

In 2008, President Václav Klaus reneged on his promise to stand above the party fray and threw his weight behind three ODS Senate candidates, saying he could not help but support the party that had helped him win reelection.

Political party membership remains low. The KSČM is the largest party (nearly 72,000 members), followed by the KDU-ČSL (37,150), the ODS (30,805), the ČSSD (around 20,000), and the SZ (2,500). 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.

In addition, the country's largest minority, the Roma, are 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

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.50	1.50	1.75	1.50	1.50	1.50	1.50	1.50	1.25	1.50

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 are 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 types: 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 2008, the Czech Statistical Office had reported 65,386 civic associations, ranging from political think tanks to hobby groups and sports clubs—a growth of over 3,500 from the past year. The office also reported 21 new foundations, bringing their total to 411.

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) and made no distinction between for-profit and nonprofit organizations—disadvantaging NGOs that earn funds through their activities. But amendments to the law in early 2006 removed the tax from donations made through mobile phone text messages, a popular form of giving in the Czech Republic.

The state has 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.[1]

Grassroots initiatives are still not commonplace, with the exception of several high-profile causes such as the protest of the United States' plan to station a radar base on Czech territory as part of a missile defense system. Such public movements, however, usually remain dependent on a core group of activists.

The picture of right-wing extremism parties in the Czech Republic is mixed. Some Czech experts see them in decline, without public support or a unifying leader, and increasingly marginalized, as evidenced by the victory of fewer candidates from right-wing extremist parties in local elections. But a July 2007 report by the Interior Ministry on extremist activity asserted that neo-Nazi activity was on the upswing, and the U.S. State Department's *Human Rights Report on the Czech Republic* noted that "latent societal discrimination" against the Roma had sometimes erupted into violence. The most blatant 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 far-right Workers' Party, which had organized the march and polled relatively well in the country's local elections.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	2.00	2.50	2.25	2.25	2.00	2.00	2.25	2.25	2.25

Press freedom has long been secure in the Czech Republic, and no major media are state owned. Media are generally free of political or economic bias, though allegations still surface of pressure from both business and political interests. The national print media offer a diverse selection of daily newspapers, weeklies, and magazines. Foreign corporations own many of these publications, including nearly all the Czech dailies. Media-related legislation includes minimal ownership restrictions and none on foreign ownership.

In the fall of 2008, Prime Minister Topolánek's chief rival in the ODS, Vlastimil Tlustý, along with journalists from two of the country's most popular media, TV Nova and the daily newspaper *Mladá Fronta Dnes*, photographed Tlustý in a hot tub with a young woman. The photographs were offered to people around Prime Minister Topolánek to see if they would attempt to "blackmail" Tlustý with the supposedly compromising snapshots. (While those close to the prime minister refused to take the bait, a young ODS parliamentary deputy did and ended up resigning after the scandal broke.) The two media were unapologetic despite much criticism for using undercover methods for a story of debatable public importance and, even more questionably, acting in the service of one political grouping to the detriment of another.

Though Parliament has yet to accede to politicians' calls for new press legislation, in October 2008 the lower house did approve a controversial amendment to the criminal code that aims to restrict publishing of information related to criminal acts. Critics, including the European Newspaper Publishers Association, have charged that the bill protects perpetrators as well as victims and unjustly institutes a blanket ban on the publication of conversations wiretapped by the police, leaks of which have become a frequent occurrence in the press.

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.

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 2008, the Czech Radio Board terminated Radio Wave, which had catered to a younger audience. Council members' arguments against the station—based partly on an incorrect translation of one supposedly

corruptive song—indicated an overall lack of tolerance for alternative music and lifestyles.

After a long-delayed process of licensing digital television—including political haggling over license regulation, alleged attempts by politicians to increase their control, and lawsuits filed by failed license bidders—several stations began broadcasting in 2008. It remains to be seen, however, whether the relatively small advertising market will be able to support many of them over the long term.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.00	2.00	1.75	1.75	[illegible]

After long delays, 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 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).[2]

For the bulk of their budgets, however, regions essentially act as middlemen for the state, sending money to predetermined recipients. Politicians in regional governments complain that they are now in charge of roads, hospitals, schools, and old-age homes, among other things, but the central government decides how much money to send to cover these budget items. The failure of funds flowing from the center to keep pace with these newly added responsibilities has proven particularly vexing for officials from smaller towns (where the state returns up to six and a half times less money per capita than Prague).[3] Still, a recent article in *Mladá Fronta Dnes* claimed that the situation was improving and that in 2007, the regions had a total budget of 125 billion crowns (US$6.5 billion), with "just" 75 billion designated by the state.[4]

In 2007, almost 1,400 mayors from across the country signed on to an initiative entitled "A Contract of Municipalities and Cities Against Tax Discrimination."[5] 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.[6]

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 pre-selecting the winning companies.[7] The lack of oversight on such dealings is a major part of the problem, as the Supreme Audit Office (NKU) currently has no legal right to examine the financial management of regional governments or municipalities.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.25

The Czech Republic's four-tiered judicial system consists of district courts (86), regional courts (8), high courts (2), and the Supreme Court. The Czech Constitutional Court is a well-respected institution that may be addressed directly by citizens who believe their fundamental rights have been violated. Although the Czech judiciary is constitutionally independent, the minister of justice appoints and dismisses the chairmen and deputy chairmen of the courts. Since 1993, reform attempts have preserved the Ministry of Justice's central role in overseeing the judiciary, drawing criticism that the executive could compromise the true independence of the courts.

Cases of overt meddling remain rare, but one high-profile case made headlines in 2008 when it became clear that the deputy chairman of the Supreme Court, the chief state attorney, and a former minister of justice had attempted to get a corruption case shelved involving Deputy Prime Minister Jiří Čunek for fear 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 so dependent on the executive.

The Justice Ministry clashed repeatedly with the judicial community throughout the year over changes to legislation governing the sector. Until recently, a judicial disciplinary board composed solely of judges has reviewed accusations of misconduct, drawing repeated criticism that solidarity among judges has resulted in lenient punishments that damage 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 had previously found the judge had falsified case documents but left him in his function with only a light punishment. In October, 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, 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 crucially, the law dramatically increases the role of the president, who will now name 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 worrying 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 initially President Klaus's Constitutional Court justice appointments raised some concern over their impartiality, the Constitutional Court reasserted its independence with its apparent willingness to defy Klaus on Brožová's dismissal and, in late 2008, over the constitutionality of the Lisbon Treaty. 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).

In the last decade, the Czech Republic 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 STEM research agency expressing doubts that the courts function well and almost the same number questioning their objectivity and impartiality.[8]

The Justice Ministry aims to have most paperwork online by 2012 and continues to draw plaudits for computerizing the justice system. The E-Insolvency Register and E-Criminal Register have been available since 2007, and further plans include an "info-court" to allow citizens to view court cases via the Internet. The government encourages citizens to propose changes to draft bills before they are submitted to the cabinet and incorporated 30 of the 330 comments received on a draft of the new criminal code before submitting it to Parliament for review.[9]

The Czech Republic has been the only EU country without antidiscrimination, International Criminal Court, and civil service legislation—a potential source of embarrassment with the country's EU presidency set to start in January 2009. 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."[10] In contrast, the Equal Rights Trust, a U.K.-based organization, has repeatedly criticized current Czech law, stating, "The existing Czech legal system lacks definitions of discrimination and fails to provide even minimal protection against discrimination in certain areas of activity, including education, social security, and health."[11] By year's end the country had lost a legal dispute with the European Commission over the inability to pass the law and had to pay several thousand euros in court fees.

As of December 2008, it was unclear whether President Klaus would also veto the similarly long-delayed passage of the draft bill on the International Criminal Court, approved by the Senate in July and the lower house in October. Implementation of the Law on the Civil Service approved six years ago 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, as 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.[12] In 2008, former health minister Milada Emmerová became the first female regional governor. According to a 2005 Open Society Institute report on equal opportunity, no significant government measures have been undertaken to remedy these problems, and the bodies that do exist to combat discrimination remain powerless to do more than simply report.

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. According to the Open Society Justice Initiative, even though fewer Roma children are now automatically sent to schools for the mentally handicapped, and many more are entering higher education, segregation in education remains widespread. 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).[13] However, one year later, the European Roma Rights Center concluded that the ruling had made a minimal impact, with Roma children still "dramatically overrepresented" in such schools.[14]

In a rare show of cooperation between the ruling coalition and the opposition, the lower house of Parliament finally passed a new criminal code to replace its 1961 predecessor. The new code includes lowering the age of criminal responsibility from 15 to 14, instituting tougher sentences for violent crimes, recognizing new crimes

such as stalking, specifying alternative forms of punishment, and differentiating between soft and hard drugs. The bill would take effect in early 2010, if approved by the Senate and the president.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.25	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.25	[illegible]

Improvements in the area of corruption occur gradually in the course of the country's maturation rather than through political will or popular demand. While most in the Czech Republic can live their daily lives without engaging in corrupt behavior, complaints do arise over the need to bribe or "give gifts" to expedite services from the public administration.

Although few people encounter corruption directly, the perception of illegal activity, especially concerning the political elite, is widespread. Many view existing anticorruption measures as insufficient to dismantle the intricate web of connections between political and business elites.

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, 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 2008 Transparency International Corruption Perceptions Index, the Czech Republic landed in 45th place (out of 180 countries), with the same rating as last year, 5.2 (10 indicates a country without corruption). In a press release, the Czech branch of Transparency International cited several positive developments—including the launch of a national anticorruption hotline, an analysis of corruption risks at government agencies, changes to criminal legislation that restrict money laundering and allow the seizure of illicit income from corruption, and the gradual professionalization and computerization of the public administration at all levels.

On the downside, Transparency International cited the lack of rules for legitimate lobbying; the need to better protect whistle-blowers and to restrict political pressure on officials; insufficient investigation of white-collar crime among politicians and high officials; and suspect property transactions at local and regional levels.[15] New conflict-of-interest legislation bore its first fruit in June 2008, when officials had to submit asset declarations, but controversial amendments passed in the spring exempted judges and state attorneys from this obligation.

Czech media reported that the government reneged on some of its promises,

such as the creation of a special team of prosecutors dealing with the most serious cases of corruption (a new amendment to the criminal code does, however, allow the use of special agents to uncover corruption) and the writing of a law that would delineate the differences between lobbying and corruption. In addition, the daily *Mladá Fronta Dnes* wrote that ministries continued to behave just as opaquely as their predecessors, refusing to supply information because of supposed business or state secrets, despite pledges of greater openness and transparency.[16]

▮ AUTHOR: JEREMY DRUKER

Jeremy Druker is executive director and editor in chief of Transitions Online, an Internet newsmagazine covering Central and Eastern Europe, the Balkans, and the former Soviet Union. Alice Drukerová, a freelance journalist, assisted in the research for this report.

---

1 "Czech People Are Interested in Corporate Responsibility," Czech Donors Forum, October 27, 2007, http://www.donorsforum.cz/en/news?id=594.

2 Daniel Kunštát, "Důvěra ústavním institucím a spokojenost s politickou situací v listopadu 2008" [Trust in Constitutional Institutions and Satisfaction with the Political Situation in November 2008], Center for Research of Public Opinion, November 24, 2008, http://www.cvvm.cas.cz/upl/zpravy/100843s_pi81124.pdf.

3 Vladimír Ševela, "Vzpoura venkova" [The Rebellion of the Countryside], *Respekt*, October 8–14, 2007.

4 Václav Dolejší, "Proč hejtmani dělají pošťáky," *Mladá fronta Dnes*, October 17, 2008.

5 Vladimír Ševela, "Vzpoura venkova" [The Rebellion of the Countryside], *Respekt*, October 8–14, 2007.

6 Petr Fischer, "Na cestě k decentralizaci" [On the Path Toward Decentralization], *Respekt*, October 8–14, 2007.

7 *Michal Komárek*, "Vzpoura starostů" [Revolt of the Mayors], *Respekt*, August 31, 2008.

8 Stem research cited in "*Důvěry lidí v soudy*" [People's Trust in the Courts], a graph displayed in *Respekt*, 11–17 August 2008.

9 James Scanlon, "Changes to Criminal Code under Discussion," *The Prague Post*, April 2, 2008.

10 "ERT urges Czech Chamber of Deputies to Vote for Anti-discrimination Bill," Equal Rights Trust, May 30, 2008.

11 Ibid.

12 Pavla Horáková, "Polls Suggest Czechs Want More Women in Politics," *Radio Praha*, January 10, 2007.

13 "Major Conclusions from the D.H. and Others v. Czech Republic's Judgment," Open Society Justice Initiative, OSI, November 14, 2007, http://www.justiceinitiative.org/db/resource2?res_id=103941.

[14] "Group: Roma Face Discrimination in Czech Schools," Associated Press, November 13, 2008.

[15] "Index CPI 2008: Česko si udrželo hodnocení z loňska, ale mezi státy EU je v poslední třetině" [CPI Index 2008: Czech Republic Keeps Last Year's Rating, but is Among the Bottom Third Among EU States], Transparency International–Czech Republic press statement, September 23, 2008.

[16] Lucie Tvarůžková, "Komu dáme vaše peníze? To je tajné" [To Whom Do We Give Your Money? It's Secret], *Mladá fronta Dnes*, November 26, 2007.

Estonia

by Vello Pettai and Martin Mölder

Capital: Tallinn
Population: 1.3 million
GNI/capita: US$18,830

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50
Civil Society	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75
Independent Media	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50
Governance*	2.25	2.25	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50
Corruption	3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Democracy Score	2.25	2.13	2.00	2.00	1.92	1.96	1.96	1.96	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

Estonia's development toward democracy and a market economy has been steady since reindependence in 1991. Under a new Constitution adopted in 1992, the country has consolidated its democratic political system, achieving relatively effective governance at the national level. After an initial economic downturn that lasted until 1995, Estonia enjoyed a roughly 13-year period of renewed prosperity, which undergirded its political progress. All of this allowed the country to enter both NATO and the European Union in 2004, and thus the Western economic and political world. Throughout this period, however, Estonia also struggled to create a strategy integrating its large Russian-speaking minority, left over from Soviet rule and totaling some 30 percent of the population. Controversies over citizenship, language rights, and minority education often flared. Frosty relations with Russia further complicated this issue, with Moscow frequently accusing Estonia of human rights violations, which Estonia denied. The youth riots surrounding the removal of a Soviet-built World War II monument in Tallinn in April 2007 lent renewed urgency to the problem. The government subsequently adopted a new integration program to ease the tension and develop more proactive policy measures.

In 2008, Estonia's major challenge involved reining in the effects of the world financial crisis and the collapse of a local real estate bubble. The center-right government elected in March 2007 was forced to suspend many elements of its policy agenda and instead work out a series of austerity measures, which at times proved difficult politically. The coalition, however, stuck together. Meanwhile, concerns continued to be raised about certain shadowy aspects of party finance. Estonia's chancellor of justice (or ombudsman) lost a case before the Supreme Court demanding a tougher oversight mechanism for party finance. At the same time, media investigations continued to reveal how parties often channeled contributions into their coffers circuitously, either through subsidiary foundations or by accepting services in kind. The media, in this respect, continued to play a watchdog role, although they also focused considerable attention on more populist issues such as campaigning for a salary freeze for top government officials in response to the recession.

National Democratic Governance. The swift downturn in Estonia's economy in 2008 challenged the governing center-right coalition to shift from an expansive policy agenda to a stark set of budgetary cutbacks and recovery measures. All three parties in the coalition were forced to abandon earlier campaign promises. In particular, Prime Minister Andrus Ansip and his market-liberal Reform Party agreed to forgo a plan to further reduce Estonia's flat-rate income tax. At the same time,

the minister for social affairs (also from the Reform Party) tried to push through a major deregulation of labor laws, which she argued would provide more flexibility on the job market. The move, however, met strong resistance from trade unions, which forced the minister to engage in protracted negotiations over the reform. *Given this mix of challenges, as well as the government's relative success in meeting them, Estonia's national democratic governance rating remained at 2.25.*

Electoral Process. With no elections having taken place in Estonia during 2008, attention was focused instead on whether to change any existing electoral rules in advance of future polls. In particular, proposals were made to change the system for electing members of the European Parliament and to ease up on a tough ban on outdoor campaign advertising enacted in 2005. The latter was suggested in particular by Estonia's chancellor of justice, who argued that the ban was a violation of free speech. The chancellor of justice also contested the current system for monitoring party finance in the country's Supreme Court, maintaining that the laxity of the system bordered on being unconstitutional, but lost. *Owing to the lack of any major changes in the electoral process, Estonia's rating stood at 1.50.*

Civil Society. The Estonian government took some steps to enhance the country's civil society by approving the creation of the Civil Society Foundation, which would provide financial support for various projects sponsored by nongovernmental organizations. The measure was meant to bolster implementation of Estonia's nearly decade-old Civil Society Development Concept, which had languished in recent years because of a lack of complementary financing. At the same time, ethnic relations remained delicate following the April 2007 relocation of the Bronze Soldier statue in Tallinn and the riots that followed. While the government approved a new, large-scale minority integration program, a special study of integration showed that Russian speakers continued to feel uneasy about their place in Estonian society. *Based on these trends, Estonia's rating for civil society remained at 1.75.*

Independent Media. Estonia continued to have a free and vibrant mass media in all its forms. The main public broadcaster, Estonian Television, opened a second digital channel in August, focusing on children's programs, leaving more airtime on the primary channel for public affairs programming, which was partially filled with Russian language programs after the idea of opening a full-scale Russian-language channel was once again set aside. Meanwhile, questions continued to be raised about the political leanings of new media, Kalev Media, after the company secured a contract from the Tallinn city government to air a regular show about the city. *In light of these events, Estonia's media rating of 1.50 did not change.*

Local Democratic Governance. Estonia's long-standing need for local government reform remained unresolved in 2008 despite efforts by the minister for regional affairs to put together a plan to consolidate the number of rural municipalities. Local governments have been unsuccessfully encouraged with monetary incentives

to merge voluntarily for several years. A new minister (appointed in January) posed the question of eventually forcing local governments to merge, but this was met with resistance not only from local government leaders, but also from members of the ruling coalition. *By year's end, the plan had once again been shelved. The rating for local democratic governance remained at 2.50.*

Judicial Framework and Independence. In another enduring debate, the Estonian government sought anew to find a better plan for financing the country's court system. While the budget of the Supreme Court is approved separately, the lower courts receive their funding via the Ministry of Justice. This has raised concerns about judicial autonomy. Ultimately, the Supreme Court pushed for an integrated financing system, which would include independent authority to determine salaries and organize judicial training. However, no final legislation was passed. *Estonia's rating for judicial framework and independence remains at 1.50.*

Corruption. Catching up on a weak spot from last year, the Estonian government approved a major action plan to combat corruption. Stretching all the way to 2012, the program will include renewed enforcement efforts, legislative changes, public awareness campaigns, and extensive survey research. At the same time, a number of high-profile trials and media investigations showed that corruption, particularly in the realm of party finance, continued to be an important problem. *Estonia's corruption rating remains unchanged at 2.50.*

Outlook. Estonia's first and foremost challenge for 2009 will be dealing with the escalating economic and financial crisis. These tasks will, in turn, require holding together the governing coalition as well as maintaining social stability. Although Estonia appeared to have less social tension building up than, for example, neighboring Latvia, the country still faces mounting unemployment and economic hardship. These political pressures threaten to derail other reforms like the proposed restructuring of Estonia's administrative system, and are also likely to overshadow the June 2009 European parliament elections, and municipal elections due in October, although parties will still jockey for these contests. Lastly, three important court rulings are expected: one from the Supreme Court on the freezing of salaries for MPs, one in the corruption case against Villu Reiljan and one in the espionage trial of Herman Simm.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.25

With almost two decades passed since its transition to democracy, Estonia continues to have a functional and stable democratic political system, including effective legislative, executive, and judicial branches of government, and military and security services firmly under democratic oversight.

The coalition government formed after the 2007 parliamentary elections among the market-liberal Reform Party (RP), the national-conservative Pro Patria and Res Publica Union (PPRPU), and the centrist Social Democratic Party (SDP) remained in office, although tensions among the partners flared up over issues such as enacting economic austerity measures and redefining labor regulations.

In the spring, signs began to mount that Estonia's lengthy economic boom was coming to an end. Industrial production slowed, inflation crept into double digits, and the country's trade deficit continued to swell. After acknowledging that a series of austerity measures would probably be needed, Prime Minister Andrus Ansip tried to hold off enacting any until fall. Under pressure from Finance Minister Ivari Padar, however, Ansip agreed to pass a set of spending cuts totaling between 7 and 9 percent of each ministry's budget. Parliament approved the full package in June.

As the year progressed and Estonia's economic outlook became even gloomier (growth turned negative by the fall), the government turned to the next challenge of finding even further cuts for 2009. At this point, however, two challenges arose, one constitutional, another political. As one immediate gesture of belt-tightening, many coalition leaders began to echo media calls for a freeze on the salaries of top state officials, including the president, members of Parliament (MPs), government ministers, and judges. Parliament adopted two measures to this effect in November, but President Toomas Hendrik Ilves vetoed the amendment lowering the salaries of MPs. Ilves maintained that Section 75 of the Constitution allows the legislature to change parliamentarians' salaries only in relation to the next composition of Parliament. This, he insisted, applies even if a sitting Parliament wants to cut its salary. When leaders of the coalition in the Parliament forced an override of Ilves's veto, the president appealed the law to the Constitutional Review Chamber of the Supreme Court, whose decision would not come until 2009. In the meantime, the MPs' salaries were left unchanged.

At the political level, the governing coalition also had to make a formal decision about whether to forgo a number of campaign promises the parties had made during the 2007 elections. In particular, the RP had long stood for a continual, gradual decrease in Estonia's flat-rate income tax. This rate was meant to drop another

percentage point to 20 percent in 2009. The coalition's other partners, balked at this, and insisted that taxes should not be lowered. In September, Prime Minister Ansip finally agreed to suspend his party's tax plans, and thus, legislation initially enacting the tax cuts and other benefits was changed.

Questions about the governance level of the coalition were raised when the cabinet later finalized a budget optimistically predicting economic growth in 2009, and for the first time in Estonia's recent history, forecast a nominal budget deficit of 0.9 percent. While the cabinet did cut back on some social benefits, it stuck to an increase in defense spending and a rise in pensions. Opposition politicians and some business leaders decried the priorities the government had set, going so far as to demand Prime Minister Ansip's resignation. Yet, Ansip maintained that the country needed to prepare for a restructuring of the economy and that if necessary, some of Estonia's financial reserves would be tapped.

Ansip's reference to reorganizing the economy alluded to the coalition's second major dispute in 2008 over labor market reforms. In January, the minister of social affairs, Maret Maripuu (RP), announced a series of changes to the Labor Contracts Act, which she argued would better adhere Estonia to the principles of employment "flexicurity" set forth by the European Union (EU). The measure, however, envisioned reducing layoff compensation payments to one month's salary and layoff notification periods for recent hirees to just two weeks. The reforms took the RP's other coalition parties by surprise, not to mention employees associations, all of which vocally criticized the proposal. A long series of consultations ensued between the minister, trade unions, and employers federations, after which a preliminary agreement was reached in April. By autumn, however, controversy over the draft law resurfaced during legislative proceedings when the trade unions claimed that the Ministry of Social Affairs had substantially altered the spring agreements. A new round of negotiations finally led to the measure being passed in December. While the dispute never threatened to actually bring down the government, it did highlight the underlying tension within the coalition between the pro-market RP and the market-leery SDP, with the PPRPU often serving as a tiebreaker.

Personnel changes were not a source of instability for Estonia in 2008. Only one minister, Vallo Reimaa (responsible for regional affairs), was replaced in January, after his own party (PPRPU) expressed no confidence in him. Meanwhile, Parliament quickly filled the vacuum left by its controversial December 2007 decision to deny Chancellor of Justice Allar Joks a second term. In February, deputies approved President Ilves's choice of Indrek Teder, a respected private attorney, to succeed Joks as Estonia's chief constitutional watchdog and ombudsman. Within a few months of taking office Teder identified two legal issues related to electoral law to directly contest.

A major jolt for Estonia's national security came in late September when a former high-ranking intelligence official, Herman Simm, was suddenly arrested and charged with selling top-secret information to Russia. Although officials from Estonia's Security Police Board were extremely tight-lipped about the allegations, it was known that Simm had headed the Department for the Protection of State Secrets at the Ministry of Defense from 2000 to 2006, having thus had access to all

kinds of classified documents at a time when Estonia was undergoing the sensitive process of joining NATO. In 2006, Simm was transferred out of the job and made a simple adviser at the ministry. But it was not until Estonian and NATO officials began working together to find a suspected leak in the Estonian intelligence services that attention turned to Simm. Originally officials arrested Simm's wife as a possible accomplice, but she was later released. Simm himself remained in jail pending the start of his trial in 2009. The entire incident raised concerns about how much Russia might have infiltrated other parts of the Estonian government or even other new member states of NATO and the EU.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50

No elections were held in 2008. Instead, debate focused on possible changes to existing electoral and party law, some of them of constitutional concern, others merely politically motivated.

In February 2007, the previous chancellor of justice, Allar Joks used his powers to appeal the constitutionality of certain legislation before the Estonian Supreme Court to contest the way in which Estonia's Political Parties Act regulates—insufficiently, in his view—financial accounting procedures for political parties. Joks argued that by leaving most of the oversight to a simple anticorruption committee in Parliament, parties were avoiding true transparency and real accountability in their financial affairs. The case was part of a broader attempt to stem the way in which Joks believed parties increasingly colluded to prevent serious competition among themselves. Ultimately, Joks lost the appeal, although by the time the ruling came in May 2008, he was out of office. While the Supreme Court split over the issue, a majority found that control over party finance had to be seen from a wider perspective, including the accounting and tax rules applied to nongovernmental organizations (NGOs). Taken together, these were sufficient, the Court maintained, to ensure democratic control.

Following Joks's departure, the new chancellor of justice, Indrek Teder, formally called on legislators to reexamine sweeping legislation Estonia had passed in 2005 prohibiting outdoor political advertising 40 days before an election. The measure had been designed to rein in the influence of crass advertising during electoral campaigns following many parties' use of gigantic billboards and banners during the 2004 European Parliament elections. Teder, however, argued that banning such forms of political communication prior to an election was a violation of the right to free speech as well as an infringement on the rights of candidates and parties to campaign. While Teder agreed that in many respects the objectives of the legislation were legitimate, the means to achieve these goals (that is, the circumscription of key democratic freedoms) were disproportionate and therefore unconstitutional. In

deliberations following Teder's statement, lawmakers formally agreed to revisit the regulation. Actual legislative work on rescinding the ban dragged on into 2009.

Chancellor of Justice Teder's second contestation came in November, when he sent a letter to Parliament requesting that it reexamine the distribution of electoral districts in the capital, Tallinn. For years, seats in the Tallinn City Council have been allocated based on city districts. However, a considerable discrepancy has existed in the number of seats awarded in relation to the actual number of voters in each district. For example, Pirita, a mostly Estonian borough, has two and a half times the number of seats it should have in proportion to Lasnamae, a much larger and mostly Russian-speaking district. Generally, this difference has benefited the center-right parties rather than the largest party in the capital, the Center Party, and explains why the former have been loath to change it.

By year's end, electoral process issues turned to actual politicking in advance of the European Parliament elections in June 2009. In November, the governing coalition again appeared split over whether to change the electoral system and revert to a procedure using open (as opposed to closed) lists in the election. Under a closed system (used in most other European countries), voters cast their ballots for an entire list and parties determine the order in which candidates are elected off the list. Under an open system, voters vote for single candidates, and the winner is determined by those totals. While the RP favored a closed system (which it helped enact in 2006), the PPRPU sought to return to an open system employed during the last European elections in 2004. As with the question of outdoor advertising, however, the Supreme Court had ruled that major amendments to the country's election laws can be deemed unconstitutional if they take place too close to the election date (for example, less than six months beforehand) and thereby upset the ability of parties and voters to rationally calculate their interests.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.75	[illegible]

As in many countries of Central and Eastern Europe, meaningful indicators of the state of civil society can be difficult to come by. For instance, as of October 1, 2008, there were 27,625 citizen organizations registered in Estonia: 807 foundations and 26,818 nonprofit organizations.[1] Moreover, it was estimated that such organizations employ around 4–5 percent of the workforce.[2] Yet such numbers are rather misleading owing to the fact that nearly half of these nonprofit organizations are apartment cooperatives. While in some cases such cooperatives serve as important sites for citizen teamwork, they remain rather removed from the broader goals of civil society such as building social capital and strengthening democratic participation.

To meet these objectives, Estonia created the Civil Society Development Concept in 1999. Yet it was only in January 2008 that the minister for regional affairs announced the creation of the Civil Society Foundation to work out a long-term financing scheme for NGOs working in the public interest. During the year, the foundation gave project funds to over 40 NGOs.

In June, the United States Agency for International Development (USAID) released its latest report regarding the sustainability of NGOs in Central and Eastern Europe and Eurasia. The report ranked Estonia alongside Slovakia, Poland, the Czech Republic, Hungary, Latvia, and Lithuania as having one of the strongest civil society networks in the region. Still, dependence on short-term project-based financing, a low capacity in providing public services, and a small number of paid positions across the organizations were brought out as some of the main factors hindering the development of civil society in Estonia.

Concerning ethnic relations, the Tallinn city government continued its "civic peace forum" as a way of working through the aftermath of the April 2007 "Bronze Soldier" riots. The forum met seven times, discussing topics such as history, democracy, and the place of youth in Estonian society. Still, in November a new government-commissioned survey of ethnic relations showed that the Russian minority continued to be critical of developments in Estonia, while ethnic Estonians remained wary of allowing too many Russians into high-level state positions.[3] The government formally adopted a new Integration Strategy 2008–2013 in early April, which included measures to address the way in which the two ethnic communities understood their history. It also stressed reducing social barriers between Estonians and minorities and ensuring equal opportunity for all.

As part of the direct aftermath of the Bronze Soldier incident, the trial of four men accused of having organized the riots, Dimitri Klenski, Maksim Reva, Mark Sirok, and Dimitry Linter, started in January and continued throughout the year. Prosecutors accused the men of having called on people to engage in disorderly conduct as early as a year before the actual events, as well as fanning the tensions right before the crisis. The trial went on through 2009, but one person, 20-year-old Sergei Tablitski, was sentenced in 2008 to three years and five months in prison for large-scale theft during the first night of rioting.[4]

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50

The Estonian media system has generally been considered free, and there are no major deficiencies. According to the international press freedom advocacy and monitoring organization Reporters Without Borders, Estonia is currently ranked fourth (together with Finland and Ireland) in the world in terms of press freedom, and thus is the highest-scoring country among those in Central and Eastern Europe that democratized in the beginning of the 1990s.

The Estonian media landscape is shaped primarily by three national TV channels (the publicly owned and operated ETV and two private channels, Kanal2 and TV3), four national Estonian-language dailies (*Eesti Paevaleht, Postimees, SL Ohtuleht,* and *Aripaev*), and three Russian-language dailies (*Molodjozh Estonii, Vesti Dnja,* and *Postimees na Russkom Jazyke*). Among major weekly newspapers, two are in Estonian (*Eesti Ekspress* and *Maaleht*) and one is in Russian (*Den' za Dnjom*). There are numerous local newspapers, most of which appear several times a week. Estonian Radio broadcasts in Estonian and Russian, along with individual programs in other minority languages. Several nationwide private radio stations feature both current affairs and entertainment programming. Increasingly, people in Estonia follow these media over the Internet.

In 2008, questions of media independence continued to swirl around the role being played (or sought) by a new print and broadcasting company, Kalev Media, founded in 2007 by Oliver Kruuda, a prominent food industry magnate. Kruuda, who has strong affiliations with the Center Party, first landed a major contract with the Tallinn city government, controlled by the Center Party, to broadcast a weekly TV show about the city. Later, Kalev announced the acquisition of a small cable-based entertainment program, *Neljas,* which it claimed would complement its previously existing sports network. The entire company, which included a 24-hour Internet news portal and a sports magazine, grew to some 100 people by year's end. While the news portal remained relatively small, the sports TV channel had some 40,000 daily viewers.[5]

For more than a decade, Center Party chief Edgar Savisaar has supported the publication of city-financed local district newspapers. While to some degree these papers have served to inform residents about municipal affairs, they have also been accused of being political propaganda as they often feature articles exalting city officials. In October, an opposition deputy in the Tallinn City Council denounced the publication of a long, laudatory article about Kalev Media in one of these papers.

In September, Tallinn city officials announced a plan to expand their media efforts into a full-scale TV channel for the city by 2011. Part of the city's argument for a separate station was to expand the range of Russian-language information available to minority residents. Russian speakers make up some 45 percent of the capital's population, and city officials vowed that a large share of the broadcasts would be either in Russian or subtitled into Russian. This dovetailed with plans announced by Estonian state television to increase as of January 2009 the amount of airtime devoted to Russian-language news and public affairs programming. In August, Estonia's minister for population and ethnic affairs, Urve Palo, had expressed regret that earlier plans for creating a fully fledged Russian-language public broadcasting channel (as a partial response to the 2007 disturbances in Tallinn) never materialized. Palo's comment was rebuked by Prime Minister Ansip, who maintained that any attempt to compete with Russia's gigantic media industry (which is fully available in Estonia) would be ineffective and a waste of money. Instead, he called for boosting spending on local Russian-language radio, which he said reaches a large part of the minority population and is a trusted information

source. Estonian television did launch a second (digital) broadcasting channel during the Beijing Olympics, which later switched to children's programming.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50

For years, the major challenge for local democratic governance in Estonia has been how to deal with a bloated number of local governments in the country. Of the 227 at the end of 2008, 33 were cities, while the remainder were rural municipalities averaging fewer than 2,500 residents each. These municipalities were grouped into 15 counties with limited powers to monitor government functions. Moreover, local governments have often played a critical role in Estonia's presidential elections, since they constitute the bulk of delegates appointed to a special electoral college when Parliament fails to elect the president. For many small-town officials, this has been their only chance to participate in national politics.

In January, the minister for regional affairs, Vallo Reimaa, was unexpectedly dismissed, apparently over his failure to draw up a credible administrative reform program during his first eight months in office. His successor, Siim-Valmar Kiisler (PPRPU), avoided the issue until September when he stated that he saw no way around a forcible merger of local governments and called on coalition partners to agree on this basic principle. Kiisler claimed his preferred scenario would be to reduce the number of local governments to the 15 existing counties and 5 major cities, an option that had been raised nearly 10 years ago during a similar reform effort and that would not change any current borders. Kiisler said he was also ready to consider a less radical plan involving 60 to 80 local government units.

Despite these options, Kiisler's basic principle of forcible mergers was immediately rejected by his coalition partners, the RP and the SDP, as well as by the main opposition parties. Instead, the RP recommended an increase in the amount of "bonus money" given to local governments that agree to merge. The SDP meanwhile called for the completion of a full-scale review of administrative reform (begun under Reimaa) before any geographic issues were decided.

Estonia's administrative system was indeed struggling with dysfunction. For example, in order to improve regional planning and build administrative capacity, some counties have begun taking on larger-scale functions, such as applying for EU structural funds and managing more directly issues like public transportation subsidies. At the same time, the constitutional-legal role of counties remains mostly one of oversight, meaning that county governors are foremost responsible for monitoring the regulations issued by local governments, not determining them. In the past, Estonia's chancellor of justice has argued that any attempt to quietly expand county powers without a redefinition of this formal legal structure would be unconstitutional.

In order to get around this problem, most rural municipalities have organized themselves into local government associations, which have the status of NGOs but work to coordinate affairs at the county level. Yet here again, the possibility of transferring certain state functions to such NGOs would be unconstitutional.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50	1.50	

Estonia has a three-level court system established by the Constitution and the Courts Act. On the first level there are four county courts, which handle civil, criminal, and misdemeanor matters, and two administrative courts, which handle disputes in public law. Such a separation of public law from other law exists in Estonia's court system only on the first level. The second level of courts comprises three circuit courts, which handle appeals from the lower levels. At the top of the court system is the Supreme Court, which according to the Constitution is both a court of cassation, where decisions of circuit courts can be appealed, and a court of constitutional review. The constitutionality of a legal act can be investigated by the Supreme Court upon a request of the chancellor of justice, the president of the republic, a local government council, or the Parliament, as well as the lower-level courts.

During 2008, this judicial framework saw few changes, and those that were made were carried out mainly to ensure an improved functioning of the court system. In the first half of 2008, the Administrative Cooperation Act was amended with the aim of improving procedures for judicial training. Additionally, the Courts Act was amended in February to abolish one of the circuit courts in order to make the court system more cost-effective. But, in June Minister of Justice Rein Lang announced the formation of a special task force to draw up an entirely new Courts Act, which he said would help unify Estonia's court system. For many years, observers have pointed to a discrepancy in the way in which the Supreme Court is largely its own institution, while the lower courts are managed by the Ministry of Justice. The new task force was charged with developing a system that would allow all of the courts to be administrated more independently, while still ensuring internal oversight and accountability.

A number of so-called deportation trials continued in 2008 involving elderly men who had been charged with organizing the forced relocation of hundreds of Estonians to Siberia during Stalinist repressions in 1949. Arnold Meri, an 89-year-old former Soviet war hero, stood accused of having organized the deportation of 251 Estonians on the island of Hiiumaa. In November, a court-ordered review of Meri's medical health recommended that Meri not be subjected to excessive emotional or physical stress. The chief prosecutor in the case, however, claimed

the diagnosis did not rule out court proceedings as such, and that he would thus continue to push his case. In September, similar charges were brought against Jaan Pahn and Vello Paltmann, who also belonged to Meri's special KGB unit in 1949.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Estonia's fight against corruption in 2008 focused very much on party finance. On the one hand, the Supreme Court (as noted above) rejected the chancellor of justice's demand that current measures to oversee party finance be declared unconstitutional by virtue of their ineffectiveness. In April, the Council of Europe's Group of States Against Corruption issued an expert report on Estonia in which it recommended specific measures to improve the monitoring of party financing. The most important of these was a suggestion to create a truly independent body with the mandate, legal prerogatives, and financial resources to oversee the compliance of political parties with all relevant financial regulations. These would include tax laws, accounting rules, and campaign spending reports. In addition, the report recommended extending the scope of such oversight to any auxiliary organizations associated with political parties such as youth sections and grant-making foundations.

Indeed, party foundations seemed to represent a new breed of shadowy party finance in Estonia. For instance, since 2003 the Center Party has run its own Juri Vilms Foundation, named after one of the members of the committee that declared Estonia's independence in 1918. Originally, the foundation devoted itself to publishing the party's weekly newspaper. In late 2006, however, it bought one of Estonia's Russian-language dailies, *Vesti Dnja*, prompting speculation that the party wanted to begin influencing the Russian-language media market. (The party draws roughly 40 percent of its voters among Russian speakers.)

In October, the business daily *Aripaev* reported that the foundation had received over 1 million Estonian kroons (roughly US$85,000) from different companies, which ostensibly bought advertisements in the foundation's two newspapers.[6] Yet a review of the newspapers over many months revealed that far fewer advertisements had appeared than the paid amounts would suggest. Moreover, *Aripaev* intimated that the contribution from one of the companies, a pharmaceutical firm in Tallinn, may have been connected with the company's desire to build a new high-rise building at the site of its headquarters. Officials from the Center Party–controlled city administration had previously rejected the request, citing existing zoning regulations. A few months after the payment they reversed their opinion. When asked to comment on the report, the Office of the State Prosecutor said if further information was to turn up, a criminal investigation could be started, but based on the existing newspaper article, there was not enough indication that any legal norms had been violated.

The issue of corrupt party financing was also taken up by a new Estonian government strategy document on fighting corruption, released in early April. Designed as a wide-ranging policy program for the years 2008–2012, the document listed preventing corruption in party financing as one of its goals. Specifically, it called (akin to other observers) for the creation of a body more independent than the Parliament's anticorruption commission to monitor party financing issues.

The government also stated it would take action in the spheres of the private sector and medical services against corruption. The policy document noted that corruption also takes place when two companies collude during a bidding competition or when an employee takes a kickback from another company to fix prices. Likewise in the health sector, corruption occurs when a patient pays a bribe to a doctor to have an operation done sooner or to receive a disability certificate.

The strategy document set specific goals to be reached by 2012, including an increase in the number of corruption cases reported but also a decrease in the number of people saying they had come into contact with corruption. The latter would be measured by continuing a series of innovative public opinion surveys on corruption in 2010, where not only the general public but also civil servants and businesspeople would be interviewed.

This systematic approach to combating corruption earned Estonia an improvement in Transparency International's 2008 Corruption Perceptions Index from 6.6 to 6.5. Meanwhile, in June 2008 an anticorruption working group from the Organization for Economic Cooperation and Development (OECD) released a report on Estonia's compliance with certain international treaties regarding corruption. While the report noted that Estonia had made considerable efforts in fighting corruption, it called on the government to do more to fight foreign bribery or instances where Estonian companies might buy off foreign officials. In its new policy program, the government included a measure to hold seminars with business leaders to inform them about the OECD's conventions and recommendations.

Among corruption cases widely reported in the media, the trial of the former leader of the People's Union, Villu Reiljan, formally opened in September. Reiljan was forced to resign in late 2006 as the Environment Minister when accusations surfaced that he had demanded a bribe in exchange for the sale of a government building in downtown Tallinn. As the trial got under way, a number of prominent businessmen were called to testify how they had been approached by an intermediary asking for 1.5 million kroons (US$130,000) to facilitate the deal.[7] The witnesses all said that they understood the money was to go to Reiljan. A verdict in the trial was expected in April 2009.

▮ Authors: Vello Pettai and Martin Mölder

Vello Pettai is a professor of comparative politics and Martin Molder is a research assistant in the Institute of Government and Politics at the University of Tartu.

1 Centre of Registers and Information Systems, http://www.rik.ee/stat/8_10tg.phtml.

2 Network of Estonian Nonprofit Organizations, http://www.ngo.ee/6093.

3 Erik Rand, "Palo: venekeelsete elanike hinnangud on muutunud negatiivsemaks" [Palo: "Evaluations among Russian-speaking residents have become more negative"], *Eesti Päevaleht*, November 7, 2008.

4 BNS, "Kohus saatis aprillirahutustes osalenud noormehe vangi" [Court sent young man involved in April disturbances to prison], *Postimees*, June 12, 2008, http://www.postimees.ee/120608/esileht/krimi/uudised/336521.php.

5 Postimees, "Kalev Sporti vaatab 40 000 inimest päevas" [40,000 people a day watch Kalev Sport], June 3, 2008, http://www.postimees.ee/050608/esileht/majandus/334816.php.

6 Koit Brinkmann, "Sõõrumaa raha käänuline teekond Keskerakonnani" [Sõõrumaa's money and its circuitous path to the Center Party], *Aripaev*, October 8, 2008. http://www.aripaev.ee/4098/uud_uudidx_409806.html.

7 Kadrin Karner, "Tunnistaja: sularaha liikumisest jääb vähem jälgi" [Witness: shifting around cash leaves fewer traces], *Aripaev*, September 22, 2008, http://www.ap3.ee/Default2.aspx?ArticleID=a37e5ec3-6092-405e-b2dd-e677fcc5c0eb.

Georgia

by Elizabeth Fuller

Capital: Tbilisi
Population: 4.4 million
GNI/capita: US$4,760

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25
Civil Society	3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.75
Independent Media	3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25
Governance*	4.50	4.75	5.00	5.50	5.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.75	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50	5.50	5.50
Judicial Framework and Independence	4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75
Corruption	5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00	5.00
Democracy Score	4.17	4.33	4.58	4.83	4.83	4.96	4.86	4.68	4.79	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

Following the collapse of the USSR in December 1991, Georgia suffered several years of chaos and economic meltdown during which it lost jurisdiction over much of the territory of the breakaway regions of Abkhazia and South Ossetia, both of which had enjoyed autonomous status for decades within the Georgian SSR. The Former Communist Party of Georgia First Secretary, and later Soviet Foreign Minister, Eduard Shevardnadze, who returned to Tbilisi in March 1992 and was elected president in 1995, proved unable to end corruption or create conditions for sustained economic growth, and was ousted in November 2003 after a rigged parliamentary election. Mikheil Saakashvili, who was elected president in January 2004, succeeded in reducing corruption and liberalizing the economy, but failed to restore jurisdiction over Abkhazia and South Ossetia. President Saakashvili's proclaimed pro-Western orientation and aspirations to take Georgia into NATO exacerbated latent tensions with Moscow. His perceived authoritarian tendencies, together with widespread popular discontent over social and economic conditions, impelled the opposition to stage peaceful protests in November 2007 that were violently suppressed.

Saakashvili won reelection for a presidential second term in a pre-term election on January 5, 2008 that the opposition claimed was rigged. International observers registered significant violations both in that ballot and in the pre-term parliamentary election on May 21 in which Saakashvili's United National Movement preserved its absolute majority. Tensions with Russia worsened in April after NATO declined to offer Georgia the hoped-for Membership Action Plan. NATO reaffirmed, however, that both Georgia and Ukraine would join the alliance at some unspecified future date. Sporadic exchanges of fire between Georgian forces and Ossetian militias over several weeks culminated in a Georgian artillery bombardment of Tskhinvali, the South Ossetian capital, on August 7, 2008, to which Russia responded with a military incursion and the bombing of Georgian cities. Up to 500 Georgian civilians and servicemen were killed, and 130,000 Georgians forced to flee their homes. French president, Nicolas Sarkozy, acting on behalf of the European Union, proposed the terms for a ceasefire on August 12 to which both Russia and Georgia acceded. Two weeks later Russia formally recognized Abkhazia and South Ossetia as independent states and subsequently concluded military alliances with both regions. Leading oppositionists accused Saakashvili of undemocratic and authoritarian methods and called for pre-term elections.

National Democratic Governance. Despite constitutional guarantees of civil and political rights, Georgia remains a hybrid system in which a parliament loyal to the president fails to curtail authoritarian tendencies on the part of the executive.

The authorities' disinclination to take any real steps towards dialogue with the embittered and internally divided opposition compounded polarization. President Saakashvili's failure to to build confidence in the population of the breakaway republics of Abkhazia and South Ossetia contributed to Moscow drawing Georgia into a conflict that left hundreds dead, tens of thousands of displaced persons and ended in Russia's unilateral recognition of the two republics' independence. *Due to the absence of any real constraints on the president, the authorities' reluctance to engage in dialogue with the opposition, and unanswered questions concerning the August war with Russia, the rating for national democratic governance worsens from 5.75 to 6.00.*

Electoral Process. The opposition rejected the official results both of the pre-term presidential election on January 5, and of the pre-term parliamentary election in May, calling the elections rigged. On both occasions, international observers registered procedural violations during the vote count and tabulation. They also noted the unfair advantage enjoyed by the incumbent during campaigning for the presidential election, controversial amendments to the election law enacted in March that "created an unequal playing field in favor of the ruling party," and the extensive recourse to administrative resources and campaigning by "political officials." *In light of the shortcomings registered by the OSCE during the January presidential election, and the authorities' failure to remedy some of those failings before the May parliamentary ballot, the rating for electoral process declines from 4.75 to 5.25.*

Civil Society. The varied and vibrant civil society that emerged during the late 1990s lost momentum in the wake of the 2003 Rose Revolution. There are no legal restrictions on the founding or activities of NGOs whose activity does not violate the freedoms upheld in the Georgian Constitution. But many NGOs remain dependent on foreign sponsors, and the Georgian authorities frequently ignore their recommendations. There have been reports of illegal pressure and harassment by local officials of small NGOs in the provinces. Trade unions function without legal constraints or interference, but their ability to protect and promote employees' interests is limited by the illiberal labor code passed in 2007. *The rating for civil society worsens from 3.50 to 3.75.*

Independent Media. The Georgian Constitution guarantees freedom of speech and freedom of the media and prohibits censorship. In practice, however, individual journalists and media outlets are sometimes subject to pressure, and constitutional and legal provisions of free access to information are frequently violated. Outlets whose owners support the country's political leadership dominate the media landscape. In March, the change of leadership at the Public Broadcaster demanded by the opposition failed to yield greater plurality of views as was hoped for. Access to Russian Web sites was blocked and rebroadcasting of Russian TV stations was suspended in the wake of the August war. *Georgia's rating for independent media remains at 4.25.*

Local Democratic Governance. Recent legislation on local government is widely regarded as unsatisfactory. Mayors of large cities and provincial governors are still not popularly elected. Citizens frequently encounter difficulties in obtaining either assistance from local authorities or information about local initiatives that could affect them personally. *The Georgian authorities continue to ignore or dismiss complaints of discrimination expressed by the Armenian and Azerbaijani communities of southern Georgia as unfounded. The rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. The Georgian authorities have taken few concrete steps to counter the widely held convictions that the government, not the judiciary, determines the outcome of criminal trials and that the Interior Ministry is a law unto itself, accountable to no one. Prison conditions remain abysmal. *The rating for judicial framework and independence remains unchanged at 4.75.*

Corruption. Since 2004, the Georgian authorities have waged a selective campaign against corruption that many believe exempts the president's closest entourage. International financial organizations have registered marked progress in the economy and business spheres, but Transparency International Georgia has listed numerous areas where the authorities have failed, whether out of inertia or lack of political will, to remedy perceived shortcomings. *The rating for corruption remains unchanged at 5.00.*

Outlook for 2009. In conditions of an imminent global recession, Georgia faces the challenge of repairing the economic damage inflicted during the August war, restoring investor confidence, and providing housing and aid to thousands of displaced persons. These problems are likely to eclipse pressure, whether domestic or international, to address documented human rights violations and the erosion of media freedom. President Saakashvili continues to claim popular support and affirm he will not step down before his term ends in early 2013. The fractured opposition may prove too weak and divided to force the authorities to agree to pre-term elections. The prospects for the restoration of Georgia's territorial integrity remain minimal, especially in light of Russia's formal recognition of Abkhazia and South Ossetia's independence.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.75	6.00

The Constitution defines Georgia as a democratic republic, and the preamble affirms the commitment of the Georgian people to a democratic social order, economic freedom, a social state based on rule of law, universally recognized human rights and freedoms, state independence, and peaceful relations with other nations. It also affirms the right of citizens to form and join political parties. Amendments enacted in February 2004 strengthened the power of the executive branch vis-à-vis Parliament, which the president is empowered to dissolve twice within the space of one, five-year presidential term. A subsequent change in 2006 limited the president's authority to appoint and dismiss judges, and a further amendment in October 2008 empowered him to dismiss the justice minister (in addition to the interior and defense ministers).

Repeated amendments to the Constitution, some of which necessitated revising affected laws or passing new ones, suggest that the country's leadership regards it not as an affirmation and definition of the ideal approach to building and governing a democratic state, but as a temporary blueprint for achieving short-term objectives and strengthening their hold on power. Similarly, President Mikheil Saakashvili's frequent cabinet reshuffles cast doubt on any broad sense of political stability and purpose. Almost 40 percent of the 403 respondents to a poll summarized on October 13 by the weekly *Kviris Palitra* said they do not trust the country's leaders.

Saakashvili's United National Movement (UNM) garnered 119 of 150 seats in the May 21 parliamentary ballot. It thus remains empowered to ensure the passage of any legislation and also of constitutional amendments, which require a two-thirds majority. UNM deputies unanimously endorsed the president's successive nominees for prime minister (Lado Gurgenidze in January 2008, Grigol Mgaloblishvili in November 2008), even though neither man had broad experience in national politics.

A functioning democracy presupposes the parliamentary representation of one or several opposition parties or blocs that are strong enough to influence the legislative process and that acknowledge the leadership as legitimate. But the Georgian opposition rejects as rigged the outcome of the January 5, 2008 presidential election in which President Saakashvili was reelected by a far smaller number of voters than endorsed him four years earlier, and of the May 21 parliamentary ballot in which 3 of the 11 participating opposition parties and blocs reached the 5 percent vote threshold to win representation. (A fourth opposition party won seats in

two single-mandate districts.) Over half of the 31 elected opposition deputies subsequently refused to take their seats in what they claim is an illegitimate Parliament. The UNM responded by amending the May 2007 Law on Political Parties to strip the parties concerned of the right to receive funding from the state budget, though that decision was rescinded after the August war with Russia.

Such retaliation reflects a degree of political polarization and mutual antagonism that effectively marginalizes both the parliamentary opposition and those parties not represented in Parliament, leaving them with little opportunity to influence policy. Instead, they are forced to resort to issuing open letters, demands, or ultimatums to the president or mounting public demonstrations. The opposition's potential to effect change is also undermined by frequent squabbles over tactics.

In the wake of the disputed January presidential ballot, then Parliament Speaker Nino Burdjanadze assumed the role of unofficial mediator between the opposition and the leadership, which agreed unconditionally to only 1 of 17 demands that the opposition argued were essential to overcoming the "political crisis" stemming from the election.

President Saakashvili alternates between advocating (but not necessarily delivering on) concessions to the opposition—such as the offer of government portfolios or chairmanship of parliamentary committees—and rejecting any opposition criticism of his policies as unpatriotic. The president ignored a March 12 proposal by Human Rights Watch to assign the Office of the General Prosecutor the task of investigating the violent dispersal of peaceful demonstrators by police in November 2007.

In May 2008, Parliament proposed a series of measures intended to increase opposition involvement in the drafting of constitutional amendments and a new Law on the Audit Chamber. The opposition will chair the Anticrisis Council, a body established by President Saakashvili in the wake of the August war to monitor the distribution of international aid. The extraparliamentary opposition and nongovernmental organizations (NGOs) will also be represented on the Anticrisis Council.

President Saakashvili's seeming inability to comprehend and address the fears and grievances of the non-Georgian populations in the breakaway territories of Abkhazia and South Ossetia contributed to Moscow manipulating those frozen conflicts, drawing Georgia into a military confrontation that ended with Russia's recognition of the two entities as independent states. The August war inflicted billions of dollars of damage on the Georgian economy and cast doubt on Saakashvili's own judgment and future political role.

In his testimony before the parliamentary commission established to clarify the events that precipitated the war, President Saakashvili said he had issued orders to the Georgian military to launch an artillery bombardment of the South Ossetian capital, Tskhinvali, on the night of August 7–8, 2008, just hours after he appeared on television and declared a cease-fire. Georgian officials have offered diverging explanations for the artillery bombardment, saying that it was needed to halt a Russian invasion via the Roki tunnel, which links South Ossetia with the Russian

Federation, or that it was launched in response to Ossetian shelling of ethnic Georgian villages.

Ryan Grist, a British senior observer with the Organization for Security and Cooperation in Europe (OSCE) who was in Tskhinvali on the night of August 7–8, told *The New York Times* on November 7, 2008, that thousands of Georgian troops were advancing toward Tskhinvali hours before the president announced the cease-fire. OSCE monitors also said that they had not heard the alleged Ossetian shelling of Georgian villages that evening. Grist argued that the Georgian actions were in any case "disproportionate."

President Saakashvili has consistently rejected allegations that he made a major miscalculation in launching hostilities and denies that Georgia suffered a military defeat. Instead, he laid the blame for the war partly on Russia, which he claimed was intent on ousting him and destroying Georgia's independence, and partly on the international community for failing to restrain Moscow. The Georgian authorities have not made public the complete text of a letter in which the president formally abjured future use of military force against Abkhazia or South Ossetia in keeping with the cease-fire.

Georgian oppositionists initially refrained from questioning President Saakashvili's actions before and during the August conflict. But in September, Burdjanadze released a list of 43 questions focusing on inconsistencies among statements by various government officials, to which the president failed to respond. In late October, Burdjanadze announced that she planned to establish an opposition party and advocated amending election laws prior to holding preterm parliamentary elections early in 2009. The founding congress of her Democratic Movement–United Georgia party took place on November 23, 2008.

Other former prominent members of Saakashvili's team have similarly distanced themselves from him, including former ambassador to Russia Erosi Kitsmarishvili and human rights ombudsman Sozar Subari. On December 24, 2008, Irakli Alasania, who had resigned three weeks earlier as ambassador to the United Nations, told journalists in Tbilisi that he had joined the opposition. He too called for early elections.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	4.50	5.00	5.25	5.25	4.75	4.75	4.50	4.75	5.25

According to the Constitution, both the Parliament and the president are elected in a secret ballot on the basis of universal, equal, and direct suffrage. The charter also stipulates that the Parliament is elected for a four-year term and the president for a five-year term. In December 2006, however, the Parliament amended the Constitution at President Saakashvili's behest to allow concurrent presidential and parliamentary elections in the fall of 2008, which had been due in January 2009

and spring 2008 respectively. Parliament majority leader Maya Nadiradze later explained that the legislature needed time to achieve unspecified "major goals" in the country's "national interests."[1]

That change was superseded by President Saakashvili's decision in November 2007 to schedule a preterm presidential election for January 5, 2008, prompted in part by the need to allay negative international reactions to his November 7, 2007 crackdown on opposition demonstrators and the temporary imposition of a nationwide state of emergency. The early election was paired with a concurrent, nonbinding plebiscite in which 63.5 percent of voters approved rescheduling the next parliamentary elections for the spring of 2008.

President Saakashvili's announced the presidential election for January 5 and the parliamentary elections for May 21, affording opposition candidates and parties only the minimum, legally prescribed period (two months) to organize and conduct their campaigns.

Of 22 would-be presidential candidates, 7 were ultimately registered, including the exiled billionaire businessman Badri Patarkatsishvili, whom President Saakashvili had accused in November 2007 of conspiring with Russia to overthrow him. In its final report on the election, the OSCE's Office for Democratic Institutions and Human Rights noted that while there were no restrictions on electioneering, the campaign took place in a tense and polarized atmosphere and "was overshadowed by widespread allegations of intimidation and pressure, among others on public sector employees and opposition activists. The distinction between state activities and the campaign of [President Saakashvili]...was blurred."

The election code adopted in 2001, which the OSCE assessed as constituting an adequate basis for the conduct of democratic elections despite some inconsistencies and loopholes, was amended just weeks before the vote. Even though the changes were in line with recommendations by the Council of Europe's Venice Commission, the OSCE ruled that making them on the eve of the ballot was "not generally consistent with good practice."

The actual voting and vote count were deemed problematic by the OSCE election monitors as well as the defeated candidates. On the basis of exit polls, then Minister for Conflict Resolution David Bakradze announced even before the release of preliminary results that President Saakashvili had been reelected. According to the official count, Saakashvili received 53.47 percent of the vote, followed by businessman Levan Gachechiladze—the candidate backed by the opposition National Council established in the fall of 2007—with 25.69 percent. Voter turnout was 56 percent. Gachechiladze claimed that President Saakashvili in fact polled no more than 48 percent, short of the 50 percent plus one vote needed for a first-round win. He demanded a recount or runoff without success.

The OSCE's preliminary statement reported significant procedural irregularities during the vote count, while the final report assessed the election as "in essence consistent with most OSCE and Council of Europe commitments and standards." At the same time, it noted "significant challenges which need to be addressed urgently."

In early March, the outgoing Parliament hastily approved a new legal framework for legislative elections that reduced the total number of deputies from 235 to 150, of whom 75 would be elected under the proportional system among parties or blocs that garner a minimum of 5 percent of the vote. The other 75 would be elected in single-mandate constituencies that vary considerably in size (from 6,000 to over 140,000 voters). The opposition claimed that the final version of the law differed in several crucial respects from the one agreed on earlier in talks between opposition party leaders and Parliament Speaker Nino Burdjanadze. The OSCE observers' final report on the legislative polls noted that the amendments "created an unequal playing field in favor of the ruling party...especially with regard to administrative resources and campaigning by 'political officials.'"

Nine parties and three coalitions registered to participate in the parliamentary ballot. The campaign duplicated many of the negative features observed ahead of the presidential contest, including political polarization and obstruction of opposition activities. The final monitoring report on the presidential balloting had advised the authorities to carefully instruct all state officials not to interfere in the electoral process and to draw a clear line between state activities and the campaign, but instances of pressure on public employees to vote for the UNM and of a blurred distinction between that party and the state were repeated during the parliamentary race.

On July 22, the Georgian Human Rights Center documented dismissals of over 100 teachers and other public employees in Sighnaghi and Gurdjaani for failing to secure the required level of support for UNM candidates in the May elections. A record of active campaigning for the UNM was reportedly the primary criterion for selecting the workers' replacements.

The UNM won 119 seats, the United Opposition/National Council–New Rightists bloc took 17, the Christian Democrats and the Labor Party each won 6, and the Republican Party captured 2. Voter turnout was 53 percent, compared with 63.9 percent in the second round of the 2004 parliamentary elections, suggesting a high level of voter apathy.

The OSCE's preliminary statement concluded that the elections offered voters a wide array of choices and that the authorities made efforts to meet OSCE and Council of Europe commitments. However, the observer mission also noted a number of problems that rendered those efforts "uneven and incomplete." The final report found that the Central Election Commission often voted along political lines and did not base its decisions on the law. Among other irregularities, it highlighted significant discrepancies between the number of voters registered in individual districts on the eve of the January presidential ballot and the corresponding figures in early May.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	
3.75	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	

A vibrant civil society began to develop in Georgia even before the collapse of the Soviet Union. The availability of foreign funding in the late 1990s and early 2000s enhanced the visibility and influence of such NGOs as the Liberty Institute, former associates of which played a key role in the Rose Revolution of November 2003.

Over the past five years, however, the prominence of NGOs, in particular those that are politically engaged, has diminished. A recent survey conducted by Transparency International Georgia suggested that the most visible successes of the Rose Revolution have given rise to a mistaken perception among potential donors that large-scale financial support to develop civil society is no longer needed. Meanwhile, the state provides no financial support: A veteran Georgian NGO activist quoted by *Georgia Today* on August 1, 2008, said she could not recall a single instance in which the Georgian government provided funding for an NGO.

Two of the most professional and effective groups—the Georgian Young Lawyers' Association and the Human Rights Center (formerly known as the Human Rights Information and Documentation Center)—continue to evaluate and document abuses. NGOs in general still cooperate freely with, and are free to accept support from, similar bodies based abroad. But their recommendations generally have little impact on the formation of government policy. Indeed, international organizations such as the European Commission are in some cases more receptive to the NGOs' arguments and complaints than the Georgian government and legislature. Even when NGOs succeed in presenting their proposals to government bodies, they encounter problems in determining what, if any, action has been taken in response.

The UNM's total dominance of Parliament enables it to ignore NGO criticisms of draft legislation, and the self-censorship practiced by many journalists may further reduce NGOs' ability to publicize their activities. Especially in the regions, civil society groups are vulnerable to pressure from local government officials.

Georgia has no legislation specifically regulating the activities of NGOs. The civil code of 1997 affirms the right of individuals to establish unions or groups engaging in noncommercial activities that are not prohibited by law. The requirement that such groups register with the Ministry of Justice was abolished in 2007; they must now register with the tax authorities. The financing of NGOs is covered by the 1997 Law on Grants, which exempts most grants from taxation, and by the tax code.

It is difficult to estimate the number of NGOs in Georgia, since many of the thousands of registered entities may no longer be active. A listing compiled by the UN Development Programme's Women's Empowerment Project identifies 32 NGOs focused on women's issues alone. The range of topics addressed by

other groups includes politics; human, religious, minority, and animal rights; environmental protection; and preservation of Georgia's cultural heritage.

The Constitution upholds the right of citizens to freely form and join trade unions. Georgia has also ratified all core International Labor Organization conventions. The Georgian Trade Union Amalgamation (GTUA), the successor to the Soviet-era labor federation, claims an estimated 650,000 members. The two most prominent individual unions are the Free Trade Union of Teachers of Georgia (Solidarity) and the Independent Trade Union of Metropolitan Employees.

Labor relations are regulated under the labor code, which Law for the People, an NGO, designated as the most unfair law passed in 2006. The code offers employers the option of concluding an oral rather than a written contract with employees. It also grants employers considerable leeway in stipulating the number of hours an employee must work. GTUA chairman Irakli Petriashvili has complained that the law is oriented toward attracting foreign investment rather than protecting workers' rights.

The education system has been subjected to repeated criticism in recent years. Up to one-third of the total number of schools (mostly in rural areas) have been closed to cut costs, a move that was belatedly deplored by President Saakashvili in March 2008. In June 2007, opposition politician Djondi Baghaturia condemned as unconstitutional a new law that empowered school directors to dismiss all teaching personnel and rehire them on short-term contracts. It was announced in March 2008 that the legislation would be amended to give teachers open-ended contracts. In higher education, the introduction of standardized university entrance examinations has helped to reduce corruption and bribery in the admissions process.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.50	3.75	4.00	4.00	4.25	4.25	4.00	4.25	4.25

The Constitution guarantees freedom of speech and freedom of the media and prohibits censorship. In practice, however, the authorities have over the past two years sought to muzzle or even shut down independent television and radio stations that broadcast nationwide, while tolerating those that have only a limited audience. Individual journalists, especially in rural areas, are occasionally subject to pressure, and constitutional and legal provisions for free access to information are frequently violated. The International Research & Exchanges Board (IREX), in its 2008 Media Sustainability Index, described Georgian legislation on the media as "liberal and progressive, yet poorly applied."[2]

The media scene is dominated by electronic outlets, with television playing the key role. Although Georgia has over 200 registered independent newspapers, print

runs are small, and distribution outside large cities remains difficult. In a survey conducted in June 2008 by the weekly *Kviris Palitra*, 50 percent of respondents said they never read a newspaper.

Television and radio broadcasting is overseen by the Georgian National Communications Commission (GNCC), established in 2000, with five members appointed by the president for six-year terms. In his annual address to Parliament on September 16, 2008, President Saakashvili proposed offering one of the five seats to an opposition representative, and the Law on Broadcasting was duly amended in early December to empower the parliamentary minority to nominate one commission member.

The GNCC has made several controversial decisions over the past year that have cast doubt on its competence and objectivity. Having suspended broadcasting by the independent television channel Imedi in November 2007, the commission moved in January 2008 to rescind Imedi's license on the grounds that the presidential bid by its presumed owner, self-exiled billionaire Badri Patarkatsishvili, constituted a violation of a law barring government officials or heads of political organizations from owning a television license. Human rights ombudsman Sozar Subari questioned the legality of that investigation, pointing out that Imedi was owned not by Patarkatsishvili, but by the company Teleimedi. Patarkatsishvili died suddenly on February 12, triggering a legal squabble over his considerable assets; control over Imedi passed to Joseph Kay, a distant relative who was perceived to be close to the Georgian government. On December 10, Gogi Jaoshvili, a former co-owner of Imedi, said the Georgian authorities had forced him to hand over his shares to Kay. Other members of Patarkatsishvili's family claim that the transfer was achieved using forged documents and are planning legal action to regain control of the station, which resumed broadcasting on September 1.

Two leading journalists with the similarly independent Radio Imedi were fired in May 2008 on dubious pretexts, drawing widespread condemnation. In a poll conducted in January, 43.7 percent of respondents had said they listened regularly to Radio Imedi, a higher audience share than that of any other station.[3]

In another ruling, the GNCC in April rejected an application by the independent television station Maestro for a license to begin broadcasting political programming in addition to music and entertainment. Maestro's owner, Mamuka Ghlonti, appealed to the Tbilisi Municipal Court, which upheld the rejection on September 30; Subari, the human rights ombudsman, denounced the court ruling as an infringement on free speech. Parliament Speaker David Bakradze, who had served as the minister of foreign affairs prior to the election, then summoned the GNCC chairman to Parliament and ordered him to issue the required license, which the commission did on November 28.

The independent television station Kavkasia, the only remaining critical voice after the demise of Imedi, which only broadcasts in Tbilisi, was said in July to be in serious financial difficulties after financial police began pressuring businessmen to stop buying advertising on the station.

In 2005, the state television and radio corporation was transformed into a public broadcaster overseen by a board of nine trustees, who were in turn appointed by Parliament. From its inception, Georgian Public Broadcasting (GPB) was criticized by opposition politicians and journalists who alleged that it was not fulfilling its mandate to serve as a source of objective and comprehensive information. In the wake of the disputed January 2008 presidential election, the opposition successfully demanded the resignation of the GPB director general and the creation of a new board of trustees, with five of the nine seats reserved for the opposition. Ethnic minorities proposed six alternative candidates for one of the board seats, but none were selected.

The GPB incurred public criticism for its superficial coverage of a major opposition demonstration on May 26. Board of trustees chairman Irakli Tripolski then resigned, saying his limited authority did not allow him to challenge policy decisions by the director general.

Several prominent opposition politicians, including former Parliament Speaker Nino Burdjanadze, agreed in mid-September to establish a special group to promote a diversity of views in television broadcasting. Possibly in response to that move, on October 10 Parliament adopted in the first reading an amendment to the Law on the GPB that obliged it to air regular political debates. (Maestro, Imedi, and the generally pro-government Rustavi-2 will do the same.)

The widely held perception that the authorities do not hesitate to penalize media outlets and individual journalists for negative coverage effectively deters some journalists from engaging in overt criticism of the government, investigating suspected corruption involving senior officials, and reporting in depth on controversial political issues.

Comprehensive and objective political coverage is rendered even more difficult by problems with the availability of information. According to IREX's 2008 Media Sustainability Index, "Individuals and press services responsible for providing public information either fail to do so on time or refuse to release the information, providing no written justification for their actions even when the information is intended for immediate release." The report also notes that media outlets rarely challenge such refusals in court owing to the time and effort involved. Meanwhile, print outlets often complain that broadcasters receive more favorable treatment, and politicians reportedly boycott stations they perceive as hostile or uncooperative. There are separate legal prohibitions on the release of information related to taxation or to the proceedings of government sessions.

Internet usage in Georgia remains limited; IREX cited an August 2007 poll conducted in eight large cities that found that only 14.7 percent of respondents used the Internet; usage in rural areas can be presumed to be far lower. There are no legal or official restrictions on Internet access. However, after the outbreak of the August 2008 war with Russia, Georgian authorities barred access to Russian news Web sites until late October.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.00	5.75	5.50	5.50	5.50

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 (which includes most of the breakaway territory of South Ossetia), and Kakheti—that are subdivided into 60 self-governing districts. The nine regional governors are appointed by the president but report to the state minister for regional issues. Two other administrative divisions, Abkhazia (which enjoys de facto independence from Georgian rule) and Adjaria, have the status of autonomous republics, while the self-governing capital city of Tbilisi has regional status.

President Saakashvili replaced six regional governors in 2008. In early March, he also proposed the establishment of an unofficial state council that would address regional economic issues. How that council would coordinate its activities with the Ministry for Regional Issues is unclear.

The mayors (*gamgebeli*) of the cities and districts are elected by the local councils (*sakrebulo*), which in turn are directly elected by a mixed majoritarian/proportional system. A poll conducted in late November 2005 found that 89 percent of the 1,277 respondents would prefer to directly elect both mayors and regional governors.[4]

The system of local government is defined by a 2005 law that abolished the lowest level of self-government, comprising individual villages; the previous 1997 Law on Local Government had established 1,033 such units, which had only minimal autonomy in either political or financial issues. The 2005 law preserved the local-level post of trustee (*rtsmunebeli*), who is appointed for a one-year term by the *gamgebeli* and serves as liaison between the *gamgebeli* and the *sakrebulo*.

While on paper the 2005 law grants the local councils greater autonomy than they previously enjoyed, the 2007 Law on the Supervision of Local Government gives the national government the responsibility for drafting local budgets and empowers the regional governors to overturn decisions enacted by local councils. Law for the People, the NGO, has designated it the worst piece of legislation enacted in 2007. Central control over local government was reinforced by the results of the 2006 local elections, which left most councils dominated by the president's UNM party.

In February 2008, the Georgian branch of Transparency International released the findings of a survey conducted between May and December 2007 in 20 municipalities across Georgia. Participants in a roundtable discussion of the findings expressed concern that the municipalities are unable to make decisions independently and are under significant pressure from the mayors and trustees. Some argued that the newly created supervisory authority of the central government and regional governors served only to strengthen the vertical system of power and circumscribe the autonomy of the local government bodies. Discussion participants

also noted problems in obtaining information from, or concerning the activities of, local government bodies, particularly with regard to the formation, implementation, and transparency of local budgets.

The autonomous republic of Adjaria has been loyal to the central government since 2004, when the ouster of republic leader Aslan Abashidze paved the way for the election of a new 30-seat regional Parliament and the formation of a new regional government, both dominated by the UNM. In the spring of 2008, the Adjar Parliament amended the republic's Constitution, reducing the number of Parliament deputies from 30 to 18. The UNM won 16 seats in the subsequent elections on November 3.

Even before the loss of Abkhazia and South Ossetia, the Georgian leadership had proven reluctant to grant formal autonomy and genuine self-government to parts of the country where the population is predominantly non-Georgian in ethnicity. Djavakheti in the south is largely ethnic Armenian, and the districts southeast of Tbilisi are mostly Azerbaijani. Several Armenian activists who spearheaded demands for formal autonomy in Djavakheti were arrested in July 2008. The legal prohibition on the formation of regionally based political parties limits the capacity of these minorities to bring their grievances to the attention of the country's leadership and participate in a discussion on how local problems would best be resolved.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	4.00	4.25	4.50	4.50	5.00	4.75	4.75	4.75	4.75

Judicial independence is guaranteed by the Constitution. The High Council of Justice, which appoints judges, is now independent of the president and includes two opposition members of Parliament. The most recent reform of the judicial system entailed the appointment of judges for life and, beginning in January 2009, the introduction of jury trials.

The Constitution also guarantees "universally recognized human rights and freedoms as eternal and supreme human values," including complete freedom of belief and religion and the right to own, acquire, and inherit property. It bans torture, inhuman or cruel treatment and punishment, and treatment and punishment that infringes upon honor and dignity.

In practice, however, both the judicial independence and human rights provisions of the Constitution are frequently violated. Sozar Subari, elected in September 2004 for a five-year term as human rights ombudsman, reported in 2007 that his office received a total of 3,500 complaints in 2006, twice as many as in 2005. Of that total, 2,100 concerned criminal cases.[5] Subari also claimed that government officials routinely dictate trial outcomes to judges. In April 2008, the Association of Attorneys of Georgia collected 40,000 signatures for a petition demanding an end to pressure on judges to return a guilty verdict.[6] On July 2, the daily *Rezonansi* claimed that of 16,000 criminal cases heard in Georgia since

the Rose Revolution, only 16 had ended in a verdict of not guilty. On December 8, 2007, the same newspaper had quoted the head of the NGO Former Political Prisoners for Human Rights as saying that every second trial is resolved through plea bargaining.

The presumption of innocence is routinely ignored, including in reporting by the official media. For example, on August 27, 2008, the main midday news program reported the arrest of several rank-and-file customs officials for allegedly soliciting bribes; all were named and shown handcuffed to police officers. Insufficient media coverage of legal proceedings can also be a problem. Since moving from Tbilisi to Batumi in early 2007, the Constitutional Court has received minimal media attention.

In an open letter to the president in January 2008, Subari criticized the Office of the Prosecutor General as "a monster" and the "true ruler of the country." The office was merged with the Justice Ministry in late October, creating a new position that combines the functions of justice minister and prosecutor general. This official will be empowered to initiate criminal proceedings against the president, cabinet ministers, judges, and the human rights ombudsman. He will be appointed by the prime minister, but the president will be empowered to dismiss him. There will also be a chief prosecutor who will not be answerable to Parliament, even though the declared purpose of the merger was to empower the legislature to more closely monitor the work of the Office of the Prosecutor General.

In 2007, Subari had also criticized the Interior Ministry, alleging that it sheltered "a punitive group that stands above the law and that can liquidate any given individual if doing so is considered expedient." One year later, in September 2008, Subari similarly claimed that the Office of the Prosecutor General and the Interior Ministry had become "repressive instruments" and frequently exerted pressure on the courts. Persecution and the use of physical violence against those holding dissenting views, violations of property rights, unlawful demolition of buildings, and confiscation have all become everyday practice, Subari said. In March 2008, he submitted to Parliament draft legislation on establishing an independent commission, chaired by the human rights ombudsman, to investigate disputes between citizens and the state over property rights.

Human rights organizations have repeatedly sounded the alarm over the continued use of torture and beatings by police to extract confessions from suspects and by prison personnel against inmates. On September 22 the Human Rights Center quoted Subari as saying that the coordinating council to prevent torture, established by Saakashvili in June 2007, had not yet begun functioning.

Over 100 female prisoners staged a hunger strike in June to protest harsh conditions and treatment. Possibly in response to such criticism, the Justice Ministry organized a training course for prison officials with funding from the OSCE; and in October, the Parliament decided to set up a commission to monitor prison conditions. The Human Rights Center claimed in September that the majority of the 54 inmate deaths since January 1, 2008 had been the direct consequence of deliberate neglect on the part of the prison authorities.

Two dozen Georgian NGOs, backed by Human Rights Watch, appealed to the president in June to veto legislative amendments that lowered the minimum age of criminal responsibility for crimes such as premeditated murder and most types of robbery from 14 to 12, but the president failed to respond.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.25	5.50	5.75	6.00	5.75	5.50	5.00	5.00	[illegible]

One of the most visible consequences of the 2003 Rose Revolution was President Saakashvili's single-minded campaign to eradicate the entrenched corruption that for over a decade had undermined efforts to attract international investment and end economic stagnation.

In its 2008 *Doing Business* report, the World Bank ranked Georgia 18th overall among best-practice economies in terms of the ease of doing business, although it placed only 102nd in terms of paying taxes. The report noted that Georgia had strengthened investor protections, in part by eliminating loopholes that had "allowed corporate insiders to expropriate minority investors." It also praised a new insolvency law that streamlined company reorganizations and liquidations and noted that Georgia had sped up the construction permit approval process, simplified property registration procedures, and eliminated a paid-in capital requirement for starting businesses. Finally, the report cited improvements at Georgia's private credit bureau, which had "added payment information from retailers, utilities, and trade creditors to the data it collects and distributes."

At the same time, the European Bank for Reconstruction and Development in 2007 found that some Georgian legislation did not fully meet international standards or was not fully effective with regard to corporate governance, insolvency, and secured transactions.

Transparency International's 2008 Corruption Perceptions Index registered a further improvement in Georgia's performance, ranking it at 67 out of 180 states—on a par with Ghana and El Salvador—with a score of 3.9, up from 3.4 in 2007 (10 is the best score on the index's scale of 1 to 10). But Transparency International Georgia pointed out that the 2008 index's ranking was based largely on data from 2006–2007 and noted in a September 26, 2008 press release that the Georgian authorities had failed to address shortcomings it highlighted one year earlier, specifically with respect to effective reform of the civil service, increased scrutiny of public officials' assets, research-based anticorruption measures, increased transparency of plea-bargaining procedures, better access to information, improvement of the public procurement system, and targeted public spending.

The popular perception within Georgia is that while the authorities are merciless in targeting the most visible manifestations of petty corruption at the lowest level of

the bureaucracy, such as extortion by traffic police, Saakashvili turns a blind eye to major corruption and abuse of power among his closest associates.

As noted above, many journalists, especially outside of major urban areas, are afraid to investigate cases of official corruption. The media do, however, routinely report the arrests and trials of middle- and low-level officials accused of embezzlement or abuse of office.

▮ AUTHOR: ELIZABETH FULLER

Elizabeth Fuller joined Radio Liberty Research as a Caucasus analyst in 1980. From October 1997 to May 2008, she was editor of RFE/RL Newsline.

---

1 *Caucasus Press*, October 24, 2007.

2 IREX, "Georgia," in *Media Sustainability Index 2008* (Washington, DC: IREX, 2008), http://www.irex.org/programs/msi_eur/2008/georgia.asp.

3 "Radio Station 'Imedi' is the Most Popular Radio Station," Internews Georgia, February 4, 2008, http://media.ge/eng/page.php?m=news_detailed&id_numb=2865.

4 *Messenger*, December 20, 2005.

5 *Caucasus Press*, May 26, 2007.

6 *Caucasus Press*, April 17, 2008.

Hungary

by Balázs Áron Kovács and Bálint Molnár

Capital: Budapest
Population: 10.1 million
GNI/capita: US$17,470

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75
Civil Society	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.75
Independent Media	2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50
Governance*	2.50	3.00	3.00	2.50	2.50	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.50
Judicial Framework and Independence	1.75	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25
Democracy Score	1.88	2.13	2.13	1.96	1.96	1.96	2.00	2.14	2.14	2.29

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

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

Executive Summary

The year in Hungary was marked by voters' rejection of government reforms at the March 9 referendum, the subsequent breakup of the ruling Socialist-Liberal coalition leading to the first minority government since 1990, and the early effects of the global financial crisis in the autumn. The state's involvement in Hungary's otherwise free-market economy appears unsustainable, yet the public does not indicate a readiness to rearrange these sectors.

Hungary is a parliamentary system dominated by two parties—the Hungarian Socialist Party and the right-wing Fidesz–Hungarian Civic Association—with three minor parties having independent factions. Democratic institutions are robust and likely to hold despite reckless party politics, illiberal rhetoric, high-profile corruption, and radicalization on the political Right aimed at the minority Roma population. The political elite appear consumed with an inbred competition for power and a disregard for the need for substantial reforms, losing touch with the voting public.

The long-standing social tensions released since 2006 stem from the country's lack of fundamental reforms, the central government's provision of services beyond its capacity, and public reliance on the state instead of private and nongovernmental sectors. Hungary's unresolved Communist legacy, including the role of the secret services prior to transition and the management of privatization, still haunts the sociopolitical landscape.

National Democratic Governance. In 2008, Hungary had a minority government for the first time since 1990. While this limited the government's space to maneuver, the country continued to function. The global financial crisis reached Hungary's already weak economy early on and could potentially reduce extreme partisanship, a staple of Hungarian politics, at least in financial and economic policy. The rejection of government reforms at the March referendum created a risky precedent that may result in the country's long-term inability to reform. The growing radicalization of Hungarian nationalists took a progressively racist turn, with serious and sometimes deadly attacks against the already marginalized Roma community. *While radicalization of politics is a major concern, it does not threaten the country's constitutional order and did not prompt undemocratic measures to suppress it. The March referendum, however, may undermine the country's ability to govern. Hungary's rating for national democratic governance worsens from 2.25 to 2.50.*

Electoral Process. Hungary's electoral system ensures free and fair elections in which political parties may alternate in power at both national and local levels. The March 9, 2008, referendum on the government's social reforms was conducted

successfully and according to accepted democratic standards, with a majority of voters rejecting the proposed reforms. *Hungary's rating for electoral process remains unchanged at 1.75.*

Civil Society. Hungary's legal framework is generally hospitable to civil society, but tax regulations and other administrative requirements may threaten the sector's long-term sustainability and development. The presence of extreme illiberal views among civil society groups and the population continued to intensify in 2008, with the far-right Hungarian Guard becoming increasingly visible and active. Some positive developments include the grassroots response to the Guard by diverse civil society organizations and segments of the general public. The banning of the Guard by the courts in December is unlikely to stem the country's growing tide of radicalization. *Owing to increased radicalization and continuing challenges to sustainability, Hungary's civil society rating worsens from 1.50 to 1.75.*

Independent Media. Hungarian media are generally free and diverse. The market is dominated by commercial outlets in both broadcast and print media. Public service media continue to struggle with lack of funding and occasional political meddling, but some signs point to increasing stability and sensible reforms in programming on public TV and radio. A new draft media law presented at the end of 2008 indicated renewed desire among political parties to increase their influence over the media, but the draft was withdrawn following massive criticism from all corners. The public television chair remained empty after the board's party delegates were unable to agree on a suitable candidate, highlighting the continuing politicization of public service broadcasting. *Hungary's rating for independent media remains at 2.50.*

Local Democratic Governance. The local governance system in Hungary struggles with inefficiency, overfragmentation, and a lack of human and financial resources in many small municipalities. Despite nominally significant independence, local self-governments are overdependent on the central redistribution of local taxes and other revenues, and many distressed municipalities required repeated government assistance in 2008. Although there was widespread agreement on the need for change, no reforms were implemented to improve the structure and performance of the sector, as the required two-thirds parliamentary consensus was largely out of reach in the polarized domestic climate. An intensifying standoff appeared to develop between some municipalities and the government over laws regulating social services. *Owing to the lack of substantial reforms and recurring local corruption associated with municipal governance, Hungary's rating for local democratic governance worsens from 2.25 to 2.50.*

Judicial Framework and Independence. Fundamental civil and political rights in Hungary are guaranteed by an independent judiciary, the Constitutional Court, and the ombudsmen. There are no reports of systematic torture or ill-treatment of

defendants. Parliament was unable to vote on a new Supreme Court president until the end of 2008 following the expiration of Zoltán Lomnici's six-year mandate. The long due debate on judicial accountability, which may improve the practices and transparency of the judiciary, continued throughout the year. *Hungary's rating for judicial framework and independence remains unchanged at 1.75.*

Corruption. While continuous legislative efforts have brought Hungary's anticorruption legal framework closer to international standards, the lack of effective implementation and political will in such areas as party finance reform demonstrates the country's continued struggle with high-level corruption. The government launched an ambitious and comprehensive anticorruption initiative in 2007, but the effort had fizzled out by the second half of 2008, with many prominent civil society partners resigning from the top anticorruption coordination body in protest. Investigations into scandals from previous years did not progress in any meaningful way, and new scandals came to light with distressing regularity, mostly involving public procurement. *Owing to lack of progress on the government's much-touted anticorruption initiative, the lack of political will to resolve party and campaign financing, and continuing scandals in public procurement, Hungary's corruption rating worsens from 3.00 to 3.25.*

Outlook for 2009. The top issue in 2009 will most likely be the global financial crisis and its effects on the Hungarian economy. This is expected to force the government and the opposition to cooperate on economic matters and ensure that the minority Socialist government stays in power until the 2010 elections. The crisis also opens a narrow opportunity to carry out much-needed reforms with lower political cost. The year will be characterized by intense campaigning for the Summer European Parliament elections, perceived by many as a litmus test for the 2010 general elections.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.50

Hungary's constitutional system overall ensures democratic governance. Following the general elections, which are held every four years, Parliament elects the prime minister by absolute majority. Ministers cannot be subjects of no-confidence votes, and the Parliament may remove the prime minister and cabinet only through the process of "constructive no confidence," which requires not only a vote of no confidence, but the prior nomination of and vote on a new prime minister. This method ensures that the new head of the executive will also hold the support of the majority of members of Parliament (MPs). As a consequence, the opposition has little chance of ousting an incumbent prime minister between general elections. This difficulty was well demonstrated in 2008 after the breakup of the ruling Socialist-Liberal coalition, the first serious opportunity for the opposition to either force an early election or use the no-confidence vote.

The top legislative organ in Hungary is the unicameral National Assembly (Parliament). The government and ministries may pass lower-level legislation that must conform to laws in force. The work of the Parliament is mostly transparent, with easy access to information through the media, interactions with MPs, and a frequently updated, easy-to-use Web site, albeit with some restrictions on live television broadcasting. The Constitutional Court, with its broad powers to control legislation and the executive's decisions, provides effective checks. The president of the National Audit Office, the president of the Supreme Court, the chief prosecutor, and members of the Constitutional Court are elected by the Parliament, usually after reaching a broad consensus.

The March 9 referendum on key elements of the government's reforms proved the primary domestic political event in 2008. Following considerable wrangling in the long run-up to the poll, the Constitutional Court finally gave a green light to three questions on hospitalization fees, doctor consultation fees, and partial tuition fees in higher education. The Constitution does not permit holding referenda on matters that have a direct bearing on the national budget, but the Court deemed these three questions permissible. With a turnout of just over 50 percent, the referendum was valid, and as expected, the electorate rejected the government's reforms by a large margin (over 80 percent voted against the reform measures on all three questions).[1]

The government's crushing defeat at the referendum allowed long suppressed tensions among the ruling parties to boil over, leading to the breakup of the coalition

government on April 30. From May 1, Hungary had a minority government headed by Ferenc Gyurcsány. Until the end of 2008, Gyurcsány proved able to repel attacks both from inside the Hungarian Socialist Party (MSZP) ranks and from the opposition led by Fidesz–Hungarian Civic Union (Fidesz). While Fidesz tried to force an early election, the now opposition Liberals did not partner in this pursuit. The autumn crisis within the Hungarian Democratic Forum (Magyar Demokrata Fórum; MDF), which almost led to the disappearance of the faction, made an early election even less likely. While the referendum could be seen as a valuable democratic exercise, the scuttling of the reforms not only created a lame duck government, but also put the prospect of reforming Hungary's unsustainable social structures in question. The latter may be a destabilizing factor in Hungarian politics in the future.

The global financial crisis beginning in the autumn of 2008 appeared to stabilize the government's position, according to a Vision Consulting analysis. Yet despite the seeming stability of the country's political system and democratic institutions, public confidence in the political elite remains low. According to a Szonda Ipsos survey published in September 2008, the only politician with an approval rating higher than 50 percent is President László Sólyom. Over the 18 years since the first free elections in Hungary, two major parties (MSZP and Fidesz) emerged to dominate the political landscape, and the high costs of forming a viable new political party have effectively inhibited any challenge to the status quo. The result of this reduction in political competition has been that politicians do not engage in substantive matters or feel compelled to answer to voters.

Public confidence was further eroded in 2008 when MDF leader Ibolya Dávid disclosed a recording indicating that a private security company, UD Inc., had tried to collect incriminating information on her. The scandal appeared to involve some of Hungary's most influential businessmen, while UD Inc. was already under investigation for alleged spying at the National Security Office. Disillusionment in mainstream politics was also demonstrated by the media attention given to a new movement, Lehet Más a Politika! (Politics Can Be Different!; LMP). Presenting a mostly environmentalist/humanist platform, the movement is organized partly by civil society and plans to run in the 2010 elections.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	[illegible]

The 386 members of Hungary's unicameral 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 the 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 a 5 percent threshold to gain seats from the regional and national party lists. Hungarian elections are considered fair and free.

Following the 2006 national elections, the MSZP formed a coalition government with the Alliance of Free Democrats (Szabad Demokraták Szövetsége; SZDSZ), controlling 54 percent of assembly seats. Following the spring 2008 collapse of the coalition, the Socialist Party continued as a minority government. The center-right Young Democrats Alliance–Hungarian Civic Association (Fiatal Demokraták Szövetsége–Magyar Polgári Szövetség; Fidesz) is the largest opposition faction. Fidesz ran in an electoral coalition with the Christian Democratic People's Party (Kereszténydemokrata Néppárt; KDNP). Their close relationship raises questions as to the independence of the KDNP faction. The MDF has the smallest faction. With 85 percent of seats held by the two major parties, coupled with KDNP's symbiotic relationship with Fidesz, Hungary has become a de facto two-party system.

While political parties are active and often successful in mobilizing supporters, actual membership encompasses only about 1 percent of the population. Forming parties in Hungary is relatively easy, and approximately 200 political parties are registered. Most of them, however, do not have enough support or the material means to run in elections. Representation of minorities at the national level is still unsatisfactory. In the 2006 spring elections, only 40 women and 3 Roma succeeded in entering Parliament. By constitutional requirement, the assembly should have ensured real representation for ethnic minorities by 1992.

The president of the republic is elected by the Parliament for a five-year term and may be reelected once. In the first two rounds of the presidential election, a qualified majority is required, and if it cannot be reached, then a third round is held in which the candidate with a simple majority is elected. Presidential elections are usually heated but fair. The last presidential elections were held in 2005 and resulted in the election of László Sólyom, former president of the Constitutional Court and an outsider in politics from the civil society organization Védegylet (Protect the Future), nominated by Fidesz. While the Constitution limits the president to mostly ceremonial functions, Sólyom has tried to stretch these boundaries with a mixed record.

The March 9, 2008, referendum on the government's proposed social reforms was conducted successfully and according to accepted democratic standards. With just over 50 percent of voters participating, the results of the referendum were valid, with an overwhelming majority of voters rejecting the reforms.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	[illegible]

Hungarian law effectively facilitates the registration and administration of nongovernmental organizations (NGOs), and there are no legal obstacles to the work of civil society groups. At the same time, tax regulations put a significant burden on NGOs and in the long run may threaten their viability and sustainability.

In 2007, the Hungarian nonprofit sector consisted of 50,890 foundations and associations and 7,352 public benefit companies, public foundations (those established by the Parliament, government, or municipalities), and trade unions.[2] The NGO sector as a whole remains quite weak financially. High payroll taxes make human resource development more and more difficult, and some international NGOs based in Hungary, such as Habitat for Humanity, have relocated to Slovakia and other neighboring countries to lower operational costs.

Volunteers are increasingly seen by NGOs as an attractive addition to paid labor, and the public's interest in volunteering is also growing. However, the percentage of Hungarians who volunteer is still only half of the European Union (EU) average of 33 percent, according to the U.S. Agency for International Development (USAID) 2007 NGO Sustainability Index. One discernible and potentially worrisome trend is the steady increase in state funding for the nonprofit sector, which continued in 2008. While between 2000 and 2005 state funding grew by 8 percent for private foundations and 18 percent for private associations, it increased by 85 percent for government or municipality-founded nonprofit organizations. Even more worrying, the share of private funding dropped in the same period from 16 to 13 percent. These numbers underscore the disproportionate reliance of Hungarian civil society on central or local government funding and the still feeble nature of private philanthropy in Hungary.

A progressively important source of funding for NGOs is the annual 1 percent donation citizens may designate from their income tax. In 2007, the growing amount of 1 percent donations to civil society organizations reached 8 billion forint (US$46 million), according to USAID. 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 deduction for NGOs, further publicity is needed to utilize the full capacity of the law.

The trend in politicization and radicalization of NGOs observable in 2006 and 2007 continued in 2008, and the increasingly difficult economic and political environment spurred new civic initiatives that pointed to the diversity and resilience of the sector. Following the March referendum, which torpedoed many of the government's key reform initiatives, various civil society formations continued policy proposals for sweeping reforms in the health care, pension, and tax systems. In early 2008, a group of economists, associated with the private equity

group Oriens, published a plan entitled *Recovery*. It was the first of a number of initiatives emanating from the civic and business sectors aimed at influencing the debate on reforms, which in early 2008 was hijacked by the politicized battles of the government and opposition in the run-up to the referendum.

The most important of these groupings was the Reformszövetség (Reform Alliance), which was formed in November by nine employers associations and headed by the chairman of the Hungarian Chamber of Commerce and Industry, Péter Futó, and the president of the Hungarian Academy of Sciences, József Pálinkás. The professed aims of the initiative were to develop comprehensive policy proposals for economic reform in all key sectors and thereby improve Hungary's chances for economic recovery and long-term competitiveness. As the worldwide economic crisis reached Hungary with shocking speed and intensity in the last months of 2008, both the government and the opposition seemed ready to allow the influential group a seat at the table.

The radical tendencies detectable in parts of Hungarian civil society during 2006 and 2007 continued and, in fact, intensified in 2008. The openly xenophobic, anti-Semitic, and anti-Roma Magyar Gárda (Hungarian Guard) continued to recruit members and increasingly presented itself as a self-defense organization against what it termed "Cigánybűnözés" (Gypsy criminality). Guard units marched in various towns and villages around Hungary, where Guard leaders claimed that local criminals belonging to the Roma community intimidated ethnic Hungarians with the police standing idly by.

There were some attempts by civil society to counter the worrying rise in right-wing radicalism and the Guard's popularity. Some of these efforts, like Tarka Magyar (Colorful Hungary)—an ad hoc coalition of dozens of diverse NGOs and associations that organized a protest march against racism and discrimination in October—were genuine grassroots initiatives, while others, like the Demokratikus Charta (Democratic Charter), were projects closely associated with the government and viewed by many as inauthentic and politically partisan. In early April, a spontaneous counterdemonstration deterred a large group of far-right protesters marching in downtown Budapest. Following a Hungarian Guard march in the town of Tatárszentgyörgy in December, the Budapest Circuit Court moved swiftly to ban the organization, which none-the-less continued to make its presence widely known.

The new movement LMP has clearly tried to place itself outside the dominant left-right divide characterizing Hungarian politics and has received significant positive media coverage since its appearance in October 2008. LMP has presented policy proposals on a range of issues from party financing to energy security to environmental protection. Currently, LMP is a civic initiative without registered legal status, although it has announced its intention to enter the 2009 European parliamentary elections if given sufficient political and financial support.

There are six major trade union alliances in Hungary. With the economic situation worsening and the government on the defensive following the March referendum, many unions appeared emboldened to aggressively push demands related to wages and benefits. In 2008, notable strikes included the April walkout

by staff at the Budapest Transport Company and the Democratic Union of Railway Workers and the airport employees' strikes in December.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.00	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	[illegible]

Hungarian media are mostly free and reflect a variety of views and interests. The vast majority of media outlets are controlled by private companies, many of them multinational, although a growing number of media are owned by Hungarian corporate interests, such as the influential Index, InfoRadio, and *Napi Gazdaság*, as well as the smaller outlets 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.

While the 1996 Law on the Media introduced commercial broadcasting and broke up the state-controlled broadcasting monopoly, it has been criticized for not creating the proper legislative and financing framework for developing genuine public service broadcasters. Upon the expiration of chairman Zoltán Rudi's mandate in March 2008, the board of the public broadcaster failed to reach a consensus on a new appointee. Haggling among the board's 14 party delegates led to a yearlong deadlock and once again highlighted the dysfunctional oversight of public broadcasting in Hungary.

The National Television and Radio Board (ORTT), a regulatory body with a board comprising party delegates, monitors the programs of public and commercial broadcasters and also grants licenses and broadcasting frequencies. In 2008, the election of former privacy ombudsman László Majtényi as ORTT chairman was hailed as a positive development given Majtényi's reputation for political independence and principled interpretation of the relevant legal framework.

In November 2008, Parliament presented a controversial new media law that drew widespread criticism. Drafted behind closed doors, reportedly by representatives of the governing Socialists and the opposition Fidesz, the draconian bill proposed a new body, the National Media Authority, to replace ORTT. The bill would also empower the Authority with court order and police assistance to conduct searches at media outlets. The bill would have strengthened direct political control over public service broadcasters through a separate oversight body, the Public Service Financing Council, with members directly delegated by parliamentary parties. Under scathing criticism, including from Miklós Haraszti, the Organization for Security and Cooperation in Europe Representative on Freedom of the Media, the ruling parties withdrew the draft law but pledged to reintroduce it in 2009.

In December, an amendment to the Law on the Media was passed that would have enabled ORTT to extend the licenses for national TV and radio channels without a formal application. Many, including new ORTT head László Majtényi, criticized the decision as being tailored for two large national commercial radio

stations, Sláger Rádió and Danubius. The amendment was not signed by President Sólyom, who sent it to the Constitutional Court for review with a statement that the law contradicted the Court's practice on freedom of information issues as well as the constitutional right to equal treatment.[3]

Libel and state secrecy laws are among the most noticeable burdens on the press, and court rulings have consistently demonstrated the weaknesses of the system. The Hungarian judiciary has effectively curtailed the ability of journalists to quote controversial remarks about public figures, since, according to the criminal code, libel constitutes not only statements that damage an individual's reputation, but also the act of publicizing derogatory statements.

When television reporter Géza Polgár exposed the widespread bribing of officials to obtain handicap parking permits in 2008, he was charged by police with "aiding and abetting" the illegal practice by going undercover in order to purchase a permit and document the process. Following widespread condemnation by NGOs, including the Hungarian Civil Liberties Union and Freedom House Europe, the decision to charge Polgár was reversed.

While Hungarian journalism generally strives for high standards and journalists are trained professionals, the lines between factual information, analysis, and commentary are often blurred. The media scene largely mirrors the deep political divisions of the country, often impairing journalistic objectivity. Though leading media figures have argued that Hungarian journalism lacks ethical standards and norms, some media outlets, both left- and right-leaning, are more and more successful in revealing corruption or unethical behavior among politicians and public servants. For instance, a series of articles by András Pethő, a journalist for the online news portal Origo, detailed questionable practices at the National Development Agency. The agency oversees the expenditure of EU structural funds and in 2008 paid 4.9 billion forint (US$21 million) to a company without tendering the contract.[4]

Internet use in Hungary reached 2.2 million by the end of 2008, up almost 10 percent from 2007. Still, Hungary's Internet penetration rate is 46 percent compared with the European average of 48 percent and the EU average of 60 percent.[5] There are no restrictions on Internet access, and the government does not monitor usage. News sites such as Origo, Index, and Hírszerző are among the most cited and reliable sources among all mainstream media.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25	2.25	2.50

Meaningful decentralization was essential to the transformation of Hungary's political system after the fall of the Communist regime, and its core element was a highly devolved local self-government system. The system's main pillars are enshrined in the Constitution and the Law of Local Self-Governance of 1990, whereby local communities may directly elect self-government to manage local affairs. At the

regional level, 19 counties serve as the main administrative units, while cities and villages with their own elected legislative bodies and executive organs function as the local units of self-government.

This process of decentralization, however, led to a dramatic increase in the number of local political units that can elect their own representatives and executive. Hungary currently has approximately 3,200 local municipalities, complete with mayor, elected council, and administration. As a result, the local governance sphere in Hungary struggles with inefficiency owing to overfragmentation. Most small villages with populations under 1,000 maintain full-fledged municipalities and suffer from a lack of human and financial resources. Despite their legally enshrined autonomy, local self-governments suffer from overdependence on the central government's redistribution of local taxes and other revenues.

Hungary's local and regional self-government structure has been further complicated by successive waves of reform since the mid-1990s, some related to Hungary's EU accession and distribution of EU development funds. On the one hand, there are small regions, or cooperative associations of small municipalities within the same county. These manage local public services, state administration tasks where local expertise is necessary, and development functions. On the other hand, the formation of regions—seven in total, six of which comprise three counties each, while one includes the capital and Pest County—was intended to bring Hungary in line with existing EU policies, which envision "a community of regions," and enable large-scale, EU-funded regional development programs.

But the designation of 174 small regions (subcounty units) and 7 development regions (supracounty units) created additional levels of self-governance without sufficiently elaborating their competences. Counties therefore remain important political factors thanks to their elected county assemblies and the county electoral lists in the national elections. Yet as functional components of local governance, they have little influence or jurisdiction. The capital, Budapest, presents a unique challenge: The city is divided into 23 districts, each with an elected assembly, mayor, and rights equal to those of other municipal self-governments. This dramatically complicates citywide policy making and governance.

In 2008, no significant reform initiatives were presented by the new minister for local governance and regional development, István Gyenesei, who was appointed by Prime Minister Ferenc Gyurcsány following the dissolution of the coalition government in April. Comprehensive reform is difficult to implement since changing laws requires a two-thirds majority in Parliament, almost impossible to guarantee in the polarized political atmosphere that continues to plague the country.

In May, the town of Monok introduced a new local bylaw requiring public work from those who receive welfare and unemployment benefits. The municipality also sought to tie child welfare payments to mandatory school attendance. The issue quickly gained national attention as the new bylaws were initially declared unconstitutional by the regional Public Administration Authority, but were subsequently supported by dozens of municipalities that pledged to introduce similar bylaws. In the ensuing heated debate, many, including the country's

ombudsman for minorities, accused those supporting the tougher welfare criteria of thinly veiled racism, as the vast majority of beneficiaries belong to Hungary's sizable and disadvantaged Roma minority. The case highlighted the complex relationship between Roma and ethnic Hungarian communities in many parts of Hungary, where municipalities are unable or unwilling to ease the increasing tension between the local majority and minority communities. This in turn has fed a legal-political standoff between municipalities and the central government, which is viewed as being unconcerned about local grievances.

Hungary's 13 recognized national and ethnic minority groups have the right to establish national and local minority self-governments. Financed by the state budget, minority self-governments may maintain institutions that help to preserve their culture and ethnic identity. Candidates for minority self-governments may now run only with the nomination of minority civil society organizations and are required to declare their familiarity with the language, culture, and traditions of the given minority. The amendments were instituted to prevent non-minorities from holding positions in minority self-governments as a way to gain personal or business advantage.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75

The Hungarian Constitution recognizes the equality of citizens before the law and protects fundamental political, civil, economic, and social rights. The Hungarian justice system includes local courts, county courts, the highest appeals courts, and the Supreme Court. Local and county courts have jurisdiction over territorial districts, and county courts also serve as appeals courts for minor local cases. The high appeals courts have regional jurisdiction, with seats in Budapest and four other cities across the country. The Supreme Court serves as the country's highest appeals court and issues abstract judgments to ensure the uniform application of laws, developing a limited form of case law.

Citizens may turn to four independent ombudsmen (elected by the parties in Parliament) who protect privacy rights, the rights of ethnic and national minorities, citizens' rights in general, and the right to life and a healthy environment. Ombudsmen have no legal authority, but through their reporting to the Parliament they provide an effective complementary mechanism to protect human rights. The Ministry of Education and Culture employs a commissioner to protect student rights within the educational system.

The 11-member Constitutional Court, working since 1990, has shaped the legal framework of Hungary. Its members are elected by Parliament from among the country's most prestigious legal scholars. The Court's primary function is to safeguard human rights through its interpretation of the Constitution and control of

legal norms. Lacking effective enforcement mechanisms, however, some decisions, most notably on the representation of minorities in the legislature, have not been implemented by Parliament.

The 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 the Parliament's judicial and financial committees. The chief prosecutor is nominated by the president of the republic and elected by the Parliament.

In recent years, the judiciary has come under serious criticism, with experts urging reforms to overcome the courts' alienation from society, intolerance of criticism, and lack of transparency and accountability. While there has been no visible improvement, the matter is being more frequently discussed in civil society. Another area lacking transparency is the judiciary's recruitment mechanism. Relatives of judges are reportedly privileged in filling vacancies, and promotions depend on personal connections rather than merit. Additionally, judges are not permitted to talk to the press about their cases, which not only reduces court transparency, but also strips judges of the ability to publicly defend themselves and their decisions.

The most crucial issue in the judiciary in 2008 was the election of the new president of the Supreme Court, who is nominated by the president of the republic and elected by the Parliament. Owing partly to the uneasy relationship between President László Sólyom and the parliamentary parties, particularly the governing Socialists, and partly to the power struggles within the judiciary, none of the president's nominees was elected.

Intolerant views against minority groups are well entrenched in Hungarian society. Most alarmingly, intolerance against Roma led to violence on various occasions in 2008, including the fatal shooting of two individuals in Nagycsécs, just one of over a dozen armed attacks. Also, the extreme right-wing civil society groups Jobbik and the Hungarian Guard successfully thematized the public discourse around the issue of "Gypsy criminality." Although the Budapest Circuit Court abolished the Hungarian Guard association in December, it cannot effectively outlaw the movement, which lacks any legal form, organized around it.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.25

Hungary's institutional anticorruption framework was shaped largely by the reforms and legislative initiatives needed to reach EU standards. In 2001, the government adopted the Comprehensive Strategy Against Corruption, introducing a range of

mandatory instruments on conflicts of interest and financial disclosure along with a host of punitive measures to deter corrupt practices.

Since then, the State Secretariat on Public Finance was created to monitor public procurement, and the Glass Pocket Act was passed unanimously in Parliament to provide additional mandatory disclosure mechanisms on public spending. In 2006, the Law on Lobbying was enacted to inject transparency into lobbying efforts by interest groups. However, the implementation of anticorruption laws and regulations in Hungary has been patchy at best, owing to a lack of human and financial resources and political will.

Parliamentarians, judges, and other public officials are required to declare their assets annually, although many are suspected of transferring assets to family to avoid this legality. 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 (Állami Számvevőszék; ÁSZ), the financial and economic audit organization of the Parliament, is ultimately responsible for monitoring public spending and ensuring transparency. The president and vice president of the ÁSZ are elected by a two-thirds vote among MPs for 12-year terms. The Constitution requires a two-thirds vote from a parliamentary quorum to pass (and amend) an act on the ÁSZ and its operational guidelines. Because of its 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 lawmakers and law enforcement authorities.

In its 2007 National Integrity Systems study, Transparency International identified critical weaknesses in Hungary's anticorruption legislation, such as a lack of protection for whistle-blowers, improper and weak conflict-of-interest regulations, lack of transparency in recruitment at public institutions, and restrictions on the availability of public information. The study pointed to party financing, corruption among police and other law enforcement authorities, and public procurement as the most acute areas of corruption.

In late 2007, the government launched an ambitious initiative to tackle corruption in a comprehensive and strategic manner and tasked the minister of justice and law enforcement to elaborate a long-term strategic document and a short-term program of action. The Anticorruption Coordination Body (AKT) was established in August of that year to coordinate this latest effort. Including civil society representatives in its deliberations, the AKT designated four priority areas for combating corruption: EU development funds, party financing, public procurement, and the administrative authorization process. While the AKT did produce a detailed Strategy and Action Plan in the first half of 2008, its work

thereafter slowed to a crawl as the government appeared less enthusiastic about adopting its recommendations. As a result, prominent civil society members of the AKT, including the executive director of the Hungarian chapter of Transparency International, resigned from the body.

In 2008, there was no discernible progress in any of the AKT's four priority areas. In contrast, yet another series of corruption scandals erupted, while previous ones—like that of former Socialist MP János Zuschlag and his accomplices, who used NGOs to channel government grants for party-related expenses—continued to drag on in the courts, giving further evidence to the widespread perception of impunity in high-level corruption cases.

In one case involving the construction company Strabag, documents were published in Austrian papers suggesting that the company paid over 13 billion forint (US$56 million) to Hungarian political parties in return for lucrative highway contracts. Though the investigation commenced in April 2008, the central investigative prosecutor delayed the request to transfer the incriminating documents to the court until October. In another case related to the purchase of Gripen fighter jets by the Hungarian military, the Hungarian investigation was terminated in spite of continuing investigations in the United Kingdom, Sweden, and Austria. The government also withheld information on the use of reinvestment funds paid by Sweden as part of the Gripen fighters contract, which required Sweden to reinvest an amount equivalent to the price of the jets in Hungary. After two court cases, the Hungarian Civil Liberties Union resorted to an innovative public awareness campaign to force the hand of the Ministry for Industry and National Development to reveal the list of companies that benefited from the funds, which totaled nearly 192 billion forints (US$700 million).[6]

The issue of party campaign financing remained unresolved in 2008, despite repeated attempts by civil society organizations to urge political parties to adopt a comprehensive reform package. This area of 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.

▮ Authors: Balázs Áron Kovács and Bálint Molnár

Balázs Áron Kovács is an instructor in the International Peace Studies dual-campus program of the United Nations–mandated University for Peace in Costa Rica and Ateneo de Manila University in the Philippines. Bálint Molnár is deputy director of Freedom House Europe in Budapest.

1 Hungarian National Electoral Office, http://www.valasztas.hu/hu/08/8_0.html (accessed November 1, 2008).

2 Hungarian Statistical Office.

3 "Alkotmánybíróság előtt a médiatörvény" [Media law goes to the Constitutional Court], Népszabadság, December 29, 2008, http://nol.hu/belfold/az_alkotmanybirosag_modosit hatja_a_mediatorvenyt.

4 "Hízik a verseny nélkül adott NFÜ megbízás" [Un-tendered NDA contract keeps growing], Origo, December 2, 2008, http://www.origo.hu/itthon/20081202-11-milliard-forintos-szerzodesmodositas-a-welt-2000-kft-es-a.html.

5 TNS-NRC Interbus Survey—Magyarországi Internet Penetráció 2008 Első Félév, www.internethungaria.hu/wp-content/uploads/ftp/Prezentaciok/NRC_Internet_penetracio_2008.ppt.

6 www.aktivpolgar.net.

Kazakhstan

by Bhavna Dave

Capital: Astana
Population: 15.5 million
GNI/capita: US$9,600

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.75	6.75
Civil Society	5.00	5.00	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50
Independent Media	5.50	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50
Governance*	5.00	5.00	5.75	6.25	6.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.50	6.75	6.75	6.75	6.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.25	6.25	6.25	6.25	6.25
Judicial Framework and Independence	5.50	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00
Corruption	6.00	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50
Democracy Score	5.50	5.71	5.96	6.17	6.25	6.29	6.39	6.39	6.39	6.32

* *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

Having held the top office since 1989 under Soviet rule, President Nursultan Nazarbaev has continued to build a strong and personalized presidential system by extending his patronage over the country's key political institutions, media, judiciary, administration, and business. The adoption of a new Constitution in 1995 conferring unchecked powers on the presidency, further amendments granting special rights to the "First President"—including removal of any term limits—and the emergence of a one-party system under Nur Otan, which bears his name and controls all seats in the Parliament and the regional administration, have consolidated the authoritarian regime of Nazarbaev and dimmed the prospects of democratization under his leadership. A personality cult centered on the president has intensified since Nazarbaev secured a 91 percent vote in the 2005 presidential elections.

Exercising personal patronage to disburse resources, power, and privileges to family, friends, and clients, Nazarbaev has also allowed much economic freedom to the country's budding entrepreneurs and offered rapid career mobility to the growing class of skilled professionals, technocrats, and top bureaucrats. A sustained 8–10 percent growth rate fueled by rising oil exports during 2002–2007 has enabled him to exert top-down political and ethnic control while delivering relative prosperity and stability to the population and mustering considerable electoral and popular support as a result. But since late 2008, an economic slowdown and a growing financial and banking crisis have emphasized the enormous and widening gap in accumulated wealth between the ruling elites and the country's ordinary citizens, an imbalance that is likely to stir popular discontent.

Notwithstanding its impending takeover of the 2010 chairmanship of the Organization for Security and Cooperation in Europe (OSCE), the Kazakhstani government has not taken a single convincing step toward promoting democratic rule, aiding political liberalization, establishing genuine tolerance, or creating conditions for the functioning of an independent media and civil society.

National Democratic Governance. Despite the pledge made to the OSCE in November 2007, the one-party Parliament failed to pass any substantive amendment to reverse or limit the authoritarian system under the patronage of the president. Rather than aiding the development of a legal-institutional framework that allows for political competition and democratic participation, Kazakhstan has relied on employing rhetoric of democratization while removing all legal barriers to establishing a lifelong presidency for Nazarbaev. A narrow circle of kin, clients, and powerful financial groups and a limited stratum of government officials, technocrats, and entrepreneurs have benefited the most from Kazakhstan's resource wealth and

economic growth. *The failure to introduce any amendments that would illustrate its commitment to democratization as a future OSCE chair means that Kazakhstan's rating for national democratic governance stagnates at 6.75.*

Electoral Process. Despite the realization that gaining the chairmanship of the OSCE depended heavily on Kazakhstan holding genuinely competitive, free, and fair elections, the 2007 Mazhilis (lower house) polls resulted in the Nur Otan party, headed by the president, capturing all seats in the Parliament. By requiring all candidates to be elected on a party list alone, and setting a high 7 percent electoral threshold for political parties, the ruling authorities have closed all avenues for independent candidates to contest elections and made it very challenging for a genuinely competitive multiparty system to emerge. The absence of legal channels available for independent candidates or other political parties to partake in the formal political process and institutions of representation not only illegitimates them, but disadvantages them in any future electoral contest. The amendments at the end of 2008 requiring second-party representation in the Parliament attest to the attempt to create an "authorized" opposition. *Owing to the failure to introduce the promised amendments to legislation on political parties, electoral competition, and the legislative framework that has erected and consolidated a one-party system, Kazakhstan's rating for electoral process remains at 6.75.*

Civil Society. Kazakhstan has used its success in attaining the OSCE chair for 2010 to portray 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 facilitated the disbursement of such aid through government-organized NGOs engaged in social and infrastructure development. Parliament passed controversial amendments to the existing Law on Religion that place numerous restrictions on minority religious groups by labeling them "nontraditional" and "sects" and grant further surveillance powers to the Ministries of Justice and the Interior, together with the National Security Service, over activities of religious congregations, the opposition, and independent NGOs engaged in civil rights advocacy. *Owing to the failure to adequately consider criticisms of the OSCE, Human Rights Watch, Freedom House, domestic NGOs, and minority religious groups in passing these amendments, Kazakhstan's rating for civil society remains at 5.50.*

Independent Media. Kazakhstan's media are privately owned but entirely under the control of major financial groups affiliated with the regime, although they are engaged in a keen competition with one another. While the government has initiated minor amendments to the highly restrictive Media Law, it has not yet offered any significant liberalization to this law or to the criminal code, both of which contain numerous provisions that criminalize criticisms of the president and leading government figures. *Although the Office of the Prosecutor General and Ministries of Justice and the Interior continue to censor, ban, and criminalize criticisms*

of leading figures, minor amendments to the Media Law and a small reduction in libel cases suggest a marginal improvement in Kazakhstan's independent media rating from 6.75 to 6.50.

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 control over the appointment of all heads (*akims*) of regions and districts. Nazarbaev has steadfastly refused to consider demands for the election of *akims* or to allow further regional autonomy. *Although the 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 governance 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. Under the country's strong executive system based on presidential patronage, the judiciary, like the legislative branch, 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. In 2008, a significant increase in funding allocated to the judiciary led to an improvement in professional training, technical infrastructure, and wage levels to reduce corruption. Furthermore, an OSCE/Office for Democratic Institutions and Human Rights (ODIHR) report in 2008 noted that the new continental model of jury trials adopted in 2007 has positively impacted the administration of justice. Yet despite the important reforms taking place, the level of public trust in the judiciary remains very low. *Improvements in criminal law as attested to by the introduction of jury trials, and increased levels of state funding, along with OSCE/ODIHR and U.S. Agency for International Development programs to improve the judiciary, have demonstrated small but significant steps forward in Kazakhstan's judicial independence. Kazakhstan's judicial framework and independence rating improves, with some caution, from 6.25 to 6.00.*

Corruption. Corruption is systemic and entrenched in the rentier behavior guiding the appropriation, control, and distribution of key resources by the ruling elites. All inquiries into official corruption are handled by the prosecutor general and the financial police, appointed by the president, working in conjunction with the Ministries of Justice and the Interior as well as the National Security Service. Controls over the media and judicial system make it impossible for ordinary citizens or independent NGOs to file corruption charges against high-ranking state officials. *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 top officials entrusted with the task of combating corruption have been widely criticized for misusing their positions. Therefore, Kazakhstan's corruption rating holds at 6.50.*

Outlook for 2009. Kazakhstan's aspirations to emerge as the fifth-largest exporter of oil by 2015 were dwindling as 2008 drew to a close. The government has already allocated US$10 billion to its failing banks from the US$27.6 billion in the national fund set up as a stabilization and welfare fund from oil revenues. Kazakhstan's banks will likely face further financial injections with the combined effects of global recession and the mortgage and credit crunch.

With its economic growth down to about 5 percent in 2008, the Nazarbaev regime is confronting a growing economic crisis that threatens to undermine the prevalent stability. Rising discontent among Kazakhstan's middle classes could be exacerbated by the influx of the rural unemployed to urban areas and put into question the regime's ability to deliver stability and well-being to its population.

As Kazakhstan joins the OSCE troika comprising its outgoing, current, and future chair, it has launched the state program Path to Europe, geared to enhance its strategic and technological partnership with Europe and to improve its institutional and legal base by using the positive experiences of the European Union. Having failed to adopt any legislation in 2008 for aiding the development of a multiparty system and amending its highly restrictive legislation on media and political parties, the government has pushed amendments requiring the Parliament to have a minimum of two parties and may order fresh elections in 2009.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.50	6.75	6.75	6.75	[illegible]

Kazakhstan's enormous oil and mineral wealth, small population, and well-developed economic infrastructure have turned it into the most prominent and prosperous state in Central Asia, enjoying considerable political and social stability. In the first half of 2008, however, the growth rate dropped to 5.4 percent, and a further slowdown is imminent as Kazakhstan faces the combined effects of global recession and a domestic credit crunch.

In October 2008, the government stepped in by offering US$6 billion from foreign reserves to bail out its ailing banks, which had accumulated a backlog of at least US$14 billion in bonds and loans following years of aggressive borrowing in anticipation of growing oil exports and sustained high oil prices. By the end of 2008, US$10 billion from the national fund, a stabilization fund containing reserves of US$27.6 billion from oil revenues, had already been allocated to support the banks and stabilize the economy.[1]

Kazakhstan's political system is a hybrid of Soviet-era institutions and practices overlaid with some formal and cosmetic elements of Western democratic systems and models of governance. Prominent among the reconstituted Soviet-era institutions and practices are the consolidation of a one-party system under Nur Otan, a party bearing the name of the president, who is its supreme leader; the mobilization and co-optation of youth through the youth wing Zhas Otan, which resembles the Soviet-era *Komsomol*; the steady removal by the Parliament of all constitutional provisions that limited the president's term in office; and the granting of special status to the "First President." The capture of formal institutions through a steady concentration of power and authority in the president and his close circle of kin, clients, and friends—who may or may not hold vital government posts but have amassed considerable wealth and influence and form a protective shell around him—has conferred enormous power of patronage upon Nazarbaev. Last but not least is the unabashed use of propaganda, including domestic and international PR campaigns to trumpet the achievements of Kazakhstan under Nazarbaev's enlightened leadership and to propose a distinct "Kazakhstani way to development" through Nazarbaev's personal role in steering the country toward "prosperity, peace, and stability."[2] This has culminated in the steady erection of a personality cult in which Nazarbaev's posters, speeches, and writings (including "creative works") are prominently displayed in all public spaces, state offices, and educational establishments. Nazarbaev is also referred to as the author of the Constitution and the national hymn and chief architect, designer, and planner of the capital, Astana.

The award to Kazakhstan of the 2010 chairmanship of the Organization for Security and Cooperation in Europe (OSCE) was a result of OSCE member states' efforts to avoid a split within the organization and recognition of Kazakhstan's enormous hydrocarbon potential. The absence of political pluralism and competition in the country's legislative and institutional framework makes it extremely unlikely that Kazakhstan can offer a positive inducement to political liberalization and unleash democratic processes in preparation for assuming the OSCE chair. As 2008 came to a close, the Kazakhstani leadership had failed to undertake any credible measures toward fulfilling any of the pledges to democratic reforms and liberalization of the Laws on Political Parties, Elections, and the Media made by Foreign Minister Marat Tazhin in Madrid in November 2007. Notwithstanding tinkering with the existing laws and constitutional provisions, not a single amendment that demonstrates a genuine commitment to establishing a democratic polity, enshrining respect for human rights, civil liberties, and tolerance, and ensuring the development of civil society has been initiated or approved by the Parliament.

As President Nazarbaev continues to exert a firm control over the country's key resources and use patronage in disbursing power and privileges to his loyal kin and clients, he has not refrained from using sanctions against anyone, including family members, who has dared to challenge his authority or displayed political or economic ambitions that go beyond permissible limits. The latest such act was the abrupt sacking of his son-in-law Rakhat Aliev as ambassador to Austria in summer 2007 and the ongoing efforts to secure his extradition to Kazakhstan for alleged criminal activities and corrupt practices. Although his daughter Dariga Nazarbaeva promptly divorced Aliev following his arrest, her own political career has virtually ended and her hold over the country's media (she headed the state media agency Khabar for several years) has disintegrated.

All major challengers to Nazarbaev's leadership have been eliminated through the use of a repertoire of coercive and covert practices that include criminal conviction and suspicious deaths. Apart from Aliev, the key opponents who have been eliminated are ex-premier Akezhan Kazhegeldin, who left the country in 1997 and was convicted in trials held in absentia; ex-minister Mukhtar Ablyazov and ex-*akim* Galymzhan Zhakiyanov, who were imprisoned for alleged abuse of office (though both are free now, their financial assets and support base have been dismantled); Altynbek Sarsenbaev, a prominent leader of the Ak Zhol party, who was killed together with his driver and bodyguard in February 2006, for which former officials of the Ministry of the Interior and National Security Service are implicated; and Zamanbek Nurkadilov, a prominent Nazarbaev ally-turned-opponent whose November 2005 "suicide" has been challenged by his family and friends.

The country's budding entrepreneurs enjoy considerable economic freedom and privileges as long as they publicly pledge to support the regime and the president. Similarly, skilled professionals, technocrats, and career politicians can gain rapid career mobility if they profess their loyalty to the president. The concentration of wealth and power in the top circle of bureaucrats and government officials, including those who hold positions as ministers, *akims,* and members of various offices in the presidential administration, has created a new class of supra-rich who

enjoy unlimited privileges and immunity as long as they play by the unwritten but implicitly understood rules of the game.

Kazakhstan's enormous economic resources remain concentrated largely in the hands of major financial or business groups that are closely entwined with the present regime and exert profound political influence. They have coalesced on the broad-based platform of Nur Otan and control the Parliament, ministries, and key industries and have bought the major mass media outlets.

Among the most prominent financial groups are that of Timur Kulibaev, the president's second son-in-law, who is closely allied with Prime Minister Karim Masimov; the Eurasia group of Kazakhstan; and the Kazakhmys group, headed by Vladimir Kim, Kazakhstan's richest man. Kazakhstan officially had 8 billionaires and 12,000 millionaires in 2008,[3] though the actual number of supra-rich is likely to be higher.

The president has sweeping powers to appoint and dismiss the prime minister and dissolve the Parliament. The prime minister, who heads the government and bears responsibility for enacting and implementing all policies, has little independent power to formulate policies or initiate legislation. Karim Masimov, a technocrat proficient in English, Chinese, and Turkish, has held the office since early 2007 and is the youngest prime minister at age 39.

The president also appoints a third of the members of the Senate (upper chamber), nominates nine members from the Assembly of the Peoples of Kazakhstan (APK) to the Mazhilis (lower house), and chooses the chair and two members of the seven-member Central Election Commission.

The military and security services remain under firm control of the president, who nominates their heads and key members. The role of the Committee on National Security has acquired greater public attention since the conviction of some of its officers in the murder of opposition leader Altynbek Sarsenbaev in February 2006. The convicts belonged to the elite Arystan combat division trained by Rakhat Aliev, who held a senior position within the Committee on National Security during the late 1990s. As blame for the murder is shifted on the president's former son-in-law, Aliev, the role of Nurtai Dutbaev, former head of Kazakhstan's National Security Committee (KNB) during 2001–2006, who resigned soon after Aliev's arrest warrant was issued, remains obscure. Dutbaev resurfaced on the political scene as deputy head of KazAtomProm and as an adviser to the president on national security.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.75	[illegible]

Parliamentary and presidential elections in Kazakhstan can technically be described as competitive in the sense of being a multiparty and multicandidate contest.

However, the competition has never offered a level playing field to nonregime parties and candidates. Although Kazakhstan has held regular elections and, in its desire to put a stamp of legitimacy on these exercises, has actively solicited the presence of election-monitoring missions sponsored by the Organization for Security and Cooperation in Europe (OSCE)/Office for Democratic Institutions and Human Rights (ODIHR), no election thus far has been recognized by the OSCE/ODIHR as "free and fair," complying with international standards. Commonwealth of Independent States and Shanghai Cooperation Organization election monitors were ever more present in the 2005 and 2007 elections, as were other "independent" Western observers that offered a favorable assessment of the elections.

The last parliamentary election 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."[4] The failure of Kazakhstan to hold a free and fair election, despite the knowledge that the success of its bid for the OSCE chairmanship depended heavily on holding such an election, already demonstrates tremendous resistance within the political establishment and the administrative machinery to an open, competitive democratic system. Moreover, contrary to the expectations that at least one opposition party would be allowed parliamentary representation to prove to the OSCE that the elections were free and fair, no other party was able to cross the 7 percent threshold. The ruling party Nur Otan captured all seats by obtaining 88.5 percent of the votes cast, whereas six other parties that contested the elections—Ak Zhol, Aul, the Democratic Party of Kazakhstan, the Party of Patriots, Rukhaniyet, and the opposition Social Democratic Party, supported by Nagyz Ak Zhol—failed to cross the 7 percent threshold. This suggests that the 7 percent barrier is too high and undermines the genuine support mustered by the opposition parties fighting against all odds.

Following amendments to the Constitution, the number of seats in the lower house was increased from 67 to 107 in 2007. Of these, 98 are elected from a party list on a proportional basis, and the president appoints the remaining 9 deputies representing the Assembly of the Peoples of Kazakhstan. The upper house of the Parliament is composed of 47 deputies. Of these, 32 are selected through indirect elections by the 14 oblast or regional assemblies; the capital, Astana; and the former capital, Almaty. The remaining 15 are appointed by the president. Senators serve six-year terms, with half of the elected senators facing elections every three years. Elections in 2008, which received little public attention, resulted in the election of Nur Otan members or those affiliated with it.

With a growing number of government officials joining the Nur Otan bandwagon, it resembles the Soviet-era Communist Party pushing all other parties out of the political arena. It has exploited its advantage of prolonged incumbency in office and control over administrative resources and propaganda channels to induce state officials, media, prominent businesses, public figures, and university and school administrators to vote for the "stability and peace" guaranteed by the party of the president. The state-controlled propaganda machinery worked to portray the weak and ineffective opposition as "lacking any positive social agenda" and to undermine the country's impressive economic achievements.

Nazarbaev and key figures within the regime claim that a one-party system is perfectly conducive to providing stability and aiding democratization. At the same time, seeking to demonstrate to the other OSCE-participating states that Kazakhstan is committed to establishing a two-party or multiparty system, the lower house passed a bill proposing that "at least" two political parties be represented in the Parliament, notwithstanding the 7 percent barrier.

Planting such a two-party system from above would inevitably mean the creation of the second party either in the form of a loyal, pro-regime opposition or as the second flank of support for the president, authorized to compete with Nur Otan. Even if a two-party or multiparty system surfaces in response to these changes, it is likely to be no less authoritarian than the current one-party system under the prevalent arrangement. The removal of the 7 percent barrier for political parties could contribute more effectively to the rise of a multiparty system if fair electoral contests were allowed.

The draft containing amendments to the Laws on Elections and Political Parties contains small improvements that are unlikely to lead to any democratic change unless they proceed in conjunction with a fundamental shift in top power structures. The proposal to lower the minimum number of supporters necessary for party registration from 50,000 to 40,000 hardly ameliorates the present inhospitable conditions for the functioning of political parties. The minimum number of required supporters was 3,000 prior to the adoption of the 2002 Law on Political Parties, which at least allowed the various political parties an opportunity to contest the elections on a more level playing field and win seats in the Parliament.

The amendments to the Law on Elections in 2007 eliminated election by single-mandate vote by establishing that all candidates must be elected according to a party list on proportional basis. Such a system privileges loyalty to the party over accountability to one's electorate. Also, since candidates are required to be members of parties, citizens are denied the right to seek election as individuals or as independent nominees. Furthermore, the 7 percent threshold is too high and is palpably aimed at undermining the emergence of other political parties in view of the fact that the ruling party controlled all but one seat in the previous lower house elected in 2004. Finally, the provision to reserve nine seats for members of ethnic minorities, who are to be elected by the Assembly of the Peoples of Kazakhstan, fails to provide for a democratic method of representing ethnic minorities. The Assembly of the Peoples of Kazakhstan is an appointed body that meets under the chairmanship of the president, who is its patron and benefactor. At the same time, ethnic minorities lack any mechanism of participating in the appointment of their representatives.

The real question is whether Kazakhstan can make any advance toward democratic governance under the leadership of Nazarbaev, who has erected various institutions such as a Constitution with unlimited presidential powers, his own loyal political party, and a Parliament based on proportional party representation that in fact eliminates rival political parties and independent candidates in order to extend and legitimize personal authority. As these institutions serve the present system

personified by Nazarbaev, they impede the development of formal participatory institutions and a normal competitive democratic system.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.00	5.50	5.50	5.50	5.50	5.75	5.75	5.50	5.50

Kazakhstan's rising prosperity, relatively open political climate, absence of overt repression, and growing engagement with the OSCE may suggest that it offers a hospitable environment for the development of civil society. However, the enormous power of patronage wielded by the Nazarbaev presidency has allowed the government to continually target nascent nongovernmental organizations (NGOs) and public associations for co-optation into its own agenda of aiding social and infrastructural development and "promoting democracy and civil society" rather than allowing them to develop an independent sphere.

By presenting itself as the strongest champion of democracy, the government continues to appoint various official bodies to work toward the advancement of civil society by engaging in a dialogue with political parties, NGOs, and civil society activists. Such measures are geared toward rewarding, funding, and empowering pro-government NGOs while portraying the opposition, independent NGOs, and civil society activists and bodies either as obstructing the pursuit of these aims or as simply incapable of devising effective policies. NGOs that resist the appeal to engage in a "constructive cooperation" with the government are portrayed as either irresponsible, serving outsider interests, or opposed to reforms and prosperity.

According to the official Web site of the president (www.akorda.kz), there are about 5,000 registered NGOs in Kazakhstan, of which 1,709 are operating actively. Most of these are quasi-governmental, 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, mention that about 200,000 people are involved in the NGO sector—roughly 40,000 full-time employees, up to 50,000 temporary employees, and over 100,000 volunteers. About 2 million people benefit from their various services. The largest proportion of NGOs is environmental (15 percent), followed by children and youth (13.6 percent), women's rights (13.3 percent), health and medical (13.1 percent), education (12.5 percent), civil rights (7.6 percent), and social welfare (6.8 percent). NGOs active in civil liberties issues have a smaller share, about 7.6 percent.[5]

A 2007 amendment authorizing the state to fund NGOs has allowed a number of NGOs to receive support from the government. However, the process of issuing contracts is less than transparent, and government officials reportedly demand kickbacks. The increase in state funding has heralded a decline in international donor aid. 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 assisting the development of the country's economic sector, health care system, and democratic institutions.

The dependence of the corporate sector and private businesses on government patronage pressures them to fund government-organized NGOs or to invest in social or community development projects, though there are reports of private businesses covertly funding civil rights advocacy campaigns and independent media channels. The country's crumbling banking system and the growing financial crisis will reduce government funding of NGOs.

Less than 10 percent of NGOs are engaged in civil liberties, human rights, and minority protection issues. The Color Revolutions in Georgia and Ukraine, the Tulip Revolution in Kyrgyzstan, and the violence in Andijan in Uzbekistan have considerably enhanced surveillance by the National Security Service and the Office of the Prosecutor General of NGOs dedicated to civil liberties and democracy promotion and made them targets of considerable negative publicity on the national media.

Notwithstanding its acclamation of the continuing "interethnic peace and reconciliation," the government tightly regulates public expression of ethnic and religious claims by placing restrictions on the right to public assembly and encouraging ethnic groups to organize themselves into "official" national-cultural centers working closely with the Assembly of Peoples of Kazakhstan, chaired by the president.

Ethnic Kazakhs form over 60 percent of the population, while Slavs and other Russian-speaking groups make up about a third of the population but continue to decline. Kazakhstan's political elites, government, and administrative structures bear a multiethnic profile, a point repeatedly acclaimed by the government. However, the fact that a non-Kazakh may hold a crucial position in the government or administration does not mean these individuals represent their ethnic constituencies. Instead, the willingness and ability to operate within the regime-controlled patronage networks are crucial in acquiring a prominent public post.

Like political parties, all NGOs, public associations, and religious bodies are required by law to register with the Ministry of Justice. To propagate Kazakhstan's religious goodwill and tolerance, Nazarbaev erected the multimillion-dollar Pyramid of Peace and Reconciliation in Astana to boast the presence of a Catholic church, a synagogue, a Russian Orthodox church, and a giant mosque in the new capital. But in reality, Human Rights Watch characterizes the state's policies toward religions as one of "quiet repression."[6] For example, the Hare Krishna community (Society for Krishna Consciousness) is currently contesting a 2006 court order by the local authorities in 2006 authorizing the bulldozing of their homes, demolition of their temple, and relocation of their farm from the Karasai region in Almaty oblast to an alternative venue in a village in Almaty province. The Hare Krishna followers, whose case is represented by the Almaty Helsinki Group and Kazakhstan's Bureau on Human Rights and Rule of Law, argue that the new site for the temple and the farm is a disposal dump, with no facilities for drinking water or irrigation. The head of the Religious Affairs Committee of the Ministry of Justice, Ardak Doszhan, warned the members of the society that their disagreement will result in a new court case that could lead to the demolition of the temple.

Despite widespread criticisms, both inside Kazakhstan and internationally, in November 2008 the Parliament passed a controversial Law on Religion ignoring OSCE recommendations. It places restrictions on freedom of thought, conscience, and belief by amending the existing 1992 Law on Religion and Religious Associations, the criminal code, the administrative code, and other laws.

The draft Law on Religion was originally submitted to the Parliament in January 2007 but was withdrawn a few months later owing to the upcoming decision on the OSCE chairmanship. It was introduced again in 2008, but the details of its content have not been released to the public. It requires all communities to reregister within 18 months of the law's entry into force. To register as a national association, a religious association must have operated in at least five provinces of Kazakhstan without any violation of the law.

The presidential decree of 2006 categorizes various minority religious groups as "sects" or "nontraditional" groups, a designation that portrays them as potentially subversive or extremist religious associations. Among these 20 minority religious groups are Jehovah's Witnesses, Hare Krishna devotees, and some independent Muslims (people whose Muslim affiliations, beliefs, and practices are at variance with those acceptable to the Religious Administration of Kazakhstan's Muslims).[7] Throughout 2008, media campaigns were mobilized to spread the fear of "nontraditional" religions and generate support for the new draft Law on Religion, which would seriously restrict the right to freedom of thought, conscience, and religion.

The Ministries of Justice and the Interior together with the National Security Service have created special divisions to work with various religious denominations. There is a stark disjunction between official pronouncements that celebrate Kazakhstan's multiethnic makeup, "internationalism," and religious tolerance and actual practice as the state authorities continue to monitor activities of groups whose cultural practices and religious beliefs do not adhere to the official notions of group identities.

While the security and intelligence services publicly portray themselves as combating threats of terrorism, extremism, drug trafficking, and other regional and international security issues, vast resources of the KNB are diverted toward monitoring the activities of opposition groups, independent NGOs, media, religious bodies, and missionaries in the country.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.50	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.50

Most media in Kazakhstan are privately owned, nominally independent, but in reality regulated by the government and controlled by leading financial groups entrenched in the ruling circles. Although these media outlets may compete intensely with one another, they do not engage in investigative work and do not criticize the president,

his close family, or other top figures within the regime. The few independent media outlets existing in the country have been rendered noncompetitive and, as a result, operate mainly on the internet.

In July 2008, the government announced the creation of a new company called Arna Media National Information Holding, "in order to provide favorable conditions for increasing competitiveness of the information space of the Republic of Kazakhstan." Its partners include the Khabar agency, Kazakh Republic Television and Radio Corporation, Kazakh News Agency, Kazakhstan Telecommunications (KATELKO), and the newspapers *Kazakhstanskaya Pravda, Egemen Kazakhstan, Zhas Orken*, and *Kazakh Gazettery*.[8] This further portends to render small and independent media channels uncompetitive and thus unsustainable.

According to the 2007 Worldwide Press Freedom Index of the international media watchdog Reporters Without Borders, Kazakhstan ranked 131 out of 167 countries (behind Tajikistan and Kyrgyzstan, though ahead of Uzbekistan and Turkmenistan).[9] Reporters Without Borders and the OSCE/ODIHR expressed concern at the biased media coverage of the August 2007 parliamentary elections and noted numerous cases of pressure, self-censorship, electoral legislation violations, and relentless praise of the Nur Otan for its policies that have brought sustained economic success and stability.

Highly restrictive media laws and numerous unauthorized and informal mechanisms of wielding control over the national media have ensured their subordination to the government. The restrictive Media Law of 2005 and subsequent amendments in 2006 impose further limits on the modicum of independent media in the country. 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 through charges of defamation. Influential members of the government have successfully won libel suits against pro-opposition media. A compliant judicial system fully protects top members of the government as they render independent and pro-opposition media highly vulnerable.

The environment for journalists remains litigious and hazardous. Under present provisions, any public criticism of officials is criminalized as slander. Romin Madinov, a parliamentary deputy, recently demanded 300 million tenge (US$2.5 million) from the independent newspaper *Taszhargan* in a defamation case wherein the paper published an article blaming the deputy for economic problems, including the rising price of bread; Madinov argued the article was insulting to his dignity and honor.[10] The court ruled "favorably" for the newspaper in that it was ordered to pay only 3 million tenge (US$25,000).

The Ministry of Culture and Information, the OSCE, and the independent media watchdog Adil Soz have set up a working group to prepare proposals for amending the Media Law. Meanwhile, the lower house of Parliament passed a bill in December containing minor amendments such as dropping language that had put the sole burden in court on the journalist to prove the accuracy of the information he or she had reported. However, it did not amend the stringent defamation clauses

or take steps to decriminalize libel, as demanded by the OSCE and independent media watchdogs.

The Office of the Prosecutor General has prohibited Rakhat Aliev from publishing compromising material (in 2007, his supporters posted transcripts of conversations purportedly among top government figures discussing illicit campaign financing methods on a number of pro-opposition Web sites) in the mass media and warned newspapers that they will be liable to prosecution if they violate this order. Independent media have questioned the legality and propriety of this intimidation. Bloggers publishing items critical of the government have been charged under clauses protecting the president's "honor and dignity." The opposition newspapers *Svoboda Slova, Vzglyad, Taszhargan*, and *Respublika* have also been subjected to numerous interventions ranging from tax audits to fire and safety inspections and encounter continual difficulties in finding printing houses.

By demanding a review of the laws regarding internet materials, the Office of the Prosecutor General has ordered the removal of commentaries on internet blogs, which violate the norms of the Constitution, by the moderator of the site, who is responsible for its content. Nazarbaev has called for adopting a new law that proscribes publishing slanderous rumors.

Adil Soz pointed to the unending warnings and threats issued by the Office of the Prosecutor General to the country's mass media on top of numerous laws describing the punishment meted out if violations take place. Web sites *Kazakhstan Today, Live Journal* (*Zhivoi Zhurnal*), and *kub.kz* became inaccessible after publishing the transcripts released by Rakhat Aliev and were subsequently closed down. The state-owned Kazakhtelecom and its six subsidiaries have the monopoly on internet service provision and regularly block access to opposition Web sites and apply technical control. Kazakhtelecom has been criticized by Reporters Without Borders and other independent media watchdogs for this blockade. Additionally, by the end of 2008, about ten Web sites were being investigated by the authorities for allegedly inciting interethnic and religious hatred; prominent among these is Russkie v Kazakhstane (Russians in Kazakhstan).

Internet use has not spread as fast as one would anticipate in a rapidly growing economy. About 55 percent of the country can access the internet from home.[11] As Kazakhstan's urban middle-class and student population increasingly turn to the internet to obtain news, the authorities have made various efforts to control the spread of information available.

Articles adulating Nazarbaev for the preservation of the socioeconomic stability, ethnic peace, and growing prosperity of Kazakhstan proliferate in the media. Virtually every page in the state-owned *Kazakhstanskaya Pravda* and *Egemen Kazakhstan* contains extracts from speeches by Nazarbaev. The state channels Khabar and Kazakhstan 1 continuously broadcast speeches from Nazarbaev and report his visits. In addition, 50 percent of the billboards in Astana contain photos, portraits, and posters of Nazarbaev or extracts from his various pronouncements.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	6.25	6.25	6.25	6.25

Kazakhstan has a unitary administrative framework, with the central government exerting top-down control over regional and local bodies. The Constitution does not provide for elections of oblast (provincial), regional, or *akims* (local administrative) heads. All *akims* are part of the unified system of executive power, are appointed by the president and the government of the republic, and may, regardless of the level they occupy, be dismissed by the president at his discretion. The *akims* at lower administrative levels (towns and villages) report to their superior administrative heads.

In theory, local legislative councils, or *maslihats*, whose members are elected for a five-year term, serve as the only outlet for civic participation; in practice, they are accountable to the appointed *akims*. *Maslihats* serve primarily as rubber-stamp bodies to approve acts by local executives. This top-down control allows patronage and personal influence to define the powers of the incumbent. It is estimated that about 44 percent of Kazakhstan's population residing in rural areas lack any say in local affairs.[12] Each oblast *maslihat*, and those of Almaty and Astana, nominate two members each to the Senate. The last *maslihat* elections were held concurrently with the parliamentary elections in August 2007 and attracted hardly any popular or media attention, as they were completely overshadowed by the latter.

At the regional level, *akims* are appointed on the approval of *maslihats*. Under the constitutional amendments adopted in May 2007, regional and city *maslihats* now have the right of refusal when the president nominates an *akim* of a province or city. The percentage of no-confidence votes required to oust a sitting *akim* has been reduced from two-thirds to one-fifth of *maslihat* members. Given the nominal role assigned to *maslihats* in regions and the patronage exerted by *akims*, it is unlikely that *maslihats* play any significant part in defining the composition of local government.

As Nazarbaev remains opposed to holding direct elections for local and regional *akims* and granting local autonomy, discussion on the subject is virtually moot. Galymzhan Zhakiyanov, founder of the opposition Democratic Choice of Kazakhstan and a popular former *akim* of Pavlodar jailed for alleged misuse of office, has been the most prominent advocate of direct elections of *akims* and greater autonomy for oblasts. If direct elections were introduced under the current framework, it is doubtful they would have a democratizing effect as long as a single party dominates the entire political landscape. In addition, the incumbent *akims* and their patrons, together with members of the Central Election Commission and the District Election Commission, wield enormous influence in the nomination of candidates.

The Parliament is debating a proposal to lower the minimum number of supporters required in each province (oblast) of Kazakhstan for a political party

to register from 700 to 600. Such a proposal promises little change as long as Nur Otan retains firm control over local administration and a framework granting autonomy and the ability to elect regional *akims* is absent.

The lack of financial autonomy for local bodies is another serious limitation. The central government determines taxation rates and budgetary regulations. The oblasts are officially responsible for the provision of social services such as education, local law enforcement, medical assistance, social support, and so on. Local governments are allowed to keep all fines for environmental pollution but are required to transfer other revenues to their higher authorities. Oblasts are not allowed to keep their surplus budgets, which are forfeited to needier ones.

The extent to which an oblast 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 local *akim* and the oblast's revenue-generating capacity. The *akims* in oil-rich oblasts 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. But this arrangement is based largely on the personal standing of the *akim* and does not have further institutional repercussions. The oblast *akims* have shown no inclination to share powers or revenues with the lower-level city and village governments.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.50	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00

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 loyal to the executive, headed by the president. The record of the judiciary over the past decade shows that it has continued to protect the interests of the state and its functionaries rather than those of individuals, minorities, and the weaker strata of society.

According to the Constitution, the president proposes nominees for the Supreme Court justices, who are then approved by the Senate. These nominees are recommended by the Supreme Judicial Council, which comprises the chair 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 president may remove judges, except members of the Supreme Court, which he can do on the recommendation of the Supreme Judicial Council. A constitutional amendment in 2007 and the respective legislation in 2008 have reinforced presidential control over appointments of judges.

A significant increase in funding allocated to the judiciary has led to a steady improvement in formal and professional training. In 2004, the Judicial Academy was set up with help from the OSCE/ODIHR to train current and future judges. However, the academy has not yet evolved in a modern manner, and the quality of training remains substandard. The Association of Lawyers of Kazakhstan and the Legal Development of Kazakhstan are the two main associations of independent lawyers. Kazakhstan currently has a surfeit of lawyers, as this profession is perceived to be among the most "prestigious."

USAID helped launch a new judicial mentorship program under which 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. USAID has also financed projects introducing the latest video-recording technology in transcribing court proceedings.

Corruption is entrenched within the judicial system. A survey by the Association of Sociologists and Political Scientists noted that 22 percent of people in Kazakhstan tolerate corruption. It also noted that bribe taking was most rampant among judges, with an average bribe costing US$2,092, the highest figure compared with bribes in four other spheres—property acquisition, housing, employment or promotion in the state sector, and military service.[13] There is a widespread belief that it is almost impossible to become a judge without giving bribes to various officials and court administrators.

The country's courts often intervene to ban media outlets critical of the president or the political establishment. In February 2008, an Astana court ordered the closure of an independent newspaper, *Law and Justice,* by alleging that it had not followed proper registration procedures. The newspaper's owner and editor, Tokbergen Abiev, claims that the real reason for closure was that it had begun reporting on cases of corruption within the judicial system.

Kazakhstan began holding jury trials in 2007 by adopting the continental, or Franco-German, model in which two professional judges along with nine jurors partake in the final decision-making process. If conducted properly, jury trials even in such limited form can play a vital role in reducing graft and corruption, decreasing the waiting period for cases, and help to establish judicial independence, transparency, and accountability in a system where citizens tend to distrust the courts. 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 criminal cases involving juries is still limited and restricted to the death penalty and life imprisonment cases. A preliminary report on jury trial monitoring published by the OSCE/ODIHR in 2008 suggests that in spite of numerous shortcomings, the new model of proceedings positively impacted the administration of justice.

Having advocated the discussion on introduction of jury trials, the OSCE is also working to reform other aspects of the criminal justice system and penitentiary legislation. Among the major proposals currently under discussion is the introduction of judicial authorization of arrests. This reform makes a first

step toward compliance of Kazakhstan with one of the central provisions of the International Covenant on Civil and Political Rights. If further improvements are made, this procedure can bring about a significant improvement in criminal law. But this is possible only if the Office of the Prosecutor General and the judiciary are fully independent of each other. The current number of approved sanctions for arrest by judges almost does not differ from the days when prosecutors were fully in control of this procedure. Around 99 of their requests for detention are still approved by judges in Kazakhstan. Such decisions often lack justification and are biased in favor of prosecution.

While Kazakhstan's criminal justice system is undergoing important, albeit fragmentary, reforms, the judiciary has had a checkered record in handling cases related to civil liberties, political freedom, independent media, and human rights issues. It has 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 the ombudsman, who has limited rights to monitor the 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 or the support of civil society and human rights activists. The current ombudsman, Askar Shakirov, previously served as chairman of the Finance Ministry's Customs Committee and lacks experience or service dedicated to human rights issues.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.50

Corruption in Kazakhstan, as in several resource-rich states with a rentier mentality, is embedded in the way in which the ruling elites appropriate, control, and distribute the key resources for personal gain by using their political office. Corruption is thus systemic and cannot be easily identified or proved. The lack of transparency and public debate on the privatization of major industries, enterprises, and state assets, on the issue of tenders, the finalization of major financial deals, and the acquisition of lucrative properties at home and abroad by key figures in the government, all point to the blurred lines between public office and personal use. Furthermore, there is neither public information nor open debate that can explain the ostentatious lifestyles and extent of wealth accumulation on the part of a significant group of state officials, civil servants, members of judiciary, and local heads.

Charges of corruption and misuse of office tend to be leveled against highly placed government figures only after these individuals enter into a personal or political rivalry with ruling elites or attempt to challenge Nazarbaev's authority. Any open criticism of the president or regime, challenge to the presidential authority,

or desire to change the nature of the present system are invariably responded to through the levying of corruption or criminal charges, including misuse of public office.

Top officials in the National Security Service and the Office of the Prosecutor General are appointed by the government and remain under the control of the president, which makes it impossible for them to function as independent bodies. The Ministry of the Interior, Committee on National Security, and financial police (*finpolitsia,* or derided as *finiki* in the independent media) are the major bodies designated with the task of combating corruption. In addition, the ruling party Nur Otan has set up an anticorruption forum that organizes Soviet-style public protests and popular mobilizations against corruption without identifying any specific goals or organizing a real debate. About 1,000 youth members of Zhas Otan (Young Otan) have held marches in protest against corruption wearing multicolored ties and face paint to resemble football cheerleaders.

In a highly publicized case brought by the financial police, Zhaksybek Kulekeev, former general manager of Kazakhstan Temir Zholy (Kazakhstan Railroad Company), was accused of accepting a US$100,000 bribe for the illegal sale of a company car and helping relatives gain tenders on a number of deals. Given the enormous scale of corruption and kickbacks in the higher echelons of power, the amount that Kulekeev is accused of accepting as a bribe is minuscule. The independent media reported that no convincing evidence or witnesses were available, implying he was obviously framed, and pointed to the serious cases of financial wrongdoings in which Serybai Kalmurzaev, who headed the financial police for four years until December 2008, is implicated.

Kalmurzaev's transfer to another post is allegedly linked to his ambiguous role in sheltering Rakhat Aliev in the Nurbank scandal (Aliev is accused of extortion and blackmail of fellow employees who were forced to sell their shares to him), though he subsequently facilitated a swift transfer of all assets held by Aliev to Dariga Nazarbaeva and their son, who became the chairman of Nurbank at age 24. His successor, General Kairat Kozhamzharov, is seen as too close to bring about any change.

The Kulekeev case was widely publicized to illustrate how Kazakhstani authorities combat corruption at top levels; nevertheless, numerous suspicious financial deals involving top officials remain unexamined. The acquisition of Lariba Bank, one of Kazakhstan's major banks, for US$10 million by Kalmurzaev's young son, together with Nurbol Sultan, son of the minister of tourism, is one of several instances of suspicious dealings.

Serik Burkitbaev, former head of the Kazakhstan Institute of Oil and Gas, Kazmunaigaz, Kazinformtelekom, Kazakhtelekom, and the Ministry of Transport and Communication, is another key figure caught in a suspicious corruption inquiry. He is being investigated by the Committee on National Security for facilitating the release of transcripts of conversation between Nazarbaev and top figures, obtained by Aliev's supporters.

According to information provided to the *Sunday Times* (November 9, 2008) by Alnur Musaev, former chief of the Committee on National Security, and an Aliev associate wanted in Kazakhstan, a £50 million (US$80 million) mansion, "Toprak," in London was purchased by an unknown Kazakh but is "secretly owned" by Nazarbaev. The *Sunday Times* (July 27, 2008) reported that a mansion put up for sale by Prince Andrew for £12 million ($20 million) was bought for £15 million (US$25 million) in a deal negotiated by Kenes Rakishev, the 29-year-old son-in-law of Imongali Tasmagambetov, former prime minister and current *akim* of Astana (who at the time was mayor of Almaty). Reports also suggest that Rakishev negotiated the deal either for Timur Kulibaev or for Nazarbaev himself.

According to the 2008 Corruption Perceptions Index published by Transparency International, Kazakhstan ranked 145th out of 180 countries with a score of 2.2, marginally better than the remaining four Central Asian states. A score of 5.0 or below indicates a serious corruption problem. The index defines corruption as the abuse of public office for private gain and measures the degree to which corruption is perceived to exist among a country's public officials and politicians.

As a regime insider, Aliev has threatened to reveal vital information in the "Kazakhgate" trial, in which the American oil dealer James Giffen is accused of passing US$80 million from U.S. oil companies to Nazarbaev and top officials in exchange for lucrative oil contracts in Kazakhstan. The investigations for the case have proceeded at a snail's pace amid reports that top figures from Kazakhstan have hired private security consultants to gather information pertaining to the trial.

Kazakhstan endorsed the Extractive Industries Transparency Initiative (EITI) in 2005 and has until March 9, 2010, to complete the validation process. This requires not only government initiative and participation of oil companies, but monitoring and oversight by NGOs and civil society. EITI reporting for oil, gas, and mining is voluntary, and the state is not required to disclose oil revenues received by the treasury from leading oil companies or to involve independent NGOs in overseeing how oil revenues are managed. As the government allocates more funding for public construction projects and bank bailouts, questions of efficient and transparent management arise. Currently, no institutions or structures exist to guarantee these. The Parliament has no authority to investigate an audit of oil funds or to determine how and under what conditions the funds are to be used.

▮ Author: Bhavna Dave

Bhavna Dave is a lecturer in the Department of Politics and chair of the Center on Contemporary Central Asia and the Caucasus at the School of Oriental and African Studies, University of London. She is the author of Kazakhstan: Ethnicity, Language and Power (RoutledgeCurzon, 2007).

1 http://news.icm.ac.uk/business/utilities/enrc-reports-strong-financial-results/617.

2 Nursultan Nazarbaev, *The Kazakhstan Way* (London: Stacey International, 2008).

3 "Казахстанские миллиардеры богатеют—растет среднестатистическая зарплата," 13.06.2008, http://www.geokz.tv/article.php?aid=5620, accessed June 16, 2008. One of the remaining billionaires is Bulat Utemuratov, among the closest associates of Nazarbaev who is reputed to be his personal cashier.

4 "Republic of Kazakhstan Parliamentary Elections 18 August 2007," Election Observation Mission Report (Warsaw: OSCE-ODIHR, October 30, 2007), http://www.osce.org/documents/odihr/2007/10/27638_en.pdf, accessed on November 30, 2007.

5 http://www.akorda.kz/www/www_akorda_kz.nsf/sections?OpenForm&id_doc=1FAF9257424205654625723400 19E82A&lang=ru, accessed on December 15, 2008.

6 "An atmosphere of quiet repression: Freedon of Religion, Assembly, and Expression in Kazakhstan," Human Rights Watch, December 1, 2008, http://www.hrw.org/en/reports/2008/12/01/atmosphere-quiet-repression-0.

7 http://www.inform.kz/showarticle3.php?lang=rus&id=196600, accessed November 22, 2008.

8 http://www.arnamedia.gov.kz/node/2.

9 http://www.rsf.org/article.php3?id_article=11715, accessed on January 10, 2009.

10 Kazis Toguzbaev, "Gazeta 'Taszhargan' I ee zhurnalist obyazany vyplatit tri milliona tenge ompensatsii Madinovu," January 16, 2009, http://rus.azattyq.org/content/Article/1370980.html.

11 http://www.internetworldstats.com/asia/kz.htm, accessed on January 11, 2009, http://www.audiencescapes.org/component,8/action,show_content/id,96/.

12 Marianna Gurtovnik, "Decentralization Reforms in Kazakhstan and Kyrgyzstan: Slowly and Unsteadily," http://www.strategycenter.net/research/pubID.116/pub_detail.asp.

13 http://www.zonakz.net/articles/23443, accessed on January 11, 2009.

Kosovo

by Ilir Deda

Capital: Pristina
Population: 2.2 million
GNI/capita: n/a

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia				Kosovo					
	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.50	4.75	3.75	3.75	5.25	4.75	4.75	4.75	4.50	4.50
Civil Society	5.25	4.00	3.00	2.75	4.25	4.00	4.25	4.25	4.00	4.00
Independent Media	5.75	4.50	3.50	3.25	5.50	5.50	5.50	5.50	5.50	5.50
Governance*	5.50	5.25	4.25	4.25	6.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.50	5.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.25
Judicial Framework and Independence	5.75	5.50	4.25	4.25	6.00	5.75	5.75	5.75	5.75	5.75
Corruption	6.25	6.25	5.25	5.00	6.00	6.00	6.00	6.00	5.75	5.75
Democracy Score	5.67	5.04	4.00	3.88	5.50	5.32	5.36	5.36	5.21	5.11

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

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

Executive Summary

The Assembly of Kosovo adopted the Declaration of Independence on February 17, 2008, designating Kosovo a sovereign and autonomous state. This ended the almost decade-long United Nations protectorate over the territory. Fifty-two countries have recognized the independence of Kosovo, 22 of which are European Union (EU) member states. Kosovo's authorities pledged to fully implement the provisions of the Comprehensive Status Proposal (CSP) of UN special envoy and former Finnish president Martti Ahtisaari. The Assembly invited the EU to deploy its rule of law mission (EULEX) and establish the International Civilian Office (ICO) to supervise the implementation of the CSP. Ban Ki-moon, secretary-general of the United Nations, announced that the UN and its Kosovo mission UNMIK would operate under a "status neutral" framework just days before Kosovo's Constitution entered into force in June 2008.

Serbia reacted to Kosovo's move by inciting Kosovo Serbs in northern Kosovo to burn nearby border posts and pressured them to leave Kosovo institutions, including the police. Belgrade organized "municipal elections" in Kosovo Serb areas on May 11, overriding protests of illegality from UNMIK and the government of Pristina. The radical forces, which won the elections in June 2008 created the Assembly of Association of Municipalities of the Autonomous Province of Kosovo and Metohija, a body envisaged to oppose possible moderation in Belgrade and maintain the status quo in northern Kosovo through parallel municipal structures of government. On October 8, the UN General Assembly (GA) adopted a resolution submitted by Serbia requesting the International Court of Justice to issue a nonbinding advisory opinion as to whether the declaration of independence of Kosovo is in accordance with international law. Seventy-seven members voted in favor, 74 abstained, and 6 voted against.

Reconfiguration of the international presence in Kosovo encountered many problems in 2008. Still, EULEX began its full deployment in early December, following months of negotiations between the UN, EU, and Serbia, and UNMIK transferred all of its authority in the area of rule of law to the new EU mission. Kosovo's governance shifted to the new central government, which was heavily assisted by the ICO and foreign embassies in Pristina. The new coalition government, composed of the Democratic Party of Kosovo (PDK) and the Democratic League of Kosovo (LDK) and led by Prime Minister Hashim Thaçi (leader of the PDK), succeeded in maintaining stability and preventing violence.

National Democratic Governance. The February 17 declaration of independence and subsequent recognition of Kosovo's statehood dominated events in 2008. Obligations coming from the CSP were highlights in the work of the Assembly of

Kosovo, which passed over 100 laws, more than 50 being linked directly with the provisions of Martti Ahtisaari's CSP. The new government, heavily assisted by the ICO and the U.S. and EU embassies in Pristina, succeeded in maintaining stability, preventing violence, and beginning the institutional consolidation process. The opposition vocally criticized the government of corruption and lack of vision during the second half of the year, demanding early elections. Three groups emerged within the Kosovo Serb community: radicals from the north opposing Pristina, moderate voices opposing the policies from both Belgrade and Pristina, and political parties cooperating with institutions that participate fully in the Kosovo government. The powerful Serbian Orthodox Church was divided on the next steps, part of it rejecting any cooperation with Pristina and the international community while the more moderate part advocated for cooperation with the international presence in Kosovo. *Given the challenges Kosovo faced in 2008, remaining stable while improving the functioning of institutions, Kosovo's rating for national democratic governance improves from 5.50 to 5.25.*

Electoral Process. General, municipal, and mayoral elections were held on November 17, 2007, and were considered free and fair by observers. Some 40 percent of the Kosovar electorate voted, but there was virtually a complete boycott by the Kosovo Serb community. These elections changed the political landscape of Kosovo. Hashim Thaçi and his PDK garnered 34.3 percent of the ballot. The late president Ibrahim Rugova's LDK won 22.6 percent, losing for the first time after 18 years as the largest Kosovo Albanian political party. With the declaration of independence, Kosovo authorities assumed responsibility over the Central Election Commission (CEC), whose 11 members were appointed by the president in August 2008. The adoption of new electoral laws—the Law on Local Elections and Law on General Elections in the Republic of Kosovo—and the entry into force of the Constitution in June 2008 ended Organization for Security and Cooperation in Europe (OSCE) executive responsibility for elections in Kosovo. However, frictions between PDK and LDK prevented the election of the new CEC president. The next municipal elections are scheduled for November 2009, while there is wide speculation that general elections will be organized at the same time. Serbia organized "municipal elections" in 26 of Kosovo's 30 municipalities on May 11, 2008; the elections took place despite protests of illegality by UNMIK. *Between ongoing frictions and boycotts on the one hand, and the adoption of new electoral laws in line with international standards on the other, Kosovo's rating for electoral process remains at 4.50.*

Civil Society. In the first half of the year, civil society groups presented agendas organized around thematic issues, which is seen as a direct impact of Kosovo's declaration of independence. This specialization can be characterized as the fifth phase in the development of Kosovo's civil society and opens a space for a stronger and more credible role. However, civil society and nongovernmental organizations are still challenged to develop their own strategic vision. Civil society groups continued with their activities in policy analysis and recommendations, review

and oversight of corruption in the government and the implementation of laws (especially the Law on Access to Official Documents), and compliance with human rights statutes. *Kosovo's civil society rating remains at 4.00.*

Independent Media. Freedom of the media in Kosovo is well protected by the legislative framework, but legal and institutional mechanisms do not prevent political pressure on the media. The OSCE accused Kosovo politicians and political parties of regarding the media as a "mouthpiece" and criticized the Assembly of Kosovo for increasingly misusing its authority to exercise oversight of independent institutions, particularly the broadcast regulator and the public broadcaster. Media dependence on political forces undermined the sustainability of the media, especially when factoring in the reliance on public advertising as one of print media's primary financial sources. Regular and disproportionate paid advertising by the government and its agencies to newspapers close to selected political parties was a common practice, while independent newspapers were often threatened with exclusion from such advertising if they published critical reports. *Owing to political pressure on the media by the government, Kosovo's independent media rating remains at 5.50.*

Local Democratic Governance. Kosovo's legislative framework for decentralization has developed substantially, and the Assembly has amended applicable legislation and adopted a number of new laws, drafted with significant ICO support, including the Law on Local Self-Government, Law on Administrative Municipal Boundaries, Law on Local Elections, and Law on Local Government Finance. This new legal framework provides for a large degree of local governance and for clearer municipal competences. It also envisages increasing the number of municipalities from 30 to 38. In April 2008, an interministerial working group was established and an action plan for the implementation of decentralization in 2008–2010 was approved. Out of 30 municipalities, 26 are fully functional and report to Pristina. Parallel administrative structures sponsored from Belgrade were strengthened and are operating in most of the predominantly Kosovo Serb municipalities, including in the fields of justice, education, health care, and the postal service. The situation in Kosovo Serb municipalities became more complex on May 11, when Serbia organized municipal elections in 26 municipalities where Kosovo Serbs reside; these were declared illegal by UNMIK and the international community. *Given improvements in the functioning of municipalities, as well as the completion of the legislative process for decentralization, the rating for local democratic governance improves from 5.50 to 5.25.*

Judicial Framework and Independence. The judiciary is considered one of the weakest links in Kosovo's rule of law. This was recognized in the Ahtisaari CSP with the plan to establish EULEX. As a legacy of the previous nine years, Kosovo's body of applicable laws remains a series of divided areas between UNMIK regulations, laws adopted by the Assembly of Kosovo in accordance with the new Constitution, certain former Yugoslav laws, and the laws of Serbia through Belgrade's parallel

structures in Kosovo Serb areas, especially in northern Kosovo. This has continued to hamper the delivery of justice, as judges are not always certain of the legal basis for their decisions, and there is no system in place to promote judges and hire new ones. Also, there is an insufficient number of judges and prosecutors in Kosovo. Procedures were not respected during the election of a Kosovar ombudsperson, a process that was annulled for the third time in the last two years. *Kosovo's rating for judicial framework and independence remains at 5.75.*

Corruption. Corruption is still widespread and remains a major problem in Kosovo. This is due to insufficient legislative and implementation measures, a lack of political will, and the weakness of the judicial system. The legal framework is inconsistent in the definition of corruption between the Law on Suppression of Corruption and the provisional penal code. A report from the Office of the Auditor General showed unexplained losses to the Kosovo budget of €0.5 million–1.5 million (US$0.8 million–2 million) per ministry per year. The government's anticorruption efforts were insufficient in 2008 according to an EU progress report. Nevertheless, some steps were taken to combat corruption. *Despite the improvement in legislation, there is a general lack of political will to fight corruption in Kosovo; thus the corruption rating remains at 5.75.*

Outlook for 2009. Kosovo will face its biggest challenge in 2009 as it enters a new phase of institutional consolidation. The successful implementation of the CSP will either strengthen the functionality of the state or increase the possibility of the partition of Kosovo along the Ibar River, through the city of Mitrovica. The functionality of EULEX will play a direct role in the state's institutional consolidation and determine whether the EU mission will be successful in the area of rule of law throughout Kosovo. Further challenges will lie in addressing widespread corruption, strengthening institutions, establishing an integrated Kosovo, and laying the foundation for Kosovo's economic development.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				n/a	5.75	5.75	5.75	5.50	

The near decade-long pending resolution of the final status of Kosovo ended on February 17, 2008, with the adoption by the Assembly of the Declaration of Independence, which designated the Republic of Kosovo a sovereign and autonomous state; 109 out of 120 members of Parliament (MPs) voted in favor of the declaration, while Kosovo Serb MPs did not participate in the vote. As of December 1, 2008, Kosovo's independence had been recognized by 52 countries, 22 of which are European Union (EU) member states. The authorities in Pristina pledged to unilaterally implement the Comprehensive Status Proposal (CSP) of UN special envoy Martti Ahtisaari, who received the 2008 Nobel Peace Prize for his role as mediator.

The Assembly invited the EU to deploy its rule of law mission (EULEX) and welcomed the establishment of the International Civilian Office (ICO) to supervise and monitor the implementation of the CSP, both missions deriving from the plan. The consolidation of the new state continued with the adoption on April 9, 2008, of the Constitution, which entered into force on June 15. Over 50 laws deriving from the CSP, which also ended UNMIK powers, were assumed by the Kosovo government. Meanwhile, the European Commission organized a Donor's Conference for Kosovo on July 11 in Brussels, where participants pledged €1.236 billion (US$1.643 billion). Kosovo also applied for membership in the International Monetary Fund and the World Bank.

Nevertheless, Kosovo's transition did not go smoothly. Supported by Belgrade, Kosovo Serbs in northern Kosovo burned several border posts in February, and violent clashes with UNMIK police and the Kosovo Force over the court in northern Mitrovica occurred in March. Serbia took control of the railway in the north, while nearly half of the Serb members of the Kosovo Police left the service. Also, Kosovo Serbs left most of their public administration posts and withdrew from the municipalities, customs, the correctional service, and other functions.

In the immediate aftermath of the adoption of the Declaration of Independence, three Kosovo Serb groups emerged: a radical group in northern Kosovo, supported by the Democratic Party of Serbia (DSS) and Serbian Radical Party (SRS) and led by Marko Jaksic and Milan Ivanović; a moderate group organized around Rada Trajkovic in Gračanica representing the enclaves south of Mitrovica and opposing the policies of both Belgrade and Pristina; and the Kosovo Serb Independent Liberal Party (SLS), which participates in Kosovo institutions. Parallel administrative

structures sponsored from Belgrade were strengthened in predominantly Kosovo Serb municipalities, including the justice system, education, health care, and the postal service. These areas were further enhanced by the holding of "municipal elections" on May 11 in which the DSS and SRS triumphed; the elections were declared illegal by UNMIK and Kosovo institutions.

While the Democratic Party (DS) of Boris Tadić won the municipal elections in Serbia, the SRS and DSS won in Mitrovica, Zvečan, Zubin Potok, and Leposavić. The powerful Serbian Orthodox Church was divided: The hard-line Bishop Artemije opposed any cooperation with the international community and Kosovo institutions, while the moderate Bishop Teodosije and Father Sava, supported by powerful members of the Holy Synod of the Church, favored cooperation with the international community in Kosovo.

Kosovo spent most of the year reconfiguring international missions on the ground in terms of both security and institutional functionality. The end of UNMIK's mandate and full establishment of the ICO and EULEX faced many challenges. UNMIK could not initially transfer its authority to ICO and EULEX because the UN Security Council did not endorse the CSP. Russia and Serbia vehemently opposed the deployment of EULEX without a Security Council endorsement and requested the "status neutrality" of EULEX. Subsequently, the UN secretary-general, Ban Ki-moon, informed Security Council members on June 12 that he would initiate the reconfiguration of UNMIK and thus enable the deployment of EULEX under "a UN umbrella." The secretary-general placed the United Nations and UNMIK under a "status-neutral framework" in Kosovo and adjusted the role of the UN mission to focus on monitoring and reporting, facilitating Kosovo's engagement in international agreements, and facilitating dialogue between Pristina and Belgrade on six points of practical concern (police, courts, customs, transportation and infrastructure, boundaries, and Serbian patrimony). The new Special Representative of the UN Secretary-General (SRSG), Lamberto Zannier, who came to Kosovo in July after the withdrawal of Joachim Rücker, made clear that his position was to "facilitate" dialogue between Pristina and Belgrade on the above-mentioned six-point plan.

The EULEX and six-point negotiations mobilized the entire political spectrum over fears that Kosovo was being partitioned and that Kosovo's statehood was being undone. A number of civil society organizations, led by the Vetëvendosje (Self-Determination) movement of Albin Kurti, organized large protests in Pristina in November and December. Kosovo authorities claimed that EULEX deployment was welcome as long as the mission worked under the framework of the Constitution of Kosovo and implemented a single set of laws throughout the territory, especially in northern Kosovo. On November 14, amid inflammatory public rhetoric, a bomb was thrown at ICO headquarters in Pristina without any casualties. Three agents from the German intelligence service Bundesnachrichtendienst (BND) were arrested, with the pro-government daily *Express* publishing articles connecting the agents, who spent 10 days in investigative custody with the attack. With some degree of controversy stemming from claims of a lack of evidence, the three were released and

their case was handed over to an international judge, and the previously unknown Albanian group Army of Republic of Kosovo claimed responsibility for the attack, The German media speculated that the arrest of the three BND agents was an attack by Kosovo's prime minister Hashim Thaçi on BND which was investigating his links with organized crime groups.

On November 26, the UN Security Council issued a presidential statement effectively authorizing the deployment of EULEX under a "UN umbrella" within the framework of UNSC Resolution 1244/1999. This decision leaves open the question of which law EULEX will operate under in northern Kosovo, that of Pristina or UNMIK or the laws of Serbia. The opposition and media in Kosovo declared that this marked the beginning of the partition of the country and heavily criticized the government. The Democratic League of Dardania (LDD) asked for the resignation of the president and prime minister, while the Alliance for the Future of Kosovo (AAK) asked for the creation of a "unity government."

The deployment of EULEX under the "status-neutral framework" also leaves open the question of the future role of the ICO, whose head, Pieter Feith, serves dual functions: 1) as the International Civilian Representative (ICR), overseen by the International Steering Group (ISG); and 2) as the EU Special Representative (EUSR) in Kosovo. These two roles collide, as the EU has a general status-neutral position toward Kosovo, while the ISG, comprising states that have recognized Kosovo's independence, does not. Furthermore, the heads of EUSR and EULEX should consult each other, but the added component of ICR makes this problematic. Even so, EULEX deployed successfully on December 9 throughout Kosovo, ending UNMIK's authority in the area of rule of law.

On October 8, the UN General Assembly (GA) adopted a resolution submitted by Serbia requesting the International Court of Justice (ICJ) to issue a nonbinding advisory opinion on the question, "Is the unilateral Declaration of Independence by the Provisional Institutions of Self-Government in Kosovo in accordance with international law?" Seventy-seven members voted in favor, seventy-four abstained, and six voted against. Serbia claimed a diplomatic victory, while four countries recognized Kosovo's independence after the GA vote, including Montenegro and Macedonia. Kosovo authorities appointed Sir Michael Wood, a prominent British international lawyer, to challenge the Serbian resolution at the ICJ.

Kosovo's new governing coalition of the Democratic Party of Kosovo (PDK) and Democratic League of Kosovo (LDK) was endorsed by the Assembly on January 9, 2008. PDK leader Hashim Thaçi became prime minister, while Fatmir Sejdiu retained the post of president. PDK received seven ministerial posts, LDK five, Kosovo Serb SLS two, and one was filled by other minorities. Later, the Ministry of Foreign Affairs was placed under LDK control, while the Ministry on Security Force came under the PDK. The ruling coalition enjoys a 75-seat majority in the 120-member Assembly of Kosovo, but 10 MPs of the PDK-LDK coalition do not always support the decisions of the government, and political paralysis plagued the LDK for most of the year. Coupled with the successes of the Ministry of Telecommunications and the Ministry of Education, PDK has grown in popularity, surpassing all other parties.

The opposition, lacking both parliamentary MPs and support, was reenergized with the April return of Ramush Haradinaj, leader of the AAK, after he was acquitted in the International Criminal Tribunal for the Former Yugoslavia (ICTY) war crimes process against him. Haradinaj has been one of the most active members of the opposition, accusing the Thaçi government of corruption and lack of political vision. Haradinaj has pushed hard for general elections in 2009, claiming that AAK would achieve a better result and possibly gain power in a new arrangement with the LDK.

At the end of 2008 major disagreements occurred between the government and opposition parties regarding the timeline of the next national elections. The President of Kosovo decided to hold the next national elections in 2011, while the opposition asked that the elections take place in 2009, as envisaged by Ahtisaari's proposal. Peter Faith, the Head of International Civilian Office (ICO) ended the debate by supporting the position of the Kosovo President.

In general, the work of the government in 2008 was focused on independence and state-building issues and much less on development and economic strategies. It capitalized on the construction of new highways and improvements in education, while media close to PDK consistently slammed the LDK for poor performance, especially the Ministry of Foreign Affairs and the Ministry of Health. The government began issuing new Kosovo passports in July, while in September it appointed ten Kosovo chargés d'affaires. The government was accused by the opposition, media, and international representatives of interfering in the appointment of board members of public-owned enterprises.

During the year, the work of the Assembly of Kosovo received mixed reviews, including on the fast passage of over 50 laws derived from the CSP, whose drafting was heavily assisted by the ICO. Overall, the Assembly adopted more than 100 laws in 2008. However, there is insufficient coordination between the Assembly and the government. Although the laws are reviewed in Assembly committees, there is no follow-up in the implementation of the legislation. The Assembly continued the practice of open debates, providing sufficient space for the opposition to present its views.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				5.25	4.75	4.75	4.75	4.50	4.50

With the adoption of the Law on Local Elections and the Law on General Elections and the entry into force of the Constitution in June 2008, the authority for organizing elections came under the Central Election Commission (CEC) of Kosovo, ending the executive function of the Organization for Security and Cooperation in Europe (OSCE) in this area. A new, 11-member CEC was appointed by presidential decree on August 19, and the Election Complaints and Appeals Commission,

a five-member body of Supreme Court judges, was formed to address electoral grievances. However, the CEC is not yet fully functional and has been unable to elect its president owing to PDK-LDK disagreements.

For the first time since 2000, there is a legal framework in place well in advance of the elections, which gives the CEC time to prepare for whatever electoral schedule is decided. The OSCE has stated that the new election laws include best practices and international standards and will monitor the required revisions and harmonization of electoral laws with other legislation, while also assisting the CEC in capacity building.

Municipal elections, scheduled for November 2009, should mark the creation of new Kosovo Serb–majority municipalities, in accordance with the CSP. The participation of Kosovo Serbs will be crucial for the success of the elections, something that was not ensured in 2008. There is wide speculation that central-level elections might be organized to coincide with the local elections, following demands by the opposition. OSCE officials, who state privately that they are anticipating a need to step in and assist the CEC in organizing the elections, are concerned that if the elections are not announced at least six months in advance, it will be difficult to ensure an internationally acceptable process.

Serbia organized "municipal elections" on May 11 and held them even after they were declared illegal by UNMIK and the Pristina government. The polls were held in 26 out of the 30 municipalities of Kosovo, and radical and extreme Serb parties triumphed over the moderate Serb forces. The Kosovo Serb turnout was approximately 40 percent, which led many analysts to conclude that such a low Serb turnout only three months after adoption of the Declaration of Independence indicated a general apathy among Kosovo Serbs.

Civil Society

1999–200	2001	2002	2003	2004	2005	2006	2007	2008
Yugoslavia				4.25	4.00	4.25	4.25	4.00

In the first half of 2008, Kosovo civil society presented agendas organized around thematic issues, which was viewed as a direct result of the state's adoption of the Declaration of Independence. This specialization could be considered the fifth phase in the development of Kosovo's civil society. The first phase began in 1989 as a reaction to the constitutional contest over autonomy, featuring the creation of the Council for the Defense of Human Rights and Freedoms, the activities of Mother Theresa's Missionaries of Charity, and the organization of independent trade unions. The main focus of these organizations at the time was the protection of human rights and humanitarian efforts. The second phase began in 1995 with the creation of think tanks such as Riinvest and Kosovo Action for Civic Initiatives as well as expanded humanitarian work by women's organizations and associations.

The third, "post-conflict" phase in 1999 was distinguished by the creation of a large donor market and the mushrooming of nongovernmental organizations (NGOs). The fourth phase was the professionalization of civil society as well as the struggle of NGOs for financial sustainability. The current, fifth phase marks the first time that civil society efforts have taken a thematic approach, which can strengthen the sector's role in the future. The challenge for Kosovo civil society and NGOs will be to continue finding sufficient space to develop their own strategic visions and agendas.

Think tanks such as KIPRED, Forum 2015, Institute GAP, and Kosovo Stability Initiative accelerated their work on various important policy and economic issues, providing specific recommendations. The American Chamber of Kosovo actively engaged in proposing business development policies, while the Kosovo Civil Society Foundation focused on EU integration issues. Veton Surroi, after withdrawing from the leadership of the Reformist Party ORA, created the Foreign Policy Club to organize foreign affairs policy debates and publish an Albanian language version of *Foreign Affairs* magazine.

On March 10, 2008, Valdete Idrizi, who leads Community Building Mitrovica (CBM), was presented with the U.S. State Department's prestigious International Women of Courage Award. CBM has been instrumental in linking the north and south of Mitrovica and the wider region through concrete confidence-building measures. CBM was also helpful in pacifying tensions in northern Mitrovica by organizing meetings between Albanians and Serbs within the local population throughout November. It has also concluded partnerships with Serb NGOs in the north. However, some of the organization's activities were politically hijacked by local leadership, such as the maintenance of Serb cemeteries in the southern part of the city and Albanian cemeteries in the northern part.

Cohu! (the Organization for Democracy, Anticorruption, and Dignity) continued its anticorruption activities, although to a lesser extent than in the previous year. Together with the Kosovo Women's Network (KWN) and the Vetëvendosje movement of Albin Kurti, whose activities diminished after Kosovo's adoption of the Declaration of Independence, Cohu! mobilized a number of local NGOs to stage protests first against the six-point plan, then against EULEX deployment under the "status-neutral framework." Cohu! and Vetëvendosje also criticized the government and the opposition in order to avoid being perceived as an extension of the opposition. Vetëvendosje has attempted to redefine its role by taking controversial stances within the existing political system, such as respecting the Kosovo Constitution while criticizing the Ahtisaari plan from which the Constitution derives.

Youth Initiative for Human Rights was very active during the year in monitoring Kosovo institutions for human rights compliance, implementation of antidiscrimination legislation, implementation of the Law on Access to Official Documents, human rights schools, and the ombudsperson selection process.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				5.50	5.50	5.50	5.50	5.50	[illegible]

Freedom of the media in Kosovo is well protected by the legislative framework. There are two independent regulatory institutions in place, the Independent Media Commission (IMC) and the Press Council of Kosovo (PCK). The IMC is Kosovo's independent broadcast regulator, which distributes broadcast and frequency licenses, promotes ethical and technical standards among media, and applies regulations that hold local broadcasters to European standards of professionalism and fairness. The PCK, on the other hand, is a self-regulatory body for print media tasked with advocating for freedom of speech and ensuring compliance with the print code of conduct, to which the majority of print media have committed. However, the media are financially and editorially weak, which makes them susceptible to political pressure and interference.

In a report on the media over the past year, the OSCE accused Kosovo politicians and political parties of regarding the media as a "mouthpiece," citing an instance where print and broadcast media were ordered by the Office of the Prime Minister to publish free of charge the speech of the prime minister and the government's 145-page report on its first 100 days in office.[1] Also, the OSCE accused the Assembly of Kosovo of increasingly misperceiving its oversight of independent institutions, particularly the broadcast regulator and the public broadcaster. The OSCE claimed that the Assembly has infringed on the independence of these institutions by interfering in internal decision-making procedures and overriding their decisions. Hence, according to the OSCE, the government and the Assembly have shown little understanding of the role of free and independent media in the development of a sustainable democracy.

The dependence of media outlets on politics makes their sustainability and independence questionable, especially when factoring in public advertising as one of the main financial sources for newspapers. In 2008, the government and its agencies accounted for a regular and disproportionate amount of paid advertising in newspapers that were close to selected political parties, while independent newspapers were often threatened with exclusion from such advertising if they published critical reports. Similar pressure was reportedly exercised by the government on the public broadcaster Radio Television of Kosovo (RTK) through financial blackmailing. RTK so far has enjoyed financial stability through a memorandum of understanding with the Kosovo Energy Corporation, which collects the public broadcasting fee for RTK along with electricity bills. But this arrangement makes the public broadcaster entirely financially dependent on the government. Such conditions discouraged critical debate and investigative journalism, reducing the media to a mere reporting/transmitting role.

The Law on Access to Official Documents was approved in 2003, but its practical implementation has been hampered by the Administrative Instruction 03/

2006. This classifies the documents used by public institutions without specifying the criteria and procedures for classification, which public officials use when they restrict the release of public documents. Also, the administrative instruction states that if the official in charge does not have the technical means to reproduce a requested document, he or she is not obliged to give access to it.

Media representatives regularly commented that access to information sources was granted in a self-serving manner by institutions and the international administration in Kosovo and did not correspond fully with democratic standards and practices. It took the new government 10 months to nominate the government's spokesperson, during which time the deputy prime minister from PDK, Hajredin Kuçi, served as a public information officer. In 2008, Kuçi allowed one hour a day to respond to questions of the media.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				n/a	5.50	5.50	5.50	5.50	5.25

Kosovo's Declaration of Independence and implementation of the CSP require the creation of new Serb-majority municipalities, a process that will coincide with the local elections in November 2009. The Assembly of Kosovo amended the applicable legislation on decentralization and adopted a number of new laws: Law on Local Self-Government, Law on Administrative Municipal Boundaries, Law on Local Elections, and Law on Local Government Finance. This new legal framework provides for a large degree of local governance and for more and clearer municipal competences. It also envisages increasing the number of municipalities from 30 to 38, including the pilot municipal units established in 2005.

The three pilot municipal units were established for the government to gain experience in setting up new municipalities. UNMIK Administrative Direction 2005/11 on pilot projects envisaged the establishment of five pilot municipalities: two in Kosovo Albanian–majority areas, two in Kosovo Serb–majority areas, and one in a Kosovo Turk–majority area. However, the pilot municipalities in the Kosovo Serb–majority areas of Gracanica and Partesh never became functional following objections from Belgrade, which sought to be the sole Serb negotiating party for decentralization during the final status process.

Kosovo's new local governance laws were drafted with significant international support, especially from the ICO, while the government participated through working groups. In April 2008, an interministerial working group was established and an action plan for the implementation of decentralization in 2008–2010 was approved. Co-chaired by the ICR (head of the ICO), the working group includes 10 ministries and the Association of Kosovo Municipalities.

The eight new municipalities would include the current three pilot municipal units of Junik, Hani i Elezit, and Mamusha, and five new Kosovo Serb–majority

municipalities of Gračanica, Partesh, Klokot, Verbovac, and Ranilug. Additionally, the municipality of Mitrovica will be split into two municipalities with a joint board: the Kosovo Serb–majority municipality of Mitrovica North and the Kosovo Albanian–majority municipality of Mitrovica South. Novo Brdo is likely to be extended and would thereby also become a Kosovo Serb–majority municipality. Thus the implementation of the new Law on Administrative Municipal Boundaries would affect 11 current municipalities across Kosovo.

On August 14, 2008, the Ministry of Local Government Administration informed the authorities of the three pilot municipal units that they were transformed into fully fledged municipalities and were expected to exercise their functions and responsibilities in accordance with the Law on Administrative Municipal Boundaries. However, to make these municipalities fully functional, new municipal elections are necessary. The Kosovo Serb community, under pressure from Belgrade, is not participating actively in the decentralization process. The nonparticipation of the Kosovo Serb community paralyzes not only the creation of new Kosovo Serb-majority municipalities, but also the progress of decentralization throughout Kosovo, and endangers the implementation of the CSP.

Out of 30 municipalities, 26 are fully functional and report to Pristina. Parallel administrative structures sponsored from Belgrade were strengthened and are operating in most predominantly Kosovo Serb municipalities, including in the fields of justice, education, health care, and the postal service. The situation in Kosovo Serb municipalities was further complicated on May 11, 2008, when Serbia organized municipal elections in 26 municipalities where Kosovo Serbs reside and held them even though they were declared "illegal" by UNMIK and the international community. The radical parties SRS and DSS won the majority in the elections. Before the DS–Social Party of Serbia government was created in Belgrade, former prime minister Vojislav Koštunica and former minister for Kosovo and Metohija Slobodan Samardžić pushed for the establishment of the Assembly of Association of Municipalities of the Autonomous Province of Kosovo and Metohija, which was later joined by DS members. This body assumed the role of speaking for Kosovo Serbs and also voiced a different attitude from that of Serb president Boris Tadić, further extending the intra-Serbian political disagreements in Kosovo.

In July, the government of Kosovo extended the mandates of the five Kosovo Serb–majority municipal assemblies of Shtërpcë, Novo Brdo, Leposavić, Zvečan, and Zubin Potok for the second time. The assemblies were elected in 2002 and granted an extended mandate by former SRSG Joachim Rücker in 2007 after the Serb boycott of Kosovo's general and local elections. That measure had very little impact on the ground in the northern municipalities, which are currently administered according to the results of the Serbian election of May 11, 2008. Novo Brdo, the only Kosovo Serb–majority municipality with a Kosovo Albanian mayor, continues to function despite a boycott by Kosovo Serbs. Shtërpcë has two competing administrations: a Kosovo Serb administration resulting from the Serbian elections of May 11 and another administration with a Kosovo Serb mayor elected in 2002 with an extended mandate and three Kosovo Albanian municipal

directors, supported by the Kosovo authorities. Many Kosovo Serb municipal civil servants, under pressure from the government of Serbia, have resigned from their posts in order to be included on the payroll of the Serbian Ministry for Kosovo and Metohija.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				6.00	5.75	5.75	5.75	5.75	5.75

The judiciary is considered one of the weakest links in Kosovo's rule of law. This was recognized in Martti Ahtisaari's CSP and the plan to establish EULEX. As a legacy of the previous nine years, Kosovo's body of applicable laws remains a series of divided areas between UNMIK regulations, laws adopted by the Assembly in accordance with the new Constitution, certain former Yugoslav laws, and the laws of Serbia through Belgrade's parallel structures in Kosovo Serb areas, especially in northern Kosovo. This has continued to hamper the delivery of justice, as judges are not always certain of the legal basis for their decisions, and there is no system in place to promote judges and hire new ones. Also, there is an insufficient number of judges and prosecutors in Kosovo.

The Constitution of Kosovo is based on the CSP and explicitly confirms that the provisions of the CSP take precedence over all other legal provisions. It confirms the ICR as the final authority in Kosovo regarding the interpretation of the CSP and does not include any reference to UNMIK. Kosovo's Constitution is fully compatible with EU standards regarding stable democratic institutions, rule of law, human rights and protection, and respect of minority rights, but the implementation of laws remains a chronic problem.

The judicial system of Kosovo recognizes the following types of courts: minor offense courts, municipal courts, district courts, commercial courts, the Supreme Court of Kosovo, and the Constitutional Court, which awaits legislation in order to become operational. In addition, the Kosovo Judicial Council (KJC) is a professional body formerly under the authority of the SRSG and now under the authority of the president. Apart from appointing judges, lay judges, and prosecutors and implementing disciplinary measures for judicial misconduct, the KJC has begun to supervise court administration. Constitutional provisions that require the Assembly to appoint 8 out of the 13 members of the KJC have been criticized by the EU as not being fully compatible with European standards on the independence of the judiciary.

The Assembly of Kosovo approved the following laws between March and May 2008: Law on Jurisdiction, Case Selection, and Case Allocation of EULEX Judges and Prosecutors in Kosovo; Law on Special Prosecution of Kosovo; Law on Kosovo Judicial Council; Law Supplementing and Amending the Provisional Criminal

Code of Kosovo; Law Amending and Supplementing the Law on Execution of Penal Sanctions; Law Amending and Supplementing the Kosovo Provisional Code of Criminal Procedure; and the Law on the Out Contentious Procedure. In December, the Assembly adopted legislation on the Constitutional Court and Kosovo Prosecutorial Council.

The process of electing a Kosovar ombudsperson, which failed in 2006, continued to be a problematic issue in 2008. Following amendments to UNMIK Regulation 2006/06, which provided the legal basis for a Kosovar ombudsperson to be appointed by and report to the Assembly of Kosovo, new recruitment proceedings were initiated at the end of June 2007 that led to a short list of three candidates with no human rights experience: a lawyer, a journalist, and a businessman. The election of the ombudsperson was recalled under international pressure, and a new round of recruitment was initiated in September 2008.

The Ministry of Justice continued to build its capacity in 2008 and drafted a considerable number of new legislative acts in line with its legal reform program. The Coordination Council for Rule of Law, a joint body of the Ministries of Security and Justice and agencies established in October 2007, became operational. The Judicial Investigation Unit (JIU), supervised under UNMIK, continued to examine complaints of misconduct by Kosovo judges and prosecutors and should in time come under the supervision of EULEX. A total of 164 cases were received in 2008, resulting in 73 new investigations. The JIU found misconduct in 87 cases and forwarded these to the KJC.

The AAK leader and former Kosovo Liberation Army (KLA) commander Ramush Haradinaj, who had been indicted for crimes against humanity and violations of the laws or customs of war by the International Criminal Tribunal for the Former Yugoslavia, was acquitted for lack of evidence in April 2008. He then returned to Kosovo and actively participates in politics where his followers hail him as a hero. In contrast, Serbia stated that his release is proof that the ICTY is biased against Serbs and in favor of those who fought them.

There was one conviction on war crimes in May 2008, with 7 war crimes trials involving 14 defendants under way, and 51 other cases under preliminary investigation. Kosovo lacks specific legislation on witness protection that establishes procedures for witness relocation in the most serious criminal cases, and few witnesses are willing to participate in war crimes cases, given Kosovo's size and close-knit social fabric.[2]

Witness protection continues to be weak, especially related to war crimes cases, which are still handled exclusively by a number of international judges and prosecutors, but will be transferred to EULEX.

Kosovo's justice system continued to suffer from a backlog of cases in 2008, with a total of 258,673 unsolved civil and criminal cases pending before municipal and district courts. Also, there is no operational system for the execution of civil judgments. The Supreme Court is the only specialized legal institution for the review of administrative acts, but it has only two judges, and 3,283 cases are pending. Overall, the legislative framework of Kosovo is incomplete, and new laws

on notaries, executive procedure, prosecution, and courts are pending. Additionally, the Office of the Special Prosecutor is not yet fully operational.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				6.00	6.00	6.00	6.00	5.75	5.75

According to the 2008 EU Commission progress report, corruption is still widespread and remains a major problem in Kosovo. This is due to insufficient legislative and implementation measures, lack of political will, a culture of clientelism, and weakness of the judicial system. The legal framework is inconsistent in the definition of corruption between the Law on Suppression of Corruption and the provisional penal code. A report from the Office of the Auditor General showed unexplained losses in the Kosovo budget of €0.5 million–1.5 million (US$0.8 million–2 million) per ministry per year. The EU report noted that the anticorruption efforts of the government were insufficient in 2008. Nevertheless, some steps were taken to combat corruption.

The government launched the Anticorruption Strategy in December 2008, but the action plan has yet to be adopted. Also, the Assembly of Kosovo approved the Law on the Prevention of Conflicts of Interest and Law on the Declaration and Origin of the Property of Public Senior Officials but has yet to approve the final draft Law on the Declaration of Assets.

The Anticorruption Agency of Kosovo (AKK) is an independent body and the main institutional instrument for preventing and fighting corruption as well as coordinating anticorruption policies in Kosovo. It was established in 2006 based on the Law on Suppression of Corruption, which also provides for AKK's financial independence through a separate line in the state budget. The work of the agency is monitored by the AKK's Anticorruption Council, composed of nine members (three appointed by the Assembly, one by the president, one from the government, one from the Supreme Court, one from the Office of the Public Prosecutor, one from local government, and one from civil society), but the council does not have a clear role according to the EU. Further, since members of the council are also staff members in other institutions that the AKK monitors, this leaves room for conflicts of interest and political interference in the agency's work. In 2008, the AKK was fully staffed and received sufficient financial resources, as well as external advisors to strengthen its capacities. However, low salaries leave officials vulnerable to corruption and political interference, while insufficient personal security measures expose them to intimidation.

Nevertheless, the AKK continued to carry out its tasks; it investigated 146 cases and submitted 53 cases to the prosecution, which initiated 7 criminal proceedings. In the area of conflicts of interest, the AKK intervened in 45 cases from January to

December 2008, while in April and at the end of 2008 the agency published a list of officials who had not declared their assets. Later, it requested that the institutions employing 14 officials who still had not declared their assets begin dismissal procedures, all of them from the Kosovo Serb community. This request has thus far been ignored. The agency also investigated 20 cases of corruption, out of which in 5 cases it prevented corruption in the amount of €3.6 million (US$ 4.76 million) and 11 cases were pending further investigation.

Serbia, through parallel institutions, began an "anticorruption" campaign in the Serb settlements in Kosovo. This move by Belgrade was seen more as pacification of political rivals in Serbia and opposition to Kosovo Serb voices than as an actual anticorruption campaign. At the end of November 2008, Serbia arrested Milorad Todorovic, a prominent but moderate DSS activist in Kosovo, for embezzling over €15,000 (US$19,950) while serving as a political adviser to the Ministry of Kosovo and Metohija when the ministry was controlled by DSS. While Serbia's president, Boris Tadić, indicated he would arrest Marko Jakšić and Milan Ivanović, Serb radicals in northern Kosovo on charges of corruption, Belgrade took no concrete steps to neutralize the two during the year. Instead, it began a campaign to silence dissenting voices in Serb settlements in Kosovo that oppose Belgrade's policies and cooperate with the institutions in Pristina.

▮ AUTHOR: ILIR DEDA

Ilir Deda is the research director of the Kosovar Institute for Policy Research and Development in Pristina. He has contributed to the work of the UN Development Programme's Bureau for Crisis Prevention and Recovery in New York; the Independent Diplomat in New York; the Geneva Center for Security Policy South East European's second diplomacy track initiative; former Kosovo prime minister Bajram Rexhepi; and the International Crisis Group in Kosovo.

---

1 OSCE Kosovo Background report, *Human Rights, Ethnic Relations, and Democracy in Kosovo* (summer 2007–summer 2008).

2 Kosovo (under UNSCR 1244/99) 2008 Progress Report, November 11, 2008. See also: http://www.delprn.ec.europa.eu/repository/docs/kosovo_progress_report_en%5B1%5D.pdf.

Kyrgyzstan

by Erica Marat

Capital: Bishkek
Population: 5.2 million
GNI/capita: US$1,980

The data above was provided by The World Bank, *World Bank Indicators 2009*.

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.00	5.75	5.75	6.00	6.00	6.00	5.75	5.75	6.00	6.00
Civil Society	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75
Independent Media	5.00	5.00	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25
Governance*	5.00	5.25	5.50	6.00	6.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.25	6.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	6.25	6.25	6.50	6.50
Judicial Framework and Independence	5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50	6.00	6.00
Corruption	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25
Democracy Score	5.08	5.29	5.46	5.67	5.67	5.64	5.68	5.68	5.93	6.04

** 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

On March 24, 2008, Kyrgyzstan celebrated the third anniversary of the so-called Tulip Revolution. While the day is officially commemorated as a national holiday, for the majority of the public it merely marks the change of political regimes, from one corrupt leader—Askar Akayev—to another—Kurmanbek Bakiyev. President Bakiyev has become infamous for even greater levels of corruption, authoritarianism, and ineffective economic policies than his predecessor. Celebrations in the capital city, Bishkek, were mostly government efforts to demonstrate progress and encourage optimism regarding the political changes that took place in 2005. Most opposition leaders, however, associated the day with dashed hopes.

In 2008 President Bakiyev adopted several laws limiting freedom of speech and assembly, provoking international criticism of his regime. Furthermore, in 2008 the president replaced the heads of all security structures and revamped cadres in his administration with family and close friends. The subsequent intra-family competition over cadre politics and control of hydropower resources resembles the rivalry within Akayev's family, which contributed to the rapid collapse of his government.

There are other signs of simmering problems; Besides the worsening record of democratic governance, the country's economy has been deteriorating and the hydropower sector continues to be mismanaged. Winter 2008 was marked by frequent rotating blackouts, while double-digit inflation peaked at the end of summer. In the meantime, the opposition in Kyrgyzstan is slowly regrouping to challenge the government.

National Democratic Governance. Following the December 2007 parliamentary elections President Bakiyev formed a new government with loyal political supporters primarily interested in the continuity of the current political regime and their public offices. Most of the new ministers have low popular approval ratings, yet President Bakiyev installed his candidates with ease; His Ak Zhol political bloc formed in October–November 2007 occupies the majority of parliamentary seats. Only one opposition political party was able to win seats in the parliament. *Due to the amendment and adoption of laws limiting freedom of speech and assembly, along with inappropriate and unpopular political appointments Kyrgyzstan's rating for national democratic governance worsens from 6.25 to 6.50.*

Electoral Process. Following parliamentary elections in December 2007, local government elections on October 5, 2008 allowed President Bakiyev's regime to place more loyal supporters in power. The competition for local elections was fierce,

with roughly 15,000 candidates registered for 491 contested seats. According to local experts, even the number of candidates informally supported by the government exceeded the available local government positions. The government mobilized public employees of various ranks to facilitate pro-regime victories. As a result, mostly candidates supportive of the ruling regime were able to win seats. International observers were not allowed to attend the elections, and observers fielded by the candidates engaged in massive falsification of results. *Given the uncompetitive nature of the local government elections, Kyrgyzstan's electoral process rating remains 6.00.*

Civil Society. Kyrgyz civil society groups remain the most vibrant political and social force in the country. A number of leading NGO activists regularly speak out on political development in Kyrgyzstan, attracting the attention of the wider public. A handful of NGOs actively work on gender issues, poverty reduction, border delimitation, the population's access to water and sanitation, and environmental protection. Some of these issues have become part of official policy. However, President Bakiyev's endorsement of a new law on assemblies significantly represses local NGO activity. *As a result, the civil society rating for Kyrgyzstan worsens from 4.50 to 4.75.*

Independent Media. Mass media in Kyrgyzstan experienced strong pressure from the government in 2008. Several independent newspapers were persecuted by the government and sued by public officials in courts supporting the regime, while at least three opposition journalists left the country in the past two years to escape unfair trials. Two newspapers were shut down for criticizing the ruling elites. A few online news outlets experienced problems as well. The president's amendments to the Law on Television and Radio Broadcast brought the most detrimental change in 2008 by imposing strict broadcasting rules on local outlets. *Given the numerous persecutions of journalists and new amendments to the law on mass media, Kyrgyzstan's rating for independent media worsens from 6.00 to 6.25.*

Local Democratic Governance. Compared with neighboring Central Asian states, local democratic governance is more developed in Kyrgyzstan, with local government officials achieving a great degree of autonomy from the central government. However, in the October 5, 2008 elections results were largely falsified in favor of Ak Zhol, especially at city councils. The competition was fierce, even among pro-regime candidates. Shortly before the elections, the chair of the Central Elections Committee, Klara Kabilova resigned, releasing a video statement that described psychological and physical intimidation by Maksim Bakiyev, to secure the victories of specific candidates in the run-up to elections. *Due to uncompetitve local elections in October, Kyrgyzstan's local democratic governance rating remains 6.50.*

Judicial Framework and Independence. The judicial sector remains among the least trusted institutions in Kyrgyzstan due to pervasive corruption among judges and a low level of professionalism. Efforts facilitated by various international donors

to reform the judicial sector were unsuccessful partly due to the lack of will among local judges and politicians. The judicial system is often used to persecute members of the political opposition. The Constitution of 2007 allows the president to appoint judges, while parliament, dominated by Ak Zhol can potentially help the president to dismiss heads of the Constitutional and Supreme Court. This allows President Bakiyev an opportunity to secure the Constitutional Court's support in holding early presidential elections. *Given the president's control over the judicial system, the country's judicial framework and independence rating remains 6.00.*

Corruption. In 2008 Kyrgyzstan's hydropower sector faced the brink of collapse due to years of poor management and pervasive corruption. In spring, water levels dropped to an extreme low at the Toktogul reservoir, the main hydropower site in the country, while reports of the illegal sale of hydropower by high-ranking officials continued to surface. Yet, despite the crisis, expert reports confirmed ongoing embezzlement of water resources by top government officials. Such a devastating record of corruption among high-ranking officials affected virtually the entire population. *Kyrgyzstan's corruption rating remains at 6.25.*

Outlook for 2009. Over the course of his three years in power, President Bakiyev has secured loyalty of all state institutions. Except for the confrontation between Maksim and Zhanysh Bakiyev, which might eventually weaken the ruling government, the president has built the basis to prolong his power despite low popularity at home. Like the snap parliamentary elections in December 2007, an early presidential election will no doubt be uncompetitive. Furthermore, the entire state apparatus works to support the incumbent president's reelection, with the Constitutional Court justifying Bakiyev's attempt to hold early elections in 2009.

Declining remittances from labor migrants due to an economic downturn in Russia and Kazakhstan in 2009 will likely have a major effect on stability in Kyrgyzstan as more people will be forced into poverty. In 2008 President Bakiyev showed little interest in alleviating the impact of the global economic downturn. On the contrary, a new tax code stifled small businesses and increased unemployment. Thanks to a fairly mild winter and low energy consumption in 2008 the public mood is less aggressive towards the president than was expected as the energy crisis unraveled. Yet, blackouts will continue in 2009. There is some chance that popular opposition leaders will organize the masses against President Bakiyev.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.25	6.50

The new Kyrgyz government, formed following parliamentary elections on December 16, 2007, is composed of many of the same individuals who occupied top positions under former president, Askar Akayev, deposed in March 2005. President Kurmanbek Bakiyev has surrounded himself with loyal political supporters interested primarily in retaining their positions with the continuity of the current political regime. The president's political bloc, Ak Zhol, formed only two months prior to the elections, won the majority of parliamentary seats in December 2007. Only one opposition political party—Social Democratic Party of Kyrgyzstan (SDPK)—was able to win seats in the Parliament. Ak Zhol will be interested in having President Bakiyev reelected in 2009 for another term, yet the bloc's populist and corrupt politics might prevent the president from peacefully and predictably giving up state power when his two constitutional five-year terms expire.

In the spring of 2008, a scandal split the Ak Zhol party into two rival groups. A clash of business interests and political ambitions initiated the conflict between the two groups, but a confrontation between then Speaker of the Parliament Adakhan Madumarov and other members of Ak Zhol revealed the intensifying rivalry between the two camps within Kyrgyzstan's political elite. The first camp was informally led by Madumarov, head of the presidential administration Daniyar Usenov, and State Adviser to the President Usen Sydykov, while the second camp clustered around Medet Sadyrkulov, former head of the presidential administration. As a Parliament Speaker, Madumarov facilitated the adoption of legislation such as privatization of the energy sector. However, his suggestion in April to redecorate the Parliament hall with rare wood paid for by the government provoked confrontation among his rivals in Parliament, which led to his replacement.

The Madumarov case shows that both political camps are strong and that Bakiyev must balance between them to prevent weakening his regime. Madumarov has supported President Bakiyev and shielded him from criticism by opposition forces. Madumarov was also backed by Kambaraly Kongantiyev, the president's special representative in Parliament. In October 2008, Madumarov was appointed to head the Security Council despite his lack of experience in security issues, while Aitibai Tagayev, a previously unknown figure in Ak Zhol, took his place as Speaker of the Parliament.

The competition between the two camps intensified significantly after Parliament approved privatization of the energy sector in April, and their interests diverged with regard to prospective investors. Kyrgyz experts believe that Usenov was

interested in allowing Kazakh investors to privatize the country's major hydropower sites, as he had been the key figure lobbying for Kazakhstan's acquisition of four resorts at Lake Issyk-Kul and brokering several other large-scale deals with Kazakh investors. Maksim Bakiyev, the president's son, had different plans for the energy sector involving Russian investors. Although the currently competing groups are composed of the country's richest individuals, control over energy resources in Kyrgyzstan will pave the way for political leverage in the coming years. Political elites have, in effect, already commenced their campaigns for the next presidential elections scheduled for 2010.

Starting in early 2008, President Bakiyev increasingly resorted to the use of security structures to ensure the compliance of public figures. In May, Minister of Defense Ismail Isakov was replaced by Bakytbek Kalyev, former head of the State Guard, who was considered more loyal to President Bakiyev since he headed the structure directly responsible for the president's security. Isakov was moved to the directorship of the Security Council, the position from which he had resigned in October, criticizing President Bakiyev for corrupt and inefficient policies. Minister of the Interior Moldomusa Kongantiyev, appointed in January, is also known as a figure loyal to the president.

Ak Zhol's majority in the Parliament and the president's family and business connections in the security agencies enable President Bakiyev to control all personnel decisions in the government and Parliament. Furthermore, in December the president ordered the Parliament to permit the Defense Ministry's armed forces to intervene in domestic affairs. According to a public statement by the nongovernmental organization (NGO) Coalition for Democracy and Civil Society, by allowing Defense Ministry troops to operate together with the police, Parliament is flouting the constitutional rights of Kyrgyz citizens.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.75	5.75	6.00	6.00	6.00	5.75	5.75	6.00	

In 2007, despite widespread disappointment with the corruption of the Bakiyev regime and the opposition's inability to challenge its power or contest election results, a constitutional referendum and parliamentary elections were held. The parliamentary elections in December 2007 were largely falsified, and instances of broken seals on ballot boxes and multiple voting were widespread. On October 5, 2008, this scenario repeated itself during local government elections. The competition for local government seats was fierce, with 491 seats contested and roughly 15,000 candidates registered. Candidates included 324 members of Ak Zhol, 201 SDPK members, 94 Communists, and 55 representatives from Ata Meken. Roughly one-fourth of all candidates registered for city *keneshes* (councils), while the others competed for village-level positions.

Both Kyrgyz and international experts believe that the local government election results were largely falsified, with most seats going to government-favored candidates. Neither the opposition forces nor local NGOs were able to influence the outcome of the elections. Roughly 24,000 local observers, most of whom were picked by the candidates themselves monitored the elections. However, as one Kyrgyz NGO leader in Bishkek commented, "The falsifications were so obvious and widespread that observers were not able to report all cases of fraud."[1] One common example of election fraud was the use of teachers to mobilize support for pro-government candidates, as most voting places were located within schools.

According to local experts, the number of candidates informally supported by the government exceeded the positions available in the local government. One expert from Bishkek reported that there was an active "selling" of positions: "The number of pro-regime candidates exceeded four times the number of available seats in Bishkek; this might signify an ongoing bargaining."[2] Over 370 candidates were registered for the 44 seats available in the Bishkek *kenesh*. The National University was the most contested precinct in Bishkek, where university faculty manipulate and blackmail students into supporting candidates through their grades. A total of 61 candidates competed for four seats at the precinct.[3]

Central Election Commission (CEC) chair Klara Kabilova resigned just days prior to the vote and released a video statement describing psychological and physical intimidation by the president's son Maksim Bakiyev, claiming he repeatedly threatened her and her family members in the run-up to local elections. Kabilova fled the country with her family. Her daughter was also subjected to strong pressure from the Kyrgyz embassy in Moscow. Although Kabilova's statement did not affect the election process, it further galvanized the Kyrgyz opposition against the president. The long-term impact of her confessions on the political situation in the country is less clear.

While Kabilova's depiction of the intimidation by the president's son, known for his informal control of major political and economic sectors, came as no surprise to most in Kyrgyzstan, the political opposition, NGO leaders, and the government reacted strongly to her statement. Similar allegations had been voiced by former SDPK member Edil Baisalov in December 2007. Baisalov had published a sample ballot on his personal blog shortly before the parliamentary elections, prompting the CEC to invalidate all ballot papers and create new ones. Although no trial had taken place by the end of 2008, the SDPK was charged with a US$570,000 fine. Baisalov later revealed that Maksim Bakiyev had directly participated in an attempt to secure the victory for Ak Zhol.

After losing in the December 2007 parliamentary elections, 50 leaders from 18 political opposition parties formed an alternative, shadow parliament in early 2008, which Ak Zhol decried as illegitimate. The shadow parliament convened several times, with thousands of delegates participating from across the country in the usual procedures of a legislative body. The shadow parliament, whose membership list grew in 2008, included former members of Parliament (MPs), heads of opposition parties, former government officials, and NGO leaders. Some of the more well-known figures included the head of the Ata Meken opposition party, Omurbek

Tekebayev; Azimbek Beknazarov, head of the Asaba party; former MP Doronbek Sadyrbayev; former MP Temir Sariyev; and civic activist Cholpon Jakypova. The shadow parliament displayed a greater consensus among its members than the Parliament. However, whether the opposition forces will be capable of challenging the regime by electing a single leader is doubtful. The shadow parliament attempted to compete with Ak Zhol at the local elections by supporting candidates from opposition parties, but the pro-regime party prevailed.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	[illegible]

Kyrgyz civil society groups have remained the most vibrant political and social force in the country. Local NGOs unite former political leaders, academics, journalists, and young activists and are composed of mostly middle-class, urban, university-educated individuals. NGOs in Kyrgyzstan tend to outlast political parties; Kyrgyz NGOs began forming in the months following Kyrgyzstan's independence, and most have grown larger and stronger since, while the government sector has seen frequent turnover and numerous crises. Local civil society groups have used grants allocated by the international community much more efficiently than the government. NGOs publicize issues that the state is often not capable of solving. For instance, a number of NGOs have been working actively on gender issues, poverty reduction, border delimitation, the population's access to water and sanitation, and environmental protection. Some of these NGO recommendations have become part of official policy. Kyrgyz NGOs help the government abide by the international conventions relating to human rights, refugees, and socioeconomic rights signed by Kyrgyzstan during the early years of its independence.

Local NGOs reacted strongly to various state policies and corruption among ruling elites in 2008. NGOs organized following Bishkek mayor Daniyar Usenov's announcement of a "Beloved City" initiative in March, which mobilized schoolchildren to clean garbage from the capital city before a series of major national holidays. NGOs discredited the idea of using schoolchildren to clean up Bishkek's streets as a direct abuse of children's rights. Over a dozen NGOs and human rights activists published a consolidated message against child labor that called on parents to collectively ignore Usenov's announcement, halting implementation of the project. The protest pointed at several important changes that took place in Kyrgyz society in 2008. First, local civil society groups mobilized to protect the rights and health of children in their own communities in an ad hoc activity representing a purely local initiative not financed by any foreign or local donor. Second, Bishkek residents shifted away from Soviet traditions of forced child labor on national holidays. Third, unlike civil society groups, no public official (including ombudsman Tursunbek Akun and Minister of Education Ishengul Bolzhurova) or

law enforcement representative challenged the aforementioned initiative to use children to clean the city, despite the fact that it violates Kyrgyzstan's commitments under the UN's Convention on the Rights of the Child and a number of national labor codes. NGOs were able to effectively formulate and spread their message to raise public concern over policies initiated by the government and, in effect, demonstrated their ability to promote the implementation of international conventions signed by Kyrgyzstan.

Following the popular uprising in March 2005, and amid continuous political instability in the country, Kyrgyz political leaders have habitually attacked local NGOs for their dependence on foreign financing. Some politicians saw local civil society groups cooperating with foreign donors as an encroachment on national sovereignty. Representatives of the ruling regime often labeled NGO leaders as *grantoedy* (grant eaters), questioning the sincerity of their intentions to promote greater transparency in the government and civic participation. Local NGO leaders argue, however, that such criticism is voiced by the government and pro-regime media outlets in order to find a scapegoat for the country's persisting political and economic instability since the ascent of President Bakiyev.

In 2008, President Bakiyev sought to cut back civil liberties through a number of amendments to existing legislation. His amendments to the Law on Freedom of Assembly endorsed by the Parliament in August repressed spontaneous assemblies by civil society by allowing the government to restrict the place, time, and size of public assemblies. The president was able to push a new version of the law through Parliament without holding any meaningful discussions. The law was criticized by the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights, noting that it raised "serious concerns and constituted a setback from the earlier version of the law."[4] In a November legislative session, the Kyrgyz Parliament agreed to increase the number of members required to register religious organizations from 10 to 200. According to the ruling Ak Zhol party, such measures were necessary to restrict the spread of religious extremism in the country. Proponents of the stricter rules, including the head of the State Agency on Religion, Kanybek Osmonaliyev, argue that the 1991 Law on Freedom of Religious Practices and Religious Organizations was outdated and did not reflect current realities. The new law raised concerns from the international public, and the U.S. Congress's Helsinki Commission urged the president to revise it.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.00	5.75	6.00	6.00	5.75	5.75	5.75	6.00	6.25

Mass media in Kyrgyzstan experienced strong pressure from the government throughout 2008, yet numerous blogs, online newspapers, and forums regularly criticized the government. Several independent newspapers were sued by public

officials in courts supporting the regime, and a number of opposition journalists were forced to leave the country to escape what would most probably be unfair trials. In December, the government interrupted the broadcast of Azzatyk and BBC radio channels, and some online news outlets experienced similar problems. A number of MPs expressed their intention to vote for censoring online sources that spread libel and spark racism. Censorship of the Internet would ostensibly be limited to ethical matters but could easily turn into a political tool to silence oppositional voices.

In 2008, President Bakiyev supported amendments to the Law on Television and Radio Broadcasting that imposed strict rules on the broadcasts of local outlets by introducing a number of rigid rules, among which are the requirements to fill at least half of the total broadcast time with programs in the Kyrgyz language and ensure that over 60 percent of reports feature national news. These measures were widely viewed as government censorship that further hindered the development of independent media in the country. Owing to a lack of resources, no local TV or radio outlets were able to fill even 50 percent of broadcast time with their own shows, let alone programs in the Kyrgyz language, and most retransmitted Russian programs. Most journalists have asserted that such requirements must be introduced gradually, over the course of several years.

Additional amendments increased the government's leverage in the decision to grant or renew media outlets registration. They also give President Bakiyev the power to appoint the head of KTR, the only nationwide TV and radio corporation. The law was criticized by the OSCE office in Bishkek as working against pluralism of media in the country and preventing their development.

At least two newspapers—*De Facto* and *Alibi*—experienced government pressure in 2008. A court found both newspapers guilty of muddying the reputation of one of Bakiyev's close relatives and fined them 1 million soms (US$28,570). *Alibi*'s editor in chief, Babyrbek Jeenbekov, experienced pressure from law enforcement structures when they realized he was unable to pay the fine, while his counterpart from *De Facto*, Cholpon Orozbekova, fled Bishkek in September. The publication of both newspapers was terminated to warn other media outlets critical of the government. In 2008, several other journalists fled the country fearing government persecution. Most journalists complained that they had been exposed to more violence from governmental, criminal, and law enforcement agencies each year since the March 2005 regime change.

In response to the deteriorating independence of the media, opposition party members and NGO leaders voiced their concern in a number of public forums and publications. Several prominent mass media unions, including Journalists, and Institute of Media Representative, and NGOs, including Kylym Shamy, Interbilim, and Institute for Public Policy, have been active in raising public awareness about the suppression of independent media outlets and the government's illiberal policies. These unions reacted swiftly to the changes in media legislation and sought to generate recommendations to the government and Parliament about how to

strengthen media independence, including the decriminalization of libel and the encouragement of Internet media and forums.

The one-sided reporting of the Russian military campaign in South Ossetia in August demonstrated the dominance of pro-Moscow media in Kyrgyzstan. Virtually all TV, print, and radio outlets supported the Kremlin's justification of the campaign and described the Georgian government as fascist and criminal. The control that Russian mass media outlets in Kyrgyzstan possess partly explains the sympathetic attitudes toward Russia. The popular perspective on international affairs is often shaped by Russian news outlets. Also, Russian entertainment programs featuring chauvinistic humor about labor migrants are popular in Kyrgyzstan.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.75	6.25	6.25	6.50	6.50

The system of local government was first introduced in 2000 by former president Askar Akayev and was largely praised by the international community. Since then, the local government has proven to be an important part of the political system in the country. Local governments have achieved some political independence from the central government despite the fact that their administrative and financial autonomy is limited. Local government representatives are concerned with the issues most immediately affecting their constituents and are able to maintain order at the local level even when the central government is weakened. The local governments were virtually the only political force to retain their full authority during the few hours when former president Askar Akayev was ousted on March 24, 2005. Although the Constitution adopted in 2007 decreased the local government's political autonomy, the 2008 Law on Local Self-Government and Local State Administration enhanced local government's financial independence and provided a clearer definition of its functions.

Despite achievements under both former President Akayev and President Bakiyev, local government was beset by numerous intrigues, and some local leaders resigned from their positions out of fear for their safety. The Kyrgyz Parliament comprises only one chamber and thus lacks local representation. A member of the local government may serve as the direct link between the government and the local population. In the October 5, 2008, local government elections, Ak Zhol sought to elect its own candidates by compelling city mayors and *akims* to falsify the election results in favor of its candidates. Public employees risked losing their positions if they failed to support the preferred candidates. Schoolteachers in particular were used to persuade local constituencies to vote for government-favored candidates. By facilitating victories of loyal candidates to local government, President Bakiyev secured their support in the event of future unrest.

One of the most prominent events surrounding the 2008 local elections was the arrest in April of Ishenbay Kadyrbekov, a member of the Ata Meken opposition party, on charges of corruption. Several MPs and opposition leaders condemned the government's efforts to remove him from the political scene after he registered as a candidate for local government elections. His trial was repeatedly postponed, and the court announced that he would not be released until October 26, 2008. Kadyrbekov was among the most active protesters against former president Akayev's regime. On March 24, 2005, when protests were being held across Kyrgyzstan after rigged parliamentary elections and Akayev was reported to have fled, Kadyrbekov was appointed interim president and prime minister. After occupying the leading position in the country for only a few hours, he was replaced by President Bakiyev following a vote among the opposition forces.

Damir Lisovsky, the CEC chair appointed after Kabilova fled the country, denied all allegations of election fraud. Kyrgyz ombudsman Tursunbek Akun declared the vote to be free and fair, supporting the CEC's assessments. While the CEC reported a 61 percent turnout across the country, Akun said that young people were especially active in casting their votes. Civil society observers, in contrast, argued that the population is passive at best about local elections. Several NGOs insist that most voters did not show up at election polls because of their diminished trust in the government, especially after Kabilova revealed the president's continuous pressure on the CEC.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.25	5.25	5.50	5.50	5.50	5.50	5.50	6.00	[illegible]

The judiciary in Kyrgyzstan remains highly politicized and is one of the least trusted state institutions. In 2007, the Constitutional Court supported President Bakiyev's constitutional reform, which led to snap parliamentary elections and granted the president the right to appoint judges. The reforms in the judiciary facilitated by various international donors have had a limited impact on its internal functioning, with most judges still under the direct influence of the Office of the Prosecutor and top-level executive branch officials. Judges who failed to comply with the demands of the president's regime risked dismissal. In January, the chairman of the Supreme Court, Kurmanbek Osmonov, was removed from his position for his criticism of constitutional reforms implemented by the Parliament and president in December 2006 and October 2007. His dismissal showed that with the help of a loyal Parliament, the president is able to control judges of even the highest ranks should they challenge his regime.

In 2007, the U.S. Millennium Challenge Corporation's Threshold program allocated US$16 million to judicial reform in Kyrgyzstan. This was in addition

to the work of the U.S. Agency for International Development, OSCE, Soros Foundation, and Deutsche Gesellschaft für Technische Zusammenarbeit, which have been the primary supporters of judicial reform in the country. While the external push for judicial reform was strong, internally there was little willingness to change. Few judges have spoken out in support of greater self-governance and fiscal independence. Jury trials encountered resistance from Soviet-educated influential judges. The first pilot jury trials are likely to take place in 2010, but the Kyrgyz Parliament failed to adopt supporting legislation in 2008.

For judicial reform to be effective, the Constitution of 2007 must be revised to limit the president's right to appoint judges. However, President Bakiyev is unlikely to give up his power over the judiciary, as it is one of the primary mechanisms he has used to silence political opponents and business competitors. Also, as long as the Constitutional Court remains under his influence, the president will have a strong instrument with which to renew his term. Already by late 2008, President Bakiyev had expressed his wish to run for president again, and several MPs asked the Court for earlier presidential elections.

In 2008, the president's popularity decreased owing to the energy crisis, and the potential for opposition riots increased. Throughout the year, opposition movement leaders experienced pressure from law enforcement structures. Their assets were seized on a variety of charges such as questionable sources of income and tax evasion. One example of such pressure occurred in December when members of the For Justice movement, led by Omurbek Tekebayev and Alikbek Jekshenkulov, traveled to Washington, DC to present their political program to U.S. officials. Upon their return to Kyrgyzstan, both leaders found several criminal charges pending against them. In another case, General Ismail Isakov, popular among the military rank and file, was charged for the disappearance of military technologies used during his tenure as defense minister. According to Jekshenkulov, these charges are rarely taken to court but serve as a reminder that law enforcement may interrogate political opponents whenever it suits the leadership.

Reports of the prosecutor general's attacks on journalists, NGO leaders, and politicians through fabricated charges of libel and public insult are widespread. Erkin Bulekbayev, leader of the Green Party, was charged for insulting the president's dignity after representatives of the prosecutor general found caricatures depicting the president in his office. The Green Party, comprises primarily young activists and is notorious for staging public campaigns criticizing the president.

Bribes paid to judges or political interference from government officials often determines the outcome of court proceedings. Judges' salaries remain low, and bribes are the main source of income for most judges. Judicial positions are considered attractive, and the competition for vacancies is intense. International inexperience and lack of professionalism make judges believe that political pressure from the government and presidential administration is normal. Widespread corruption among most judges forced ordinary citizens to resort to alternative methods of justice, such as Sharia courts, which are not recognized by the state.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25

According to Transparency International's Corruption Perceptions Index, Kyrgyzstan is among the world's most corrupt countries. The country's rating fell to 1.8 in 2008 from 2.1 in 2007, putting it in a range similar to countries such as Turkmenistan, Uzbekistan, and Zimbabwe. Years of poor management and pervasive corruption in the hydropower sector brought it to the brink of collapse in 2008 and greatly contributed to the worsening corruption record. In the spring of 2008, water levels dropped to an extreme low at the Toktogul reservoir, the major hydropower site in the country, while reports of illegal selling of hydropower by high-ranking officials continued to surface. Expert reports confirmed that despite the energy crisis, embezzlement of water resources by top government officials continued.

Although the Kyrgyz government secured energy imports from neighboring states, it still faced growing pressure from its opponents and the public. As winter approached, rolling blackouts raised more concern among the local population in Kyrgyzstan. Urban and rural residents complained about interruptions to their businesses due to electricity shortages. The government's decision to change three-phase capacitors into one-phase capacitors was met with stern opposition by the population, sometimes leading to attacks on government employees. Theft of equipment for the transmission of electricity increased during the regular blackouts, which further exacerbated the intermittent provision of electricity. Sometimes blackouts lasted more than 10 hours a day.

In September, SDPK demanded that Prime Minister Igor Chudinov report how and why the government allowed such a crisis to occur. At the parliamentary hearings on September 9, 2008, Chudinov was asked why the water level in the Toktogul reservoir had decreased since 2005. According to MPs, the water level in the reservoir was roughly 19 billion cubic meters in October 2005, while by April 2008 it had dropped to 6.4 billion cubic meters. Despite the drop, the hydropower production level held steady.[5] These data reveal that large volumes of hydroelectricity were either stolen or lost in the process. Chudinov blamed the previous regime for unprofessional management of resources and high losses (up to 40 percent) endured by the sector in the production process.

Several other political leaders were more direct in criticizing the government for embezzling revenue from the hydropower sector, leading to the energy crisis. Bakyt Beshimov, an SDPK MP, accused the current regime of artificially creating the crisis, arguing that even when the water level in the Toktogul reservoir was high, there was not sufficient electricity delivered to the public because of corruption within that sector. Although the opposition knew about the looming crisis, its leaders, including those of the SDPK, made little attempt to voice concern. Their criticism became louder when the crisis became almost inevitable.

The growing energy crisis prompted a public debate about the hydropower sector, putting its managers, President Bakiyev, and former minister of energy Saparbek Balkibekov under public scrutiny. The first active discussions of the looming crisis in the hydropower sector appeared in the opposition newspaper *Bely Parokhod* in late 2005 and were later picked up by several news outlets. Local newspapers began reporting the issue from a variety of perspectives, including an examination of corruption in the energy sector and stories of the everyday survival of local people without electricity. Several mass media outlets attempted to uncover the reasons for its occurrence. Meanwhile, the president promised that the crisis would end soon and Kyrgyzstan would be able to export hydropower again owing to the completion of the Kambarata-1 hydropower plant on the Naryn River. It remained unclear, however, when the plant would begin functioning and who would invest in its construction.

▮ AUTHOR: ERICA MARAT

Erica Marat is a Central Asia analyst specializing in military institutions, state-building processes, and organized crime in Central Asia and beyond. She has authored numerous publications in various policy and academic journals.

---

1 Interview with Nazikbek Kydyrmyshev, Elbilge, Bishkek, October 2008.

2 Ibid., Kydyrmyshev.

3 "Iz bole 100 partii, zaregestrirovannyh v Kyrgyzstane, svoih kandidatov na vybory v Bishkekskii kenesh ofitsial'no vydvinuli tol'ko 11 organizatsii" [Out of 100 parties registered in Kyrgyzstan, only 11 organizations officially nominated their own candidates for the Bishkek council elections], *www.24.kg*, September 16, 2008.

4 "OSCE rights body, Council of Europe express disappointment at signing of amendments to Kyrgyzstan's assembly law," press release by the OSCE's Office for Democratic Institutions and Human Rights http://www.osce.org/odihr/item_1_32721.html, accessed on February 16, 2009.

5 "Ob'em vody v Toktogul'skom vodohronilische sostavil 9,619 milliarda kubometrov" [The water volume in the Toktogul reservoir was 9,916 billion cubic meters], *24.kg*, September 24, 2008.

Latvia

by Juris Dreifelds

Capital: Riga
Population: 2.3 million
GNI/capita: US$15,790

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00
Civil Society	2.25	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Independent Media	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75
Governance*	2.50	2.25	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.00	2.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.25	2.25
Judicial Framework and Independence	2.00	2.00	2.00	2.25	2.00	1.75	1.75	1.75	1.75	1.75
Corruption	3.50	3.50	3.75	3.50	3.50	3.50	3.25	3.00	3.00	3.25
Democracy Score	2.29	2.21	2.25	2.25	2.17	2.14	2.07	2.07	2.07	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

In Latvia, a full generation has grown up without any firsthand knowledge of Soviet life. As this Soviet experience retreats in the memories of even the older generations, independence and membership in the European Union (EU) and NATO have become an unquestioned daily reality. The Russia-Georgia confrontation in August 2005, brought home to many the possible vulnerabilities involved in having a resurgent and economically expansive neighbor. NATO leaders were dispatched to the capital, Riga, to reiterate the seriousness of Baltic protection, and at the same time provide a signal to Russia of NATO's determination to stand by each and every member. The Georgian events also created further rifts between Latvians and the large Russian-speaking population, epitomized in small part by the divergent display of Georgian and Russian flags decorating many Riga transportation vehicles.

Latvia's economy was a major concern even before the worldwide economic meltdown, but high inflation, especially the steep rise in the price of necessities in 2008 such as food, energy, heat, and shelter, brought about widespread discontent. The lifting of visa requirements to travel to Canada, Australia, and the United States was a positive signal to the country. The celebration of the 90th anniversary of Latvia's declaration of independence on November 18 offered wide opportunities for nation building and increased cohesion in a population generally beset by anomie and cynicism.

National Democratic Governance. In 2008, two referendums, the president's efforts to mobilize Parliament, and the precarious majority of the coalition parties have circumscribed the amplitude of executive freedom. In 2008, while the parliamentary opposition remained largely ignored by decision makers, the Latvian Federation of Free Trade Unions launched a campaign to extend the power of the general electorate by allowing a recall of Parliament between elections. The referendum failed but demonstrated the low levels of trust accorded to democratic institutions in Latvia. Serious discontent and concerns were voiced over the radical actions taken to reorganize Latvia's governmental ministries, taxation levels, and institution of drastic economic salvation plans—including the government's overly secretive takeover of the Parex Banka. *As a result, the rating for national democratic government worsens from 2.00 to 2.50.*

Electoral Process. Latvia is a parliamentary democracy, with elections to the 100-member Parliament held every four years. The most recent parliamentary elections took place in October 2006 and were considered by the Organization for Security and Cooperation in Europe to have been free and fair. Voting turnout has

declined over four years from 71 percent to 62 percent. Most parties in Parliament are positioning themselves to prepare for municipal and European Parliamentary elections to be held concurrently on June 6, 2009. *The rating for electoral process remains at 2.00.*

Civil Society. Nongovernmental organization (NGO) activity is in a state of flux owing to the loss of financing from foreign donors and reorientation to self-sustainability. Government funding, and especially seed money to access EU funds, has provided some relief. In spite of the decreased rate of participation in various organizations, the number of NGOs is increasing at a rate of 3 a day, totaling roughly 10,000 in 2008. Of these, only 1,000 are certified and have tax-deductible status. The mounting mobilization of impressive numbers of voters for two referendums in the summer of 2008, in spite of governmental opposition, highlighted the viability of civil society. *The rating for civil society remains at 1.75.*

Independent Media. There is almost no governmental interference in Latvian media. As in most countries of the world, the increase in Internet use has precipitated a significant drop in newspaper readership. Nevertheless, people in Latvia have a broad choice of dailies, weeklies, regional press, journals, television, and radio. Moreover, many people have access to European and Russian television programs. Journalism remains a prestigious occupation in spite of the low pay and high personnel turnover. Many Latvians have criticized the increased presence of Russian serials on Latvian TV and their possible impact on the Latvian language, and politics. *Latvia's rating for independent media holds steady at 1.75.*

Local Democratic Governance. Latvian municipal governments remained active in 2008. The planned reorganization of 530 municipalities into 109 new territorial districts and 9 republic cities by early 2009 passed on December 18, 2008, and has created discontent and even opposition from over three dozen districts and one of the four ruling coalition parties. *Latvia's rating for local democratic governance remains at 2.25.*

Judicial Framework and Independence. The status, pay, and number of judges in Latvia's 42 courts continue to increase. Modernization of the court system is progressing rapidly, yet public trust in these institutions remains relatively low. Funding for the Ministry of Justice and especially its court administration sector has more than doubled since 2004. *The rating for judicial framework and independence remains at 1.75.*

Corruption. While all signs indicate relatively limited corruption in the middle and lower levels of administration and courts, the pinnacle of politics appears tainted. Latvia's anticorruption organization, the Corruption Prevention and Combating Bureau (KNAB), is becoming more sophisticated and has accelerated its investigations, increasingly catching "big fish" in its net. As a result, this organization

has become one of the most trusted in Latvia, and more and more individuals are willing to inform officials about observed corruptive activities. Ironically, in spite of this achievement, the leader of KNAB, Aleksejs Loskutovs, was dismissed from his position in June after an unsuccessful attempt (due to large public protests) to fire him in the fall of 2007. The official reason for the dismissal concerned the theft of large sums of money, yet many have speculated that his overzealous fight against corruption led to his dismissal. *Latvia's rating for corruption worsens from 3.00 to 3.25.*

Outlook for 2009. The widespread anger and cynicism stemming from the economic downturn may result in major parties in government losing out in municipal and European Parliament elections slated for June 2009. Furthermore, the restructuring of municipal district boundaries may result in realignment of political parties. Worries stemming from the economic crisis may place ideological issues and concerns regarding the relations between Latvians and the Russian-speaking community on the back burner in order to pursuit increased trade. At the same time, many Latvians working abroad may return following cuts in employment in Ireland and the United Kingdom.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.00	2.50

The institutions of national governance in Latvia continue to work within constitutional parameters as the country has become a model for other former Soviet republics in bringing national legislation in line with European Union (EU) standards. Within the parliamentary system, the governing executive determines most policy initiatives. However, in 2008 two referendums, the president's efforts to mobilize Parliament, the precarious majority of the coalition parties, and the deliberations of the Constitutional Court have circumscribed the amplitude of executive freedom. At the same time, there are low levels of trust accorded to democratic institutions in Latvia, but a general acceptance of the legitimacy of national authorities.

Prime Minister Ivars Godmanis acceded to office on December 20, 2007. Before his appointment, Prime Minister Godmanis served as minister of the interior, and nearly two decades earlier, he took office as Latvia's first prime minister after reindependence. His nomination by President Valdis Zatlers was something of a surprise, as he is affiliated with a small party of 10 deputies, ranking fifth in terms of size, belonging to the ruling coalition.

In contrast with 2007, there was somewhat less acrimonious turbulence and political conflict. The ebb and flow of democratic accommodation and dissonance continued unabated. While Prime Minister Godmanis received mixed reviews on his style and work performance, the coalition government maintained its cohesion despite many attempts by the opposition to criticize its policies and direction. The parliamentary opposition has been able to force certain issues but remains largely ignored by decision makers.

One of the major opposition parties, the New Era Party, endured serious discord in its ranks, and several of its deputies created a new party. Under the leadership of Sandra Kalniete, a former EU commissioner and foreign affairs minister, and Ģirts Valdis Kristovskis, a deputy of the European Parliament and former defense minister, the Civic Union Party was founded on April 26, 2008. This party is represented by six deputies in the Saeima (Parliament).

The four coalition parties have been surprisingly stable, but a major issue that could lead to strains concerns the reorganization of Latvia's local administrative boundaries. The Union of Greens and Farmers appears to be solidly opposed to these changes, which are planned to be in place by the June 2009 local elections. There is also serious discontent about the radical actions taken to reorganize Latvia's governmental ministries, taxation levels, and institution of drastic economic salvation plans.

Pressures for change have come from outside the government. In 2008, the Latvian Federation of Free Trade Unions launched a campaign to extend the power of the general electorate by allowing a recall of Parliament between elections. The federation successfully amassed over 200,000 signatures in the summer to initiate a referendum on the parliamentary recall. Despite overt criticism from coalition parties, and rather poor timing (the referendum was held on August 2, the peak of holiday season), 608,446 people voted in favor of the constitutional change and 20,456 against it.[2] The voting total reached 757,600 but failed to acquire the voter turnout needed to support the changes. However, as two-thirds of those who voted in the previous general election participated in the referendum, a formidable signal of public discontent was sent to the government, leading President Zatlers to mobilize Parliament to create a consensus for constitutional change.[3]

Indeed, these efforts focused on expanding the rights both of the president and of the electorate in calling for new elections. Eventually, the powers of the president were extended to dismiss Parliament in cases of gridlock, but coalition and opposition parties have diverged on the numbers required to validate a popular election call; the coalition is seeking half of all eligible voters, while the opposition maintains that half of the preceding national election turnout should be sufficient.[4]

The second referendum of the year was held on August 22 and concerned increases in pension payments and procedures. While the bar for this issue was much lower than for constitutional changes (453,730 votes were required), only 346,784 voted, with 3.4 percent opposed to the proposition.[5] This referendum was organized by the Union for Different Politics, a new political grouping, together with several pensioner groups. According to Prime Minister Godmanis, the changes would have "fundamentally threatened the viability of the existing pension system."[6] Apparently, most nonpensioners agreed and did not participate. But the separation of the two referendums and the associated costs of holding two separate voting events do raise doubts about the neutrality of the election commission.

On October 1, 2008, Prime Minister Godmanis declared Latvia a "safe haven" in the midst of the world economic meltdown and its banks safe and unaffected by the surrounding storm.[7] Thus it came as a shock when the Latvian government announced its purchase of 51 percent control of Parex Banka for initially 200 million lats (US$400 million) but later almost double this amount.[8] No parliamentary debates or public discussions preceded this sudden plunge into banking. Furthermore, very little media discussion has ensued, although many people are wary of the conditions of sale of the bank by the two leading oligarch owners, Valery Kargin and Viktor Krasovicki, who managed to transfer most of their property assets to offshore companies before the deal was made.[9] Thus far, other larger banks, mostly Scandinavian- or German-owned affiliates, appear to be weathering the storm.

The People's Party minister of finance, Atis Slakteris, originally initiated demands for a US$3 billion loan from the International Monetary Fund. With increased perception of the seriousness of Latvia's economy, this solicitation has escalated to over twice the original amount. Many Latvians recall the catastrophic

squandering of G24 loans during Prime Minister Godmanis' first mandate and are nervous about the vast possibilities of corruption that such a loan could entail.

Ironically, the People's Party criticized President Zatlers for spending too much time on constitutional matters and not enough on the economy. In response, President Zatlers came out with a statement blaming the People's Party for Latvia's economic unpreparedness and lack of an emergency fund. Moreover, his office pointed out that only the government, and not the president, had real power to deal with the economy. On November 15, 2008, in the midst of the global economic meltdown and serious strains in various sectors of the Latvian labor force, the coalition joined together to cut budgets with a final vote of 53 to 43.[10]

President Zatlers' speeches of unity and mobilization of citizens leading up to the celebration of Latvia's 90th birthday on November 18, 2008, provided a much needed sense of stability and group solidarity. Each year, an increasing number of republic inhabitants obtain Latvian citizenship. Indeed, 81.6 percent, or 1,857,508, were in this category on January 1, 2008. About 2 percent held foreign citizenship, and 372,421, or 16.4 percent, were "noncitizens."[11] People of Latvian ethnic origin form roughly 60 percent of the population. As more non-Latvians, especially the large group of Russian speakers, obtain the right to vote, their potential political weight increases. This weight is enhanced by the new Russophone focus on a single party—Harmony Center, which leads all other parties in the polls. As well, as more Russians become fluent in Latvian (about 60 percent claim such proficiency), they are better able to articulate and project their demands to Latvian authorities. In this changing context, Aivars Slesers, leader of the First Party–Latvian Way, and Mareks Segliņš, head of the People's Party, have indicated their willingness to cooperate with this Russian-oriented party in the future.

The Latvian military is integrated within NATO and is bound by many of the regulations of this organization, including the minimal 2 percent of gross national product spending on military affairs. Civilians have military oversight, as evidenced by the recent dismissal of the commander of land forces by Minister of Defense Vinets Veldre. The president is commander in chief of the armed forces. Beginning with 2007, Latvia became an all-volunteer military service, with the prestige of the military growing with increased pay and financing.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00

Latvia is a parliamentary democracy, and elections to the 100-member Parliament are held every four years. Deputies are elected proportionally from party lists in five large electoral districts.

The last parliamentary elections were held on October 7, 2006, with the participation of 19 party lists with 1,027 candidates. The most far-reaching and

significant change was the effort to circumvent party spending limits by orchestrating financing of advertising by individual organizations under the guise of freedom of speech. The People's Party and Latvia's First Party led such initiatives, gaining many votes in the process. The voter participation rate, however, was significantly lower than in 2002, decreasing from 70.3 percent to 62.28 percent.[12]

The elections were closely observed by a delegation from the Organization for Security and Cooperation in Europe and the Office for Democratic Institutions and Human Rights. In their view, the election had been "administered transparently and professionally, and the campaign took place in a competitive and pluralistic environment."[13]

The People's Party was the perceived big winner with 23 seats, while the New Era Party, elected in 2002 with 26 seats, received only 18 seats. Of the seven winning parties, only these two were not coalitions. The seat distribution to other parties was as follows: Union of Greens and Farmers, 18; Harmony Center, 17; First Party-Latvia's Way, 10; Fatherland and Freedom, 7; and For Human Rights in a United Latvia, 6.

Latvian presidents are chosen for a term of four years by the Parliament and require 51 votes to be elected. On May 31, 2007, Valdis Zatlers, the coalition's candidate, won the presidential elections with 58 votes. Aivars Endziņš, the opposition's candidate, received 39 votes.

Latvia joined the EU on May 1, 2004, and became a participant in the third supranational level of elections, to choose 9 deputies out of a total of 732 for the European Parliament. Elections were held on June 12, 2006. Voter participation was relatively low for Latvia, but close to the overall average for the 25 EU states.

The next European Parliament elections will be held jointly with local government elections on June 6, 2009. The original municipal-level elections were planned for March, but concerns over expenses and the delayed local government reorganization prompted this combined initiative.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
2.25	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75

Nongovernmental organizations (NGOs) are regulated and defended by the Latvian Constitution, the 1992 Law Concerning Public Organizations and Their Associations, and two subsequent laws on public organizations passed in 2003 and 2004. There have also been various middle- and long-term national programs outlining the duties of government in the strengthening of civil society. In particular, the Ministry of Special Issues and Social Integration has undertaken a leading role in dealing with NGOs, but the largest outlays are by the Ministry of Education and Science. At the same time, many ministries have paid only lip service to cooperation and have not taken any concrete steps to interact with relevant groups. In 2007,

squandering of G24 loans during Prime Minister Godmanis' first mandate and are nervous about the vast possibilities of corruption that such a loan could entail.

Ironically, the People's Party criticized President Zatlers for spending too much time on constitutional matters and not enough on the economy. In response, President Zatlers came out with a statement blaming the People's Party for Latvia's economic unpreparedness and lack of an emergency fund. Moreover, his office pointed out that only the government, and not the president, had real power to deal with the economy. On November 15, 2008, in the midst of the global economic meltdown and serious strains in various sectors of the Latvian labor force, the coalition joined together to cut budgets with a final vote of 53 to 43.[10]

President Zatlers' speeches of unity and mobilization of citizens leading up to the celebration of Latvia's 90th birthday on November 18, 2008, provided a much needed sense of stability and group solidarity. Each year, an increasing number of republic inhabitants obtain Latvian citizenship. Indeed, 81.6 percent, or 1,857,508, were in this category on January 1, 2008. About 2 percent held foreign citizenship, and 372,421, or 16.4 percent, were "noncitizens."[11] People of Latvian ethnic origin form roughly 60 percent of the population. As more non-Latvians, especially the large group of Russian speakers, obtain the right to vote, their potential political weight increases. This weight is enhanced by the new Russophone focus on a single party—Harmony Center, which leads all other parties in the polls. As well, as more Russians become fluent in Latvian (about 60 percent claim such proficiency), they are better able to articulate and project their demands to Latvian authorities. In this changing context, Aivars Slesers, leader of the First Party–Latvian Way, and Mareks Segliņš, head of the People's Party, have indicated their willingness to cooperate with this Russian-oriented party in the future.

The Latvian military is integrated within NATO and is bound by many of the regulations of this organization, including the minimal 2 percent of gross national product spending on military affairs. Civilians have military oversight, as evidenced by the recent dismissal of the commander of land forces by Minister of Defense Vinets Veldre. The president is commander in chief of the armed forces. Beginning with 2007, Latvia became an all-volunteer military service, with the prestige of the military growing with increased pay and financing.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00

Latvia is a parliamentary democracy, and elections to the 100-member Parliament are held every four years. Deputies are elected proportionally from party lists in five large electoral districts.

The last parliamentary elections were held on October 7, 2006, with the participation of 19 party lists with 1,027 candidates. The most far-reaching and

significant change was the effort to circumvent party spending limits by orchestrating financing of advertising by individual organizations under the guise of freedom of speech. The People's Party and Latvia's First Party led such initiatives, gaining many votes in the process. The voter participation rate, however, was significantly lower than in 2002, decreasing from 70.3 percent to 62.28 percent.[12]

The elections were closely observed by a delegation from the Organization for Security and Cooperation in Europe and the Office for Democratic Institutions and Human Rights. In their view, the election had been "administered transparently and professionally, and the campaign took place in a competitive and pluralistic environment."[13]

The People's Party was the perceived big winner with 23 seats, while the New Era Party, elected in 2002 with 26 seats, received only 18 seats. Of the seven winning parties, only these two were not coalitions. The seat distribution to other parties was as follows: Union of Greens and Farmers, 18; Harmony Center, 17; First Party-Latvia's Way, 10; Fatherland and Freedom, 7; and For Human Rights in a United Latvia, 6.

Latvian presidents are chosen for a term of four years by the Parliament and require 51 votes to be elected. On May 31, 2007, Valdis Zatlers, the coalition's candidate, won the presidential elections with 58 votes. Aivars Endziņš, the opposition's candidate, received 39 votes.

Latvia joined the EU on May 1, 2004, and became a participant in the third supranational level of elections, to choose 9 deputies out of a total of 732 for the European Parliament. Elections were held on June 12, 2006. Voter participation was relatively low for Latvia, but close to the overall average for the 25 EU states.

The next European Parliament elections will be held jointly with local government elections on June 6, 2009. The original municipal-level elections were planned for March, but concerns over expenses and the delayed local government reorganization prompted this combined initiative.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.25	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75

Nongovernmental organizations (NGOs) are regulated and defended by the Latvian Constitution, the 1992 Law Concerning Public Organizations and Their Associations, and two subsequent laws on public organizations passed in 2003 and 2004. There have also been various middle- and long-term national programs outlining the duties of government in the strengthening of civil society. In particular, the Ministry of Special Issues and Social Integration has undertaken a leading role in dealing with NGOs, but the largest outlays are by the Ministry of Education and Science. At the same time, many ministries have paid only lip service to cooperation and have not taken any concrete steps to interact with relevant groups. In 2007,

most ministries halved their funds slated for interaction with NGOs, reflecting a perception of such activity as a "luxury."[14] Furthermore, Prime Minister Godmanis has expressed his interest in offloading certain state responsibilities to private organizations.

The years since Latvia's accession to the EU in May 2004 have been marked by turbulence in the NGO sector. Most NGOs have lost financing by foreign donors and have required a reorientation to self-sustainability. The Latvian government provides grants to specific NGOs as "seed money" for receiving larger EU grants and is especially generous to groups involved in providing greater ethnic cooperation and understanding. Other major funding by the state is achieved through its tax policy. Donations to groups designated as having "public benefit status" are 85 percent tax-deductible. About 1,000 groups received this status in 2008. Between 2004 and 2008, the NGO sector received 73 million lats (US$146 million) from the state and 31 million from foreign donors, administered by the state.[15] There are no unified rules for funding. Hence, every ministry determines its own priorities and rules of the game in this respect. Many groups compete for specific projects, but others are chosen for their outstanding record or simply out of tradition. Critics have pointed out that in many cases, the following unwritten rules for funding prevail: "connections, beautiful eyes, traditions, and political sympathies."[16]

Because of haphazard state financing, NGOs depend on other sources of income. Ironically in view of decreasing engagement in public organizations, the total number of NGOs is increasing rapidly.[17] There are almost 10,000 groups, with an average of 3 new groups created daily. The Riga region accounts for over 5,000 of these groups and Liepaja 600. Indeed, the farther the distance from Riga, the less dense the network of NGOs. Ludza, a city along Russia's border, has only 2 organizations per 1,000 inhabitants.[18]

Evidence indicates that most NGO groups are led by women, and contrary to the geographic situation, the farther away from Riga, the greater their presence. A research study by Tove Linden, a political scientist from the University of Stockholm, praises the role of women in Latvia: "Among the social activists of Latvian civil society, a majority are well-educated women with Latvian citizenship. They know how to strengthen civil society, understand the political situation in the state, and have gained positive support by engaging in this work."[19] This estimation does not take into consideration the relatively limited representation of women in political and public decision-making bodies. Furthermore, the drought of funds in the NGO sector has meant fewer earning opportunities and, hence, an increased representation of women.

Latvian NGOs face many problems besides financing. Organizational capacity is low. Most NGOs are small groups composed of about two dozen individuals who often lack basic training in financial, legal, administrative, and public relations skills. They greatly depend on part-time volunteers who do not have the time or energy to plan and focus on long-term strategies. Even those organizations with paid staff often find themselves tied to specific projects rather than having a continuous source of personnel financing. As one activist claimed, this "Russian roulette" financing militated against long-term planning.

The Latvian Federation of Free Trade Unions gained much visibility after initiating the August 2, 2008 referendum on methods to recall Parliament between elections. In Latvia, 16 percent of workers are dues-paying union members. There are 160,000 members and 23 branches. About 80 percent are employed by the state or state-owned corporations, and somewhat over 20 percent work in the private sector. The federation was successful in preventing the quintupling of notary fees required to certify a signature for the introduction of petitions. Initiatives for policy changes by NGOs require 10,000 verified signatures that originally cost 1.97 lats (US$3.94), but as a result of changes introduced in January 23, 2008, this fee rose to 10 lats (US$20), and was later reversed.[20]

The Latvian Federation of Free Trade Unions has also been officially included as one of three major negotiators in the Tripartite Union, together with the Latvian Employers Confederation and the government. This partnership was signed on October 1, 2004. In October 2008, the Tripartite Union agreed to raise the nontaxable personal income tax monthly minimum to 100 lats (US$200).

Most of Latvia's professional groups such as doctors and policemen have their own representative organizations that deal with government and municipalities. Not all NGOs are satisfied with their role vis-à-vis the government. Sustento, a group representing people with special needs, claimed "ministries look upon NGOs as opponents, whose point of view must be countered, rather than listened to and used in future work."[21]

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75	1.75

The Latvian media are free to disseminate information and views, limited only by libel considerations and the pressures of the market. Investigative journalists are free to pursue various sensitive topics, including government waste and corruption, but such initiatives are costly and limited in scale. The mass media generally enjoy editorial independence, although certain news items may be difficult to obtain from government sources in spite of the Freedom of Information Act passed in November 1998. Several leading newspapers are available free of charge electronically and in print.

By 2007, almost all private Latvian-language media in the country had become foreign owned. Rupert Murdoch's company News Corp Europe has purchased the leading Latvian TV station, LNT, and 70 percent of TV5. The British-based Swedish company Modern Times Group (MTG) controls TV3 and the Russian-language 3+, as well as several radio stations, including Star FM. The major newspaper *Diena* is owned by the Bonnier Group, a multinational Swedish company. This company also controls about one-third of local papers and the Baltic News Service. The newspapers *Neatkariga Rita Avize* and *Vakara Zinas* have been

controlled by the owners of Ventspils Nafta, an oil concern, but it appears that the ownership has also moved "offshore." Another leading newspaper, *Latvijas Avize*, is controlled through Ventbunkers, which in turn is under the direction of a foreign-owned corporation based in the Netherlands. The most watched and used Internet news source and interaction Web site, Delfi, was purchased by the Estonian Ekspress Grupp on August 2, 2007.

The Russian-language First Baltic Channel, a Baltic-wide television network based in Riga, and the leading Russian newspapers *Vesti Segodnya*, *Chas*, and *Telegraf* appear to be locally owned. Their limited audiences and profit margins have not yet enticed foreign firms to buy them out. *Telegraf*, however, was sold, and Janis Jurkans, a former Latvian minister of foreign affairs, is one of the new owners.

In October 2008, Latvia had over 10 different local television stations, and on average people spent nearly five hours a day viewing TV programs. Furthermore, of those aged 15 to 74, 85 percent watched TV daily. No major shifts in viewership share occurred during 2008. The Internet was accessed by 51 percent of the population aged 51 to 74, and 78 percent listened to radio at least every week, with 60 percent doing so every day. The Internet has become a major tool for purchases of tickets, services, and goods by 35 percent of the population. As in most countries of the world, the daily press has suffered a decline in readership; in Latvia, within one year, readership dropped from 47 to 41 percent of the population. However, the regional press and journals were able to maintain their customer levels.[22]

Advertising in the press declined by 28 percent in September 2008 compared with the previous year, reflecting a worldwide trend. The majority of advertisers are multinational corporations such as Proctor & Gamble and Coca-Cola.

In 2008, several controversial issues were connected to the media. A university lecturer from Ventspils, Dmitrijs Smirnovs, was arrested and held by security police for several days after expressing his views on the weakness of the Latvian currency and banks in the local *Ventspils Balss* newspaper during a November 21, 2008 roundtable discussion. Smirnovs claimed that the crisis in Latvia was only beginning and would be 10 to 20 times worse than in the United States. The catalyst precipitating his arrest was his suggestion that it could be dangerous for citizens to keep their money in banks and in lats. The arrest raised exaggerated claims that Latvia could slowly embrace the media regulation models found in Belarus, Russia, and China.

Some concerns were also expressed over the increasing presence of Russian serials on Latvian TV stations in 2008, often without the mandatory subtitles and the increased and systematic presence of anti-Latvian stereotypes. The chair of the Latvian Broadcasting Board, Abrams Kleckins, reacted to the criticism concerning this issue by stating that Russian serials were closer and more understandable to the Latvian mentality than those from Latin America. The shows included more recognizable traditions and understandable humor. He also pointed out that Russian serials are "fashionable," but that fashions usually change over time.[23]

Widespread criticism ensued as a result of the five-year monopoly contract given to Baltcom TV and its owner, Peteris Smidre, without competitive bidding.

Its purported aim was to test the viability and range of digital TV equipment but has raised charges of collusion and the advent of another "digitalgate." Indeed, the equipment to be used is connected to the notorious "digitalgate" or "Kempmayer affair," in which oligarch Andris Skele has been implicated. If Latvia switches to digital TV by 2012, other companies claim they will be disadvantaged and will not be able to compete on a level playing field. Serious discontent arose after the government announced a value-added tax increase on media products from 5 to 10 percent, to be implemented at the beginning of 2009.

Journalists in Latvia have almost no protection vis-à-vis their employers. Their unions are weak or nonexistent, and their remuneration is small and based on a low basic salary, with extra payments calculated per article or presentation. Many journalists are forced to "moonlight" at several jobs in order to survive. Veteran journalists typically earn a monthly average of only US$900–1,000 before income taxes of 25 percent. Consequently, there is a large turnover of reporters. Many experienced reporters leave journalism to work in public relations firms and are replaced by an influx of young, inexperienced journalists who possess neither the time nor the acquired skills necessary to undertake major investigative initiatives. Encouragingly, there is tremendous competition to enter journalism schools. The glamour of this profession and the levels of public trust in the media are strong in Latvia.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.25	

In contrast with Estonia and Lithuania, Latvia has approved a Constitution that does not include the rights and principles of local governments, and the rectification of this omission has been one of the constant demands of the Union of Latvia's Self-Governments. Nevertheless, Latvia has several laws that apply to municipalities, with the main legislation being the Law on Local Governments, passed on May 19, 1994, and amended more than 10 times since then.

Municipalities carry a heavy load of responsibilities. Their competences 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 about one-fifth of all housing in Latvia for which they have legal title. Processes of governance vary according to the size of the municipality, but all are based on fundamental democratic foundations, which include openness of council and committee meetings and availability of their minutes, access to deputies and the executive by local residents, procedures for review of complaints and suggestions, public discussions, and audited annual reports or reviews of budget fulfillment, spending, assets, and activities. Citizens also have recourse to municipal elections every four years. Elections are free and democratic, with a turnout of 52.85 percent in the last elections, which were held on March 2, 2005. The next elections are slated for June 6, 2009.

In September 2007, the Latvian government approved the plan for territorial reform. The reorganization law, however, was finally passed 56 to 38 after eight hours of parliamentary debates on December 18, 2008. The very ambitious plan to squeeze Latvia's 530 local governments into 109 districts (*novadi*) and 9 republic cities may still be rearranged owing to fierce opposition from several dozen districts that refuse to be subsumed into larger units. Dozens have appealed to the Constitutional Court because they claim they were not adequately consulted.

The economic crisis has affected all local governments. Their basic budgets are dependent in large measure on personal income taxes. In January 2008, local governments were allowed to keep 80 percent of revenues collected from personal income taxes and will be allowed to collect 82 percent in 2009, partially to compensate the raising of the nontaxable minimum from 80 to 100 lats (US$160–200). This will not, however, significantly improve the dire environment in a situation of a diminishing tax base. As a result, local governments have been forced to plan large deficit budgets. Riga, for example, has accepted a 6.2 percent budget deficit for 2009. The Riga governing body is particularly agitated by the 30 percent increase it will have to pay into the municipality "equalization fund," aimed at compensating poorer districts, which will total over 68 million lats (US$136 million) in 2009.[24] Not surprisingly, Riga has balked at growing assessments that larger numbers of out-of-town individuals contribute to the city's road congestion, partake of its infrastructure, study in Riga schools, and send children to the city's kindergartens. Some Riga city deputies have dubbed this "the robbery fund," and many were opposed to paying "wealthy" districts, which they saw as "parasites." They also criticized the unchanging contribution of the national government, 7.1 million lats (US$14.2 million), when the city donation increased so dramatically.[25]

Local governmental elections will require a 5 percent threshold for representation, according to legislation passed by Parliament at the beginning of October 2008. This will force local activists to coalesce around political parties. Furthermore, the new legislation increased the number of local deputies from 13 to 19, depending on population. The city of Riga, however, will have 60 deputies.[26] Riga is also involved in lobbying the EU in Brussels, where it has had an office since October 29, 2004.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.00	2.00	2.00	2.25	2.00	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 authorities and the general population. Latvians are guaranteed equality before the law, but not all Latvians have equal access to justice in practice. Over 80 percent of litigants in civil cases act without the help of lawyers, but state legal aid is made available in all criminal cases.

Administrative courts established in 2004 adjudicate disputes and conflicts between the population and national or local public servants, including policemen. State bodies and state workers can be fined or asked for restitution of lost assets as a result of actions or inactions. The new courthouses outside of Riga have been built according to modern specifications and demands and should help expedite the load of cases that are now scheduled up to 2011. Along with new judges, each of the administrative regional courts will receive four assistant justices, four court proceedings secretaries, one general court secretary, a court manager, a translator, and an archivist.

The Latvian Constitutional Court has become a major lightning rod for those dissatisfied with public policy. Their perceived fair decisions over the last decade have created a reservoir of trust in this institution, reflected in many public opinion polls.

The European Court of Human Rights considers cases once they have wound their way through the Latvian court system. Several successful litigations against Latvia have sensitized the administration and court judges to the fundamental civil rights of the EU population.

The Office of the Ombudsman, established in January 2007, has also increased its visibility and is receiving more media attention. The office has a 2009 budget comparable to that of the Constitutional Court but one-third that of the Supreme Court. All three of these institutions avoided the 10.67 percent budget cuts aimed at state institutions.

In his annual report at the beginning of 2008, the head of the Office of the Ombudsman, Romans Apsitis, indicated that they had received 5,122 complaints (45 percent written and 55 percent verbal). The major complaint areas included the rights to living quarters, justice in courts, negative bureaucratic actions, lack of access to information, social security rights, discrimination, rights to property, and several other areas concerning incarceration. The office made 43 inspections of state and municipal institutions, and its employees participated in many educational and information initiatives.[27] The annual report is accessible by the public online at www.tiesibsargs.lv. Apsitis controversially suggested eliminating certain employment restrictions applied to noncitizens and was criticized by Minister of Justice Gaidis Bērziņš. As in most countries of the world, the Latvian ombudsman can only recommend changes, but Apsitis has indicated that most institutions have reacted positively to his suggestions.

The judicial system is being consolidated, and indeed, much has been done to raise the working conditions, support systems, salaries, and pensions of judges. If a decade ago candidates for the judiciary were difficult to find and the salary gap between private law practice and the bench was enormous, then in the last several years the scales between the two have narrowed significantly. There is now intensive competition for each opening in the judiciary, and the two-year probationary period has allowed for better long-term screening and more highly qualified candidates.

The world economic meltdown, however, forced the Latvian government to require a 10 percent decrease of salaries in all state institutions, while judicial salaries

were frozen until 2010, which has been seen as an assault on judicial power and independence. Newly elected chief justice of the Supreme Court Ivars Bičkovičs threatened to bring the matter to the Constitutional Court. In his view, the salary increase had been accepted in a special law negotiated with judicial representatives prior to the economic crash.

The overburdened Ministry of Justice is responsible for the wages of judges, administrative support staff, offices, and instruction on new laws and procedures. It experiences a high personnel turnover, including top ministers (since 1991, there have been 11 different ministers of justice, one of whom was appointed twice) and law students who depart once they have obtained their degree. Judges are not fully independent from the ministry, and in 2008, nearly half a dozen judges were punished for reasons including conflict-of-interest judgments and bribery.

The Latvian court system has made much progress, but problems still persist, including the dearth of Supreme Court justices and a large backlog of cases. More judges cannot be appointed owing to space limitations, but the Ministry of Justice is working to alleviate this problem. The increase in litigation by the population does indicate an acceptance of the rules of the game, despite the expressed distrust of courts. Meanwhile, new procedures and technological advances, including videoconferencing, the digital mailing of court decisions to litigants in certain courts, and the database of Latvian court decisions systematized by Lursoft and provided for a fee to clients, have led to increased efficiency.

The Latvian prison population has decreased in the last five years with the institution of new methods of dealing with lawbreakers (especially for young offenders), such as suspended sentences, probation, and parole systems. In 2007, more than 12,000 cases were processed by the probationary service. However, a high rate of pre-trial detention remains a problem. In January 2008, there were 6,548 people incarcerated in Latvia's prisons; of these, 26.6 percent were awaiting trial. Prisons have become breeding grounds for various diseases such as tuberculosis and AIDS. Indeed, one source claims that about half of all prisoners suffer from hepatitis C. New programs for prisoner employment and support systems for those discharged have been instituted. Large sums have been earmarked in the state budget for the modernization of prison facilities.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.50	3.75	3.50	3.50	3.50	3.25	3.00	3.00	[illegible]

While the initial (fall 2007) counterblow to dismiss Aleksejs Loskutovs, head of the Corruption Prevention and Combating Bureau (KNAB), met with failure, the second attempt in June 2008 succeeded. The first effort to fire Loskutovs, spearheaded by former prime minister Aigars Kalvitis on September 24, 2007, was rescinded as a

result of widespread popular opposition. But in spring 2008, Prime Minister Ivars Godmanis and the coalition had found a new leverage point: Two senior managers of KNAB had illegally appropriated over 130,000 lats (US$260,000) that were held in KNAB. While Loskutovs was the one to first report the theft and was in no way implicated, the coalition claimed that as head of KNAB, he should claim responsibility and resign or be dismissed. He was fired by Prime Minister Godmanis in June 2008, and his dismissal provided much of the antigovernment sentiment in the first referendum on August 2.

Prime Minister Godmanis initially promised a fair and open competition for a new KNAB leader but later decided the choice should be made in a closed session by "professionals." Under great popular pressure, he relented and asked the Ministry of Justice to work out the required job profile criteria and vetoed participation by any existing members of KNAB. In spite of his public statement, Juta Strike, one of the deputy directors of KNAB, joined in the competition. A decision is pending.

Not surprisingly, Loskutovs believed that his dismissal had been politically motivated, and he has turned to the courts for redress. He revealed that prior to his appointment as head of KNAB in 2004, he was interviewed by the two leading Latvian oligarchs, Andris Skele and Aivars Lembergs, who apparently gave him their approval. Loskutovs then became the choice for the position, even though Juta Strike received a higher score from the nomination committee. Over the years, Loskutovs abided by his own sense of justice and in the process garnered increasing support from the population.

The activities of KNAB have continued unabated after the dismissal of Loskutovs. One of its most visible actions was the discovery of widespread corruption in the Riga City Council in October 2008. It has concluded that three city councillors be held criminally liable for adjusting building regulations in exchange for large bribes. The headlines in the KNAB portal for October and November indicate the thrust of their activities: "KNAB Suggests Starting Prosecution Against 12 Persons in Relation to Bribery at the Customs Checkpoint Terehova" (October 30); "KNAB Suggests Bringing Charges Against an Investigator of Financial Police and Four Businessmen in Relation to a 15,000 LVL Bribe" (October 28); "KNAB Detains a Prosecutor for Extorting a Bribe" (October 20).

In addition to pursuing lawbreakers, KNAB provided feedback and policy suggestions. In November, it reacted against amendments to the procurement legislation, claiming that it will "considerably increase corruption risks."[28] It has commissioned a comprehensive public survey of attitudes to corruption that update the dynamic changes of thinking on this subject. It also reviewed legal draft projects (laws) and initiated draft projects connected to corruption control.

KNAB's direct supervision by the cabinet, and especially the prime minister, remains a key weakness. In March 2008, the seated Supreme Court chief justice Andris Gulans suggested that this organization could be drawn closer to the court system as a special unit within the procuracy rather than the executive. KNAB itself has argued for greater independence of its bureau.

A bureaucratic confrontation has developed between KNAB and the State Revenue Service under the leadership of Dzintars Jakāns. Both state institutions have used the inconsistencies discovered in the "personal declarations of assets" required by all top-level state employees to harass members of the other jurisdiction. Ironically, both claim reluctance to undertake the general responsibility for checking these documents in the overall bureaucracy because of the time and resources required. In reality, only 2–3 percent of these declarations are ever perused more carefully unless there appears to be a suspicious conflict of interest or possible illegal accumulation of wealth. In March 2008, Prime Minister Godmanis noted that the turf war over the declarations had gone on too long and asserted his aim to resolve the issue by setting firm guidelines together with the minister of finance.

KNAB has noted that overt bribery has nearly disappeared but that increasingly sophisticated methods are being used. The bureau receives more and more information from the public, but its capacity to deal with this influx is becoming circumscribed by limitations of salaries, social guarantees, and sufficiently qualified staff.

KNAB is responsible for the overview of political party financing. It has required the People's Party to repay over one million lats (US$2 million) of overspending into the state budget, an action touted by some as one of the main reasons for Loskutovs's dismissal. The People's Party is appealing the decision at the administrative court, and its case is slated for review on June 9, 2010. KNAB has expressed concern that the existing laws do not allow for criminal investigations and criminal liability for illegal financing and acceptance of large-scale donations. On March 18, 2008, KNAB pointed out on its Web site that it "has drafted amendments to the criminal law aimed at broadening criminal liability for violation in the area of party financing." Administrative liability would be applied for minor violations, but criminal liability would apply for serious violations.

The court case against oligarch Aivars Lembergs involving large-scale corruption and other unlawful activities was still in play at the end of the year. The media reported the reluctance of courts to take the case, passing it like a "hot potato" between Riga and Liepaja regional courts, each trying to avoid undertaking responsibility for it.[29] On September 2, 2008, the new head of the Supreme Court, Ivars Bičkovičs, assigned the case to Riga, where 45 of the 92 witnesses live. Similarly, the "digitalgate" case associated with friends of another oligarch, Andris Skele, is winding its way to justice after many calculated and accidental digressions.

The head of the Latvian Certified Advocate Council, Janis Grinbergs, suggested providing "amnesty" for people active in the promulgation of the independence of Latvia. The People's Party had plans to review this suggestion, but the tremendous public outcry put an end to the scheme to "liberate" Lembergs and other oligarchs. In Latvia, as in the United States, the president has the right to declare amnesty for any felon. Given the leading role Skele played in appointing Valdis Zatlers president, the options have been left open.

▮ AUTHOR: JURIS DREIFELDS
Juris Dreifelds teaches political science at Brock University in Ontario, Canada. He is an author on the Baltic area. His book Latvia in Transition *was published by Cambridge University Press in 1996.*

---

1 *DnBNord, Latvijas Barometrs!* Nr. 6. November 2008.

2 "'Par' nobalso 608 tukstosi, 'prêt' tuvu 19 tukstosiem, grozijumi nav pienemti" [608 thousand voted "For", close to 19 thousand "Against"—amendments not accepted], *Diena*, August 3, 2008.

3 "Prezidents parliecina deputatus par tautas tiesibam atlaist Saeimu" [The President convinces Deputies regarding the Nation's right to dismiss the Saeima], *TVNET Zinas*, November 20, 2008.

4 "Muizniece: Divas tresdalas deputatu atbalsta prezidenta riesibu paplasinasanu atlaist Saeimu" [Muizniece: Two-thirds of Deputies support extending the President's right to dismiss the Saeima], *NRA.LV*, November 26, 2008.

5 "Apstiprina rezultatus" [Results confirmed], *Latvijas Avize*, August 30, 2008.

6 "Ivars Godmanis: Uzruna Saeimai par situaciju valsti" [Ivars Godmanis: Speech to the Saeima about the situation in the State], *Delfi*, October, 10, 2008.

7 "Premjers: Latvija finansu krizes laika ir 'miera osta'" [The Premier: Latvia in the financial crisis period is a safe harbour], *Delfi*, October 11, 2008.

8 "Parakstits Parex Bankas parnemsanas ligums" [The Agreement of the takeover of the Parex Bank has been signed], *Dienas Bizness*, November 10, 2008.

9 "Kargina un Krasovicka vertigakajiem ipasumiem netiks klat" [The most valuable properties of Kargin and Krasovicki will not be accessible], *Dienas Bizness*, November 11, 2008.

10 "Pec ilgam debatem Saeima pienem nakama gad valsts budzetu" [After lengthy debates, the Saeima passes next year's State budget], NRA.LV, November 25, 2008.

11 See "Naturalizacijas Parvalde" for data, www.np.gov.lv.

12 "9.Saeimas velesanas" [9th Saeimas elections], on Central Election Commission Web site: www.cvk.lv/pub/public.

13 OSCE Parliamentary Assembly Press Statement, "Latvian Election Transparent and Professional but Issue of 'Noncitizens Remains,'" http://www.osce.org.

14 "Foreign Minister Pabriks: Improving Co-operation with NGOs Will Reduce Public Estrangement from Government," Ministry of Foreign Affairs of the Republic of Latvia, March 19, 2007, http://www,mfa.gov.lv.

15 "Sabiedrisko organizaciju kabatu noslepumi" [The pocket secrets of social organizations], *Latvijas Avize*, April 29, 2008.

16 Ibid.

17 Ibid.

18 Ibid.

19 "NVO sektora Latvija domine sievietes, secinats petijuma" [The NGO sector is dominated by women, conclusion of research project], *Diena*, April 20, 2008. "Women with Latvian citizenship dominate Latvia's civil society," *The Swedish Research Council*, http://idw-online.de/pages/en/news?print=1&id=256067.

20 "Peteris Krigers: Drauds pilsoniskas sabiedribas viedoklim" [Peteris Krigers: A threat to the opinion of Civil Society], *Diena*, February, 16, 2008.

21 "Sustento: valdibas nenem vera NVO viedokli" [Sustento: governments ignore the views of NGOs], *Delfi*, February 7, 2008.

22 "Ko mes zinam par mediju pateretaju interesem un dzives uztveri?" [What do we know about the media consumer interests and orientation?] *TNS Latvia*, website. "TV kanalu auditorija 2008.gada oktobri" [TV Canal audience in October 2008], *TNS Latvia*, website.

23 "Cina par Latvijas iedzivotaju pratiem" [A struggle for the minds of Latvia's inhabitants], *Latvijas Avize*, November 28, 2008; "Kleckins: Krievijas serial popularitate Latvija ir modes lieta" [Kleckins: the popularity of Russian serials in Latvia is an issue of fashion], *Diena*, November 26, 2008.

24 "Rigas pasvaldiba nakamgad plano 6,2% budzeta deficitu" [The Riga government is planning a 6.2% budget deficit next year], *Delfi*, November 25, 2008. "Riga negrib dalities ar citam pasvaldibam" [Riga does not want to share with other self governments], *Latvijas Avize*, September 30, 2008.

25 Ibid.

26 "5% barjera—'krievu rulete'" [A 5% threshold—a Russian roulette], *Latvijas Avize*, October 4, 2008.

27 "Tiesibsargs apmierinats ar pirmo darbibas gada laika padarito" [The ombuds is satisfied with the achievements of the first year of activity], *TVNET News*, February 4, 2008.

28 Ibid.

29 "Lemberga lieta ka 'karsts kartupelis'" [The Lemberg case like a "hot potato"], *Latvijas Avize*, August 21, 2008.

Lithuania

by Aneta Piasecka

Capital: Vilnius
Population: 3.4 million
GNI/capita: US$16,830

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Civil Society	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75	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	2.50	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	2.00	1.75	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75
Corruption	3.75	3.75	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75
Democracy Score	2.29	2.21	2.21	2.13	2.13	2.21	2.21	2.29	2.25	2.29

** 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 2008, Lithuania celebrated the 20th anniversary of Sąjūdis, the movement that led to the restoration of Lithuania's independence in 1990. Since then, Lithuania has established a functioning democracy with well-protected political and civil rights and a robust market economy. Lithuania joined NATO and the European Union in 2004 and the Schengen visa-free zone in late 2007. Although Lithuania has achieved impressive gains and recognition in the foreign policy arena, political life within the country appears to be backsliding from further reforms. The legislature has lacked efficiency and discipline in recent years. 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 trust in major democratic institutions, including the Parliament, government, political parties, and courts, remains critically low. Civil society is not growing as rapidly as was expected a decade ago, and large-scale labor migration has taken a toll on the country's political and civic developments. In general, though, the country has made great strides in improving the quality of life, and public attitudes and perceptions of change are unambiguous.

Double-digit inflation hit a 10-year high in fall 2008, and the public sector deficit swelled. Yet the government was largely preoccupied with energy issues, in particular the creation of a national investor for a new nuclear power plant, as well as its own survival, and held back long-overdue reforms. Despite this, lawmakers saw no prospects of replacing the ruling coalition and were set to preserve the status quo until the parliamentary elections in fall 2008. The national legislative elections in October brought a shift to the center right. The new coalition replaced the Social Democrat–dominated rule established in 2001. Andrius Kubilius, leader of the Christian Democrats, was appointed prime minister of Lithuania's 15th administration.

National Democratic Governance. In January 2008, Lithuania's first ever minority government secured a slim parliamentary majority after the Social Liberals joined the four-party ruling coalition led by the Lithuanian Social Democratic Party (LSDP). Parliamentary Speaker Viktoras Muntianas of Civil Democracy Party (CDP) stepped down in April over conflict-of-interest allegations, and Česlovas Juršėnas of LSDP replaced him in the post. Cleavage, inefficiency, and disorganization within the Parliament paralyzed important legislative debates, including much-needed reforms in the judiciary, higher education, health care, and other areas. The upcoming closure of the Ignalina nuclear power plant heightened concerns over an imminent energy shortfall and energy price hikes. Lithuania's bureaucratic apparatus continued to grow, while the heavily underpaid police, fire

services, courts, and schools faced a shortage of workers. The military draft was stopped in September pending Lithuania's transition to a professional volunteer-based army. *The inefficient, disorganized, and split legislature highlighted the depth of Lithuania's political immaturity. This, coupled with the government's reckless economic policy, stagnant public administration reforms, and swelling bureaucracy amid a shortage of civil servants, worsens Lithuania's rating for national democratic governance from 2.50 to 2.75.*

Electoral Process. The parliamentary elections in October 2008 drew a low voter turnout of 48 percent. The Homeland Union–Lithuanian Christian Democrats came in first, winning 45 mandates. The incumbent LSDP won second place with 26 seats. The biggest news was the success of the Liberal Movement and the Liberal and Center Union (LCU), which unexpectedly passed the 5 percent threshold to secure legislative representation. Importantly, voters downgraded the populist Order and Justice Party and Labor Party, which excluded them from any coalition negotiations. The Rising Nation Party, founded in May 2008 by TV celebrity Arūnas Valinskas, ranked third overall and joined the new center-right ruling coalition of the Christian Democrats, Liberal Movement, and LCU. Andrius Kubilius of the Christian Democrats was appointed prime minister. The Homeland Union–Lithuanian Christian Democrats became the country's largest political party after the Lithuanian Conservatives merged with the Christian Democrats in May 2008. In the wake of the legislative elections, a ban on audiovisual political advertising came into effect. *The recent parliamentary elections were free and fair, and the change in power and cabinet was smooth. Lithuania's rating for electoral process remains at 1.75.*

Civil Society. The growth of Lithuania's civil society has been slowed by low public involvement and awareness of nongovernmental organizations (NGOs). Almost half of the population gives to charity and people are quite willing to contribute to local communities, but 40 percent of Lithuanians do not participate in any kind of civic initiatives, and protest-type civic manifestation is particularly low. In March 2008, the Constitutional Court passed a groundbreaking decision on higher education ruling that the state may not regulate university enrollment, fees, and curriculums. This is expected to advance long-overdue higher education reform and transform Lithuania's inflexible and stagnant state-run universities. *A lack of noticeable change in public perceptions of NGOs leaves the rating for civil society unchanged at 1.75.*

Independent Media. In 2008, several new information portals joined Lithuania's extensive online media market. Internet connectivity expanded, and almost half of Lithuanian households had access to the Internet. The majority of Lithuania's 1.5 million Internet users read the press online. The number of national TV broadcasters multiplied with the start of digital terrestrial television, though national television channels have been losing audience in favor of foreign or local TV channels, the Internet, radio, and the press. A recent launch of new media outlets and several

media takeovers by politicians indicated a trend toward politics-driven media ownership. Public trust in the media has been damaged by a decline of watchdog media and increased media bias toward political and business interests. *Increased competition due to expanding Internet use and online media and the rise of new media outlets were offset by growing political interests in media ownership; thus the rating for independent media remains at 1.75.*

Local Democratic Governance. A long-debated constitutional amendment in favor of direct mayoral elections passed a second reading in Parliament in June 2008, but lawmakers could not agree on the division of power between directly elected mayors and municipal councils. Financial audits carried out by the National Audit Office showed that mismanagement and misuse of funds, including central government subsidies, were widespread among municipalities, yet little progress was made in improving internal audit procedures. In 2008, central government allocations accounted for 42 percent of municipal budgets, down from 58 percent in 2004 owing to growing revenues from personal income tax. *A lack of progress in revising local government legislation and improving local financial management leaves Lithuania's rating for local democratic governance unchanged at 2.50.*

Judicial Framework and Independence. The year saw continued political battling over judicial reform, reflected in a controversial refusal of the Parliament to dismiss the Supreme Court chair after expiry of his constitutional term in July 2008. Meanwhile, lawmakers adopted a package of amendments to the Law on Courts that established the law of precedent, computer-based case assignment, cassation in administrative cases, compulsory audio recording of court hearings, and periodic evaluation of judges' performance. The judiciary remains severely underpaid, which exacerbates a shortfall in judges. In July, lawmakers amended the Law on Citizenship after grappling with the issue of dual citizenship for almost two years. The right of dual citizenship was granted to children of Lithuanian nationals born abroad. Meanwhile, about 1,500 citizens were stripped of their Lithuanian passports over the past two and a half years. *Improvements in court legislation were offset by continuous political battling over fundamental court reform and a number of judicial framework and human rights issues; therefore Lithuania's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. In 2008, the National Audit Office revealed that Lithuania's largely stagnant anticorruption program, launched in 2002, had failed. A series of corruption scandals surfaced in the spring in which a dozen high-ranking municipal officials were indicted for bribery and graft. The investigation and exposure of corruption and conflict-of-interest allegations have become more open, but there has been little follow-through in high-profile corruption allegations. In 2008, corruption prevention efforts were limited to fragmentary policies, such as a ban on audiovisual political advertising and preparations for the online issue of construction permits.

Failure of the national anticorruption program and a lack of progress in streamlining anticorruption initiatives leave Lithuania's corruption rating unchanged at 3.75.

Outlook for 2009. The presidential election in May 2009 will be the central event of the year and will test the new center-right government. The Christian Democrat–led coalition will face a dire need to tighten fiscal policy and cut public spending. Initiatives to reduce government bureaucracy are likely to bring some tangible results, but it remains to be seen whether promised and eagerly awaited improvements in the business environment will turn into a reality. The outcome of these initiatives will largely determine the course Lithuania will take. The government also intends to institute business crediting co-financed with European funds and an extensive dwelling renovation program. The Ignalina nuclear power plant will be closing at the end of 2009; therefore addressing the forthcoming energy shortfall and a leap in energy prices will be a priority for the new government. Other top policy issues include long-overdue judiciary reform, direct mayoral elections, revision of local government structure, and higher education reform. The recent parliamentary elections may spur some changes in party life, including stronger cooperation on the fractured liberal flank.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50	[illegible]

Helmed by Prime Minister Gediminas Kirkilas, the Social Democrat–led coalition government, which took office in July 2006, remained secure until the October 2008 parliamentary elections. The cabinet's positions were strengthened in January after the Social Liberals, led by ex-parliamentary Speaker Artūras Paulauskas, rejoined the ruling minority coalition of the Lithuanian Social Democratic Party (LSDP), National Farmers Union (NFU), Liberal and Center Union (LCU), and Civil Democracy Party (CDP) and secured a parliamentary majority. Yet the five-party coalition remained weak, polarized, and inefficient. The cabinet was largely preoccupied with its own survival, dragged its feet on reforms, and disregarded growing economic and fiscal pressures.

The center-left coalition gained a slim majority of 72 members of Parliament (MPs) in the 141-seat Parliament. In exchange for their support, the Social Liberals—desperate to reinforce their fragile position in the country's political arena—pressed LSDP to join forces in the upcoming legislative elections. They also counted on several key parliamentary posts, including replacing Speaker Viktoras Muntianas of CDP and Algimantas Matulevičius of CDP as chair of the parliamentary National Security and Defense Committee (NSDC). In 2007, Matulevičius led a parliamentary investigation that revealed implicit corrupt ties between top government and security functionaries and pro-Russian energy business groups. Speaker Muntianas was forced to step down in April 2008 over conflict-of-interest allegations. During his almost two years in office, the unpopular Muntianas was threatened with three interpellations for incompetence. An elder statesman, Česlovas Juršėnas of LSDP, replaced Muntianas as parliamentary Speaker. The Social Liberals regained the NSDC leadership and replaced the environmental and education ministers of LSDP, who earlier resigned over no-confidence votes.

The 2004–2008 Parliament ended its tenure with a record low public confidence rating of 6 percent in September[1] and has been widely considered the worst in Lithuania's postindependence history for being inefficient, disorganized, and unprofessional. Continuous scandals, splits, and infighting—coupled with incompetent freshmen members and critically low attendance—showed the assembly's lack of political maturity and paralyzed important legislative decisions. Among them were long-overdue judicial and higher education reforms, revisions in political party funding laws and citizenship legislation, and direct mayoral elections. Some 20 major legal provisions that earlier had been found unconstitutional remained unaddressed, as legislative work was distracted by large-scale party

defections. Such "political tourists" derailed party life and downgraded the already low morale of Lithuanian politics.

Despite persistent squabbling among the ruling partners, all major political players, including a polarized and feeble opposition, saw no prospects of replacing the existing coalition or holding early elections. This became evident after Prime Minister Kirkilas survived a no-confidence vote in April. Observers unanimously agreed that no one cared to overthrow the unpopular prime minister before the fall elections. The no-confidence vote centered on energy issues, specifically the controversial creation of Leo LT, a national investor for a new nuclear power plant. Kirkilas was also interrogated about his appointment as prime minister, which was allegedly influenced by a gas importer from Russia, Dujotekana, and his opposition to gas markup regulation.

The mega-utility Leo LT was established in May 2008 by merging shares of state-owned Lietuvos Energija and Eastern Power Grid with the privately owned Western Power Grid of NDX Energija, controlled by the Lithuanian retail giant MAXIMA. Kirkilas openly supported NDX Energija, which was selected for the plant project in a no-bid process. The opposition parties Homeland Union, Order and Justice Party (OJP), and Liberal Movement boycotted the Leo LT legislation, but in February the Parliament managed to pass it by a mere 63 votes. The Economist Intelligence Unit blasted Leo LT as costly, ineffective, and unnecessary. Leo LT is also to serve as an investment vehicle for planned links to grids with Poland and Sweden. The Ignalina nuclear power plant, which generates about 74 percent of electricity consumed in Lithuania, is scheduled to be closed on December 31, 2009, under Lithuania's European Union (EU) membership obligations. The shutdown will leave Lithuania in dire need of new energy sources and increase the country's dependence on Russian supplies.

The Kirkilas administration also came under sharp attack for failing to tighten fiscal policy in the face of Lithuania's economic downturn and a sharp rise in inflation. A sinking property market, hardships in Lithuania's broad construction and transportation sectors, and growing unemployment were signs of an imminent economic crisis. In September 2008, average year-on-year inflation reached 11 percent, hitting a 10-year high. Food, energy, and transport prices rose the most.[2] The public sector deficit soared, threatening to reach 2.4 percent of gross domestic product instead of a planned 0.5 percent. Yet the government continued to spend through deficit budgets and gave a green light to such policies as indexation of salaries and social benefits and salary increases in civil service. Kirkilas dismissed calls to balance the budget and cut public spending, despite criticism from European Commission budget commissioner Dalia Grybauskaite, who topped popularity polls throughout 2008 and who was mentioned as a possible candidate in the 2009 presidential elections.

In general, the executive branch operates openly. The public has systematic access to government meeting agendas, and cabinet sessions are broadcast live on the Internet. Yet executive authorities often propose bills or adopt new regulations without prior notice or public scrutiny, though they are required by law to

announce policy proposals via the Internet. The Parliament is more transparent, and all legislative documents and records are posted on the Internet. Public policy and interest groups may take part in the political process through policy advocacy, advising, and lobbying, but the mechanism for consulting does not always function properly. The number of adopted laws has decreased, but the low quality of legislation and frequent amendments reveal systematic flaws in the lawmaking process.

The bureaucratic apparatus continued to swell, while public administration reforms stagnated. The number of civil servants (excluding statutory officials) rose from 18,993 in July 2003 to 28,974 in July 2008,[3] notwithstanding several thousand existing vacancies. Large-scale labor migration and low pay have caused a shortfall of workers in civil service. The most severely affected and underpaid sectors are education, health care, courts, police, and fire services. Yet the shortage of teachers decreased by half in 2008 after teacher salaries were raised 45 percent in response to numerous protests and demands. In mid-2008, the average net wage of civil servants stood at US$904 (an increase by one-fourth on year), as compared with the country's average wage of US$761.[4]

In 2008, there were 423 public services available online in Lithuania. About 70 percent of basic services have been put online, of which information provision makes up 50 percent.[5] In 2008, preparations were made for online issue of construction permits and online access to patients' medical records. Also, the state social insurance fund now offers access to personal data. Meanwhile, the Parliament once again declined a proposal for Internet voting. The most advanced e-government services include income declaration, social security payments, customs declarations, customs reporting, and employment services. In September, Lithuania ended the military draft and began transitioning to a professional volunteer-based army.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	[illegible]

The national legislative elections on October 12, 2008, showed a shift to the center right among Lithuanian voters. Twenty-one political parties contested for 141 seats in the Parliament, and seven parties passed a required 5 percent threshold. The Homeland Union–Lithuanian Christian Democrats gained 45 mandates, and the incumbent LSDP came in second with 26 seats. The fledgling Rising Nation Party (RNP) ended third with 16 mandates, followed by the populist OJP with 15. Lithuania uses a mixed electoral system in which half of the Parliament is chosen through multimandate proportional balloting and half in single-mandate constituencies. The first election round drew a 48 percent voter turnout, a slight increase from 44 percent in 2004, while the runoff attracted a record low 32 percent. The elections were free and fair, and the change in power proceeded smoothly. In November, the Christian Democrats, the Liberal Movement, LCU, and RNP

formed a new center-right ruling majority with 83 seats in the Parliament and a coalition government. Arūnas Valinskas of RNP became parliamentary Speaker, and Andrius Kubilius was appointed prime minister.

2008 Parliamentary Election Results

Party	Number of seats
Homeland Union–Lithuanian Christian Democrats	45 (25*)
Lithuanian Social Democratic Party	26 (20)
Rising Nation Party	16
Order and Justice Party	15 (10)
Liberal Movement	11
Coalition Labor Party + Youth	10 (39)
Liberal and Center Union	8 (18**)
Independent candidates	4 (6)
Lithuanian Polish Electoral Action	3 (2)
National Farmers Union	3 (10)
New Union–Social Liberals	1 (11)

* *The 2004 parliamentary election results.*
** *The Liberal Movement split from the Liberal and Center Union in late 2005.*
Source: Central Electoral Committee of the Republic of Lithuania.

In May 2008, the Homeland Union–Lithuanian Conservatives merged with the Lithuanian Christian Democrats. The newly formed Homeland Union–Lithuanian Christian Democrats became Lithuania's largest political party with 20,400 members. Andrius Kubilius was elected party chair. In past years, the Homeland Union had consistently sought to unite right-wing forces and absorbed smaller parties to that end.

Defying expectations in the 2008 elections, Lithuania's two liberal parties, the Lithuanian Liberal Movement led by Eligijus Masiulis and Artūras Zuokas's LCU (a partner in the incumbent coalition), managed to cross the five percent threshold and landed in the Parliament with eleven and eight MPs, respectively. This may lead to stronger cooperation on the fractured liberal flank. Also surprising, the NFU, led by ex-prime minister Kazimira Prunskiene, and the Social Liberals, led by Artūras Paulauskas, gained only four seats in single-mandate constituencies, but neither leader made it into the Parliament. LSDP performed even better than in the 2004 elections in spite of its unpopular prime minister and internal squabbling, which led to a split and the establishment of the new party, Frontas, by Algirdas Paleckis earlier in the year.

The success of RNP was to be expected given Lithuania's notorious tradition of elevating fresh populist party projects. Founded in May 2008 by TV show host Arūnas Valinskas, RNP landed second in the party list balloting and third overall. Also known as the celebrity party, RNP lacks an ideology and has many entertainers

on the list, which makes it an object of much derision from observers and politicians. The appearance of RNP may have been one reason for the diminishing public appeal of the OJP and the Labor Party (which won the 2004 parliamentary elections).

The new cabinet will have to deal with the current economic crisis and address Lithuania's imminent energy shortfall. The Christian Democrats, who emphasize their commitment to traditional values and morality, Western orientation, and a tougher course on Russia, campaigned on a reform agenda. The new coalition's anticrisis plan envisaged freezing public service salaries and cutting ministerial budgets, selling state assets, and expanding the tax base. Starting from 2009, breaks on the value-added tax (VAT) for printed press, meat and fish, and medicines were eliminated and the VAT was increased from 18 to 19 percent. The flat-rate income tax was cut from 24 to 20 percent, the capital gains tax was raised from 15 to 20 percent, and excise taxes on alcohol and fuel went up. The amount of social security contributions redirected from the state social insurance fund to private pension accounts was almost halved, and self-employed individuals were obligated to pay health insurance and social security contributions, which markedly increased their tax burden. This overnight tax reform drew protests on all fronts for unfairly hitting the poor and stifling small- and medium-size businesses.

In 2008, there were 38 registered political parties in Lithuania, though only 10 have more than 2,000 members. Lithuania's party life continues to show immaturity, with blurred ideological boundaries, controversial ad hoc coalitions, party splits, and infighting. Traditional political forces have been criticized for their growing insularity, and political rhetoric has been at odds with actual politics. Not surprisingly, political parties remain the most unpopular public institutions, supported by only 4 percent of the population.[6] Such attitudes are reflected in the low party membership (2.8 percent of the population)[7] and low voter turnout.

In July 2008, a long-debated ban on political advertising on radio and television came into effect. Candidate advertising during election campaigns will now be financed from the state, and broadcasters are banned from disseminating political advertising free of charge. While these provisions are meant to combat political corruption, they will also put new political parties and parties not in power at a disadvantage. The prohibition is also likely to cause ambiguity in distinguishing between political advertising and other political media appearances.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75	1.75	[illegible]

Civil society rights are well established and protected in Lithuania, and the country's laws do not pose serious barriers to nongovernmental organizations (NGOs). Yet public awareness and involvement in civil society remain low. While the organizational and managerial capacities of Lithuanian NGOs are good, there

are still weaknesses in constituency building and public outreach. 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 normal work and core objectives.

There are three legal forms of NGOs in Lithuania: associations, property-based public institutions (such as schools, hospitals, and research institutes), and charity and sponsorship funds. At the beginning of 2008, there were 12,452 associations, 1,113 charity and sponsorship funds, 4,329 public institutions (schools and hospitals excluded), 1,069 religious communities, 7,007 communal organizations (for instance, apartment block communities), and other nongovernmental groups.[8]

In 2008, Lithuania's civic empowerment index estimated by the Civil Society Institute based on a TNS Gallup survey showed scant civic activity by Lithuanian society. Forty percent of Lithuanians do not participate in any civic initiatives. While people are active in addressing local community problems and banding together for leisure pursuits, they do not participate in civic manifestations on a wider scale and are skeptical of the powers and influence of civil society organizations. There is also an atmosphere of fear and insecurity regarding protest-type civic activity, which is widely associated with a number of risks, including losing one's job, slander, and suspicion of self-interest. Civil society organizations remain largely unknown to the general public, and although bureaucratic constraints on volunteer work were removed in 2003, volunteerism remains weak owing to a lack of tradition, public ignorance, and mistrust of volunteer initiatives.

Lithuanian nonprofits are required to pay a 15 percent profit tax on commercial proceeds exceeding LTL25,000 (approximately US$11,000). Companies may donate up to 40 percent of their annual taxable profits to NGOs, while Lithuanian taxpayers may contribute 2 percent of their income tax to private or public nonprofit entities. Yet most NGOs lack permanent sources of income and sufficient fund-raising capacities. NGOs may bid for government contracts, but this practice is rather uncommon owing to a complex administrative process.

The 2 percent income tax deduction, meant originally to boost civil society, goes mostly to underfunded municipal institutions and schools. Both the number of recipient organizations and the ranks of donors are growing. A total of 14,000 organizations received donations in 2008, as compared with 12,000 in 2007, while the number of donors rose from 370,000 in 2005 to 519,000 in 2008. While the 2 percent option helps to shore up NGOs, some worry that it discourages philanthropy and leaves room for abuse by fictitious organizations.

Trade unions enjoy wide powers and rights by law. They sign collective agreements with employers on behalf of all employees, and the labor code requires all employers to comply. 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 the wide powers

and influence of the council, it has low representation—trade unions claim only about 15 percent of the workforce, while the employer confederations represent 1 percent of business enterprises.

Business associations and trade unions were traditionally the most influential nongovernmental groups in the policy-making arena, but the labor pillar has been losing influence in recent years. 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."[9]

Even the center-left government and its policies appeared to be more favorable to well-organized business interest groups than to its natural allies, trade unions. Also, government cooperation and consultation with NGOs has not been fully established. Formal lobbying activity is quite negligible, and there were only a dozen or so active registered lobbyists in 2008. Observers note that this may be attributed to the extensive informal representation of special interest groups and legislative corruption.

Lithuania has 22 universities, of which 7 are private. With the quality of higher education worsening at inflexible and stagnant state-run universities, experts stress that the number of universities and enrollment figures are much too high for Lithuania. In March 2008, the Constitutional Court passed a watershed ruling prohibiting the state from regulating university enrollment, fees, and curriculums and stipulating that equal conditions shall be applied to public and private universities. This ruling is expected to advance long-overdue reform and, if properly enforced, promote the free-market rise of autonomous and competitive universities. Despite opposition from state-run universities, the reform is very likely to gain support among members of the new center-right ruling coalition.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Lithuania saw the continued development of its vibrant online media market in 2008 with an increase in the number of fledgling news portals. Digital TV and mobile TV broadcasting also expanded. Yet public trust in the media reached a record low in 2008 in reaction to the recent concentration of media ownership, bias toward certain political and business interests, and the decline in watchdog media.

New information portals launched in 2008 include www.15min.lt of the popular free daily *15 Minuciu*, www.atn.lt, www.valstietis.lt of the largest and most popular weekly, *Valstiečių Laikraštis*, and www.diena.lt of the dailies *Kauno Diena*, *Vilniaus Diena*, and *Klaipėda*. Lithuanian news portals are competing not only by enhancing the quality and quantity of information, but also by providing Internet

video services. The most popular Internet portals are www.one.lt, www.delfi.lt, www.plius.lt, and www.lrytas.lt. Other portals that offer analysis and serious commentary are www.balsas.lt, www.bernardinai.lt, www.alfa.lt, and www.lrt.lt. The rapid growth and usage of Internet media is expected to bolster media credibility.

Almost half of all Lithuanian households were connected to the Internet as of spring 2008, up from 40 percent in 2007 and 2.3 percent in 2000, according to the Department of Statistics. One-third of rural households had access to the Internet as of spring 2008, as compared with only a quarter in 2007. The majority of Internet users (72 percent) use the Internet daily, while 94 percent, or half of the population aged 16 to 74, use it at least once a week. According to the online research agency GemiusAudience, in April 2008 there were 1.569 million Internet users in Lithuania.[10] The proportion of elderly using the Internet has also been growing steadily.

Political interests among media ownership widened in the run-up to the 2008 legislative elections, with several media takeovers and new media outlets unofficially related to politicians or parties. New media projects directly associated with Lithuania's impeached president and leader of OJP, Rolandas Paksas, include the news portal www.atn.lt launched in August, Radio Laisvoji Banga launched in May, and the publishing company Naujienu Leidyba, which began disseminating the free regional weeklies *Mano Aukštaitija, Mano Dzūkija, Mano Suvalkija,* and *Mano Žemaitija* in July. Another example is www.nemalk.lt, associated with LCU leader Artūras Zuokas.

There is a wide diversity of print and electronic media at the national and local levels. Media outlets are privately owned, with the exception of the state-owned Lithuanian Radio and Television. The television market comprises 30 broadcasters, including public television stations LTV1 and LTV2. Among nationwide broadcasters, LTV1, LTV2, LNK, TV3, and BTV were joined through digital video broadcast terrestrial (DVB-T) by 6 new national outlets, TV6, TV1, Lietuvos Ryto Televizija, INFO TV, LIUKS!, and Sport1. 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 leading national operators are TV3, owned by the Scandinavian Modern Times media group, and LNK, owned by MG Baltic. In September, these channels captured 27.5 and 19 percent of viewers, respectively, according to TNS Gallup. LTV and Baltijos TV followed with 13 and 7 percent, respectively. Over 100,000 households watched digital TV in 2008,[11] and Lithuania is set to make a full transition to digital TV by 2012. TV rebroadcasting services via mobile communication networks have been available since 2007. There are 49 radio broadcasters in Lithuania, and all are commercial except for Lithuanian National Radio broadcasting. The state-run LR1 has the largest audience (21 percent in summer 2008). Radio traditionally has been dominated by small local shareholders, but it is increasingly attracting large industries and other commercial interests.

The Lietuvos Rytas Group and the Respublika Group, dominate the newspaper market. There are 5 national daily newspapers—*Lietuvos Rytas, Vakaro Žinios,*

Respublika, *Kauno Diena*, and *Lietuvos Žinios*—and 70 regional dailies across the country. Achema Group owns the national daily *Lietuvos Žinios* and the fourth largest national commercial television station, Baltijos TV, as well as several radio stations and two publishing houses. MG Baltic owns the national broadcasters LNK and TV1, the news portal www.alfa.lt, and UPG Baltic, which publishes about 30 journals. Lithuania has no sector-specific regulation of media ownership concentration, but competition legislation sets a general limit at 40 percent of the market share.

Since 2004, there has been a decline in watchdog media and quality journalism in Lithuania, and experts and journalists agree that the media have largely abandoned their role as the fourth branch of government. Much public criticism is directed toward national TV channels that concentrate on high-rated, low-taste entertainment shows. As a result, national television channels are losing their audience to foreign or local TV channels, the Internet, radio, and the press. The Department of Statistics reported a sharp increase in online reading of newspapers and journals in 2008.

Recent proposals to restrict expression of opinion under the Public Information Law failed, as did numerous attempts to introduce sector-specific regulations of the Internet. Though few journalists have been sentenced for libel, editors and journalists have become more attentive to slander since a ceiling on reimbursement of moral damages was removed in 2001. Lithuanian media, including online media, are self-regulated but supervised by the Commission of the Ethics of Journalists and Publishers, composed of media association members and public leaders, and the inspector of journalists ethics, appointed by the Parliament at the recommendation of the commission.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50	2.50

Lithuania has one level of local government that encompasses 60 municipalities led by elected councils and 10 regional administrations governed by central appointees. Both the central and local authorities are involved in certain areas, such as land planning, health care, and education. Ambiguities in the division of power have impeded decentralization, distribution of fiscal allocations, and transparent and accountable governance at the municipal level. Consequently, the new Christian Democrat-led ruling majority is set to cut the number of regional administrations by half.

In June 2008, a bill on constitutional amendments in favor of direct mayoral elections passed in second reading, but lawmakers could not agree on how much power directly elected mayors shall wield and what their relationship with municipal councils shall be. At present, mayors are elected by municipal councils, whose

members are chosen in general elections through a proportional party list ballot. Executive powers are vested in the municipal council and administration, which is led by a director appointed by the municipal council at the suggestion of the mayor.

Lithuanians generally support self-government and acknowledge its role in addressing local community needs, but they also doubt their power to influence local decision making. Local governments lack transparency—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 is low, and the compliance of municipal web sites with official requirements for website structure, information provision, and interactivity stands at a mere 52 percent, according to the national Information Society Development Committee.

Municipal governments have a limited degree of financial independence and are burdened with politicking and mismanagement. About half fail to meet their revenue expectations, and misuse of funds, including state subsidies, is widespread. In 2008, following audits in 23 local governments, the National Audit Office concluded that although there is some progress in improving internal audits, many municipalities are unable to properly manage their finances and state property.

Municipal budgets, which range from €7 million to €288 million (US$10.7 million to US$444 million) according to the Ministry of Finance, 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 stood at 42 percent in 2008, down from 58 percent in 2004. The remaining portion of municipal proceeds was collected from personal income tax, which accounted for 88 percent of independent municipal revenues in 2008. The trend toward growing independent proceeds is due largely to an increase in personal income tax revenues. Municipalities with over 20 percent revenue growth are required to transfer part of these funds to the state budget in order to level wide disparities in revenues across 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 only 2–10 percent of municipal budgets.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.00	1.75	2.00	1.75	1.75	1.75	1.50	1.75	1.75	1.75

Long-overdue judiciary reforms were entangled in political battles throughout 2008. While a fundamental revision of the court legislation was postponed, the Parliament adopted a package of amendments. In spite of these important yet fragmentary improvements, the government has yet to address the need to increase the transparency of courts, revise judge appointment procedures, and administer the growing caseload amid a shortage of judges. Recurrent scandals around the appointment of judges have highlighted a lack of procedural transparency and

confirmed that the president and Parliament have up to now played only a symbolic role in the process.

Pursuant to the adopted amendments, courts of the same tier will now be bound by the same precedents, and lower courts will be bound by precedents set by higher courts. It remains to be seen what impact this watershed decision will have on judicial practice in Lithuania, but it is expected to strengthen equality before the law and to accelerate adjudication. Case assignment will now be computer based rather than decided by court chairs; a major step toward improved transparency and decreased impartiality, this will also help ease the administrative burden on court chairs. Furthermore, audio recording of court hearings and posting of final court rulings on the Internet are now required.

Additionally, decisions of the Supreme Administrative Court may now be appealed to the Supreme Court of Lithuania. The Supreme Administrative Court was created in 2001, and administrative courts were fully separated from the system of courts of general jurisdiction. Administrative courts settle disputes in public administration and hear petitions questioning regulatory acts. Critics charge that cassation in administrative cases will slow down adjudication and require institutional changes within the Supreme Court and changes in administrative litigation proceedings. Most important, the system of administrative courts will be stripped of its autonomy, experts conclude.

The revised Law on Courts also introduced a periodic evaluation of judges' performance and requires participation of public figures in the judiciary's self-government. In September 2008, a new supervisory institution—the Judicial Performance Evaluation Council—was appointed. It consists of seven members: three public opinion leaders appointed by the president and four court judges appointed by the Council of Judges. The council, which advises the president on the appointment, promotion, and dismissal of judges, was recomposed in 2007 by removing government officials in order to make courts less prone to political pressure.

Prolonged political battles were crowned with squabbling over the dismissal of the Supreme Court chair, Vytautas Greičius, after the expiry of his constitutional nine-year term in July 2008. The Parliament declined the president's decree on Greičius's dismissal, citing that the dismissal was the Parliament's prerogative. While Greičius was not dismissed, he no longer possessed the authority to chair the Supreme Court, thus leaving it without leadership.

Heavy caseloads and relatively low pay have caused a severe shortage of judges, especially in lower courts. Lithuanian judges are among the least paid in the EU. Over the past five years, the number of lawsuits has grown by one-fifth. In 2008, the workload of administrative courts doubled—as did the length of trials—after the competence of circuit courts in administrative hearings was expanded. According to the National Court Administration, by late 2008 there were 715 judges in Lithuania, 21.3 judges per 100,000 people. The workload of the Constitutional Court has also increased as politicians, and increasingly courts, have transferred controversial issues to the Constitutional Court by framing them into constitutionality disputes. Yet the Court, which delivers about 20 rulings per year, serves as a powerful guardian of the country's Constitution and plays a key role in refining Lithuanian law.

Polls show that public trust in the courts stands at only a quarter of the population.[12] Lower courts, which hear the most cases, are reportedly trusted the least. The insularity of the court system, lengthy investigations and trials, judge bias in favor of the prosecution, and corruption explain the ingrained public mistrust. Yet such perceptions are inflamed by constant criticism from politicians and the media, in effect creating a catch-22 situation where courts are criticized because they are mistrusted and mistrusted because they are criticized.

After two years of debate, the Law on Citizenship was amended in July 2008, automatically granting Lithuanian citizenship to children of Lithuanian nationals born abroad. While Lithuanian politicians had puzzled over how to satisfy a growing need for dual citizenship, 1,556 citizens were stripped of their Lithuanian passports from 2006 through September 2008, according to the Migration Department. There are doubts about the constitutionality of the new citizenship legislation and calls to hold a referendum on the issue, including from President Valdas Adamkus.

In October, the replacement of Polish and Russian street names with Lithuanian ones by the Vilnius region administration sparked disputes over the rights of ethnic minorities. While various international obligations urge Lithuania to include ethnic minority languages, the Constitutional Court ruled that the official state language shall be in public use in order to ensure a smooth state governance and administration. The Parliament has so far eschewed specifying the circumstances of use of ethnic minority languages, though ethnic minorities, mainly Poles, constitute more than 50 percent of the Vilnius region population.

Necessary legal protections for ethnic minorities are in place, but Lithuania is troubled with ethnic intolerance. The public is biased against minority ethnicities and cultures, especially Roma, Jews, and immigrants. The recent increase in hate speech against minorities is attributed more to the rise of new forms of electronic communication than to a growing incidence of hate speech. Also, public awareness on the issue is increasing, and there is a greater likelihood that a complaint will be filed when hate speech occurs.

In August, Vilnius city authorities once again incited an international clamor by forbidding the European Commission's campaign "For Diversity. Against Discrimination," promoting gay equality to hold an event at City Hall Plaza. Homophobic attitudes are entrenched in Lithuania, and in recent debates some MPs sought to remove discrimination on the basis of sexual orientation from the Law on Equal Opportunities. There is a sense that Lithuania's motivation to protect human rights has relaxed since the country gained EU membership.

In May 2008, a new conceptual framework for family policy provoked a split in public attitudes. Defining a family as a woman and man legally married in the traditional sense, the concept was decried as discriminating against single parents and unmarried or divorced parents and promoting social exclusion, inequality, and intolerance. At present, the legal definition of a family is a married or cohabiting couple or a single parent bringing up a child. Statistics show that a third of children in Lithuania are born to unmarried couples. Family rights campaigners have appealed the document to the Constitutional Court.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.75	3.75	3.50	3.50	3.75	4.00	4.00	3.75	3.75

There was no significant reduction in corruption in Lithuania in 2008. While investigating and exposing corruption have become more open, prevention has been limited to fragmentary policies, such as a recent ban on audiovisual political advertising and the forthcoming online issuance of construction permits. Thus far, progress has been impeded by a lack of political will to strengthen anticorruption work and the defiance of anticorruption initiatives by officials. Not surprisingly, in early 2008 the National Audit Office revealed that the National Anticorruption Program had failed. Meanwhile, Prime Minister Kirkilas openly derided public criticism of the country's level of corruption and the government's failure to reduce it.

The reasons the anticorruption program failed were numerous, including weak and ineffective implementation. Most state institutions did not feature the tasks assigned to them in their work plans, and the enforcement of many key policies was consistently postponed. Only a third of institutions involved reported on their anticorruption efforts, and the lack of adequate assessment criteria prevented proper monitoring and oversight. Launched in 2002, the program focused mainly on corruption prevention and legislative revisions but also included corruption investigation, prosecution, and public education. Yet only 45 percent of the envisaged policy measures were ever implemented.

A new anticorruption program focusing on prevention has been prepared in line with recommendations from the National Audit Office and is pending before the Parliament. The government emphasizes that the new program's main improvement is the assessment of the anticorruption impact of legal acts. This tool has already been available, but its use has been largely perfunctory owing to a lack of demand from the legislative branch.

For similar reasons, there has been very little progress in implementing the so-called Sunset program for curtailing government bureaucracy, but more tangible results are expected from the new government. The issuance of construction permits, reportedly one of the most corruption-prone areas, will be available online soon, but in general the much-advertised one-stop system for government agencies remains a distant dream. Equally lackluster is a top-level initiative to curtail abuse of privileges in public service (such as transport, mobile telephones, and holiday resorts) that was launched after a parliamentary scandal in 2006.

Great hopes for corruption investigations and prevention are pinned on the Special Investigation Bureau (SIB), an independent institution where the scope of prosecution and number of convictions have increased over the past three years. Yet SIB has been criticized for politicking and little follow-through on numerous high-profile allegations. A wave of corruption scandals surfaced in 2008, including at least 10 high-ranking municipal officials indicted for bribery and graft. In February, the mayor and others of the Trakai region municipality were indicted for bribery

and removed from office. In May, Deputy Mayor of Vilnius Evaldas Lementauskas resigned after coming under accusations of bribery along with two city council members of OJP. Also, in March LCU leader and former mayor of Vilnius Artūras Zuokas was found guilty of attempted vote buying during the 2002 Vilnius mayoral election and was stripped of his municipal council mandate.

In June, the Parliament approved a long-debated ban on political advertising on radio and television. Candidate advertising during election campaigns will now be financed from the state budget. These amendments are expected to reduce political costs, corruption, and illegitimate party spending, as radio and television advertising reportedly absorbed the bulk of campaign funds. Despite constant initiatives to tighten campaign funding, the legislation contains serious flaws, and the mechanisms for ensuring compliance and transparency are weak. In one notorious case, the Labor Party, including party leader Viktor Uspaskich, is facing charges of faulty party bookkeeping, campaign fraud, and tax evasion.

Beginning in July, public officials were obliged to declare any transactions in excess of LTL2,600, (US$1,144) but enforcement is viewed as unfeasible. Legislation on reconciling public and private interests in state services prohibits conflicts of interest and requires financial disclosure by politicians, heads of state- or municipal-run enterprises, and their spouses. Civil servants and politicians must submit private interest declarations when taking office or assuming leadership in political parties. These are posted on the Supreme Official Ethics Commission website, yet incomplete declarations are still a problem.

Although corruption remains high, there are improvements in the perceptions and attitudes of the business community, as indicated by the 2007 Lithuanian Corruption Map. According to the survey commissioned by SIB and conducted by TNS Gallup since 2000, 67 percent of citizens were prepared to give bribes in 2007, while the business community showed a decline from 55 to 42 percent. Likewise, fewer businesspeople said they had given bribes over the past 12 months, while the share of ordinary citizens giving bribes remained practically the same. Although Lithuanian society censures graft, a vast majority believe that bribes may help in dealings with authorities, and this proportion is growing. Most often bribes are offered to road police, medical workers, customs officials, and land-planning authorities.

Graft and cronyism continue to plague the public procurement system, ownership restitution, and land-planning procedures. According to an opinion poll released by Transparency International's Lithuanian chapter in early 2008, one-third of city dwellers had given bribes to officials or politicians while building or reconstructing their homes. As many as 80 percent of construction industry representatives believe that proper connections help in dealing with official land purchase, land-planning, and construction approval procedures, while almost 60 percent think that bribes are effective. Accepting or demanding a bribe is punishable by imprisonment of two to eight years.

Since direct state participation in the economy has been minimized through large-scale privatization, the regulatory system is the chief way that state officials

intervene in the economy, which includes setting quality standards, requiring numerous permits and inspections, prescribing a mandatory minimum wage, regulating energy prices, and so forth. There are 152 regulatory agencies in Lithuania, and a total of 330 permissions are required for various businesses. The past years have seen explicit indications of top-level influence peddling in such sectors as energy, gas, and supermarkets. In a 2008 World Bank ranking of economies and their ease of doing business, Lithuania slipped from 16 to 26 owing to stagnating regulatory reforms.

▮ AUTHOR: ANETA PIASECKA

Aneta Piasecka is a former senior policy analyst at the Lithuanian Free Market Institute (LFMI), a nonprofit think tank based in Vilnius. Giedrius Kadziauskas, also a senior policy analyst at LFMI, assisted in the research for this report.

---

1 According to Vilmorus, a market and opinion research company, http://www.vilmorus.lt/index.php?lng=lt&page_id=16&news_id=5.

2 Department of Statistics to the Government of the Republic of Lithuania, "Rugsėjo mėn. vartojimo prekių ir paslaugų kainos padidėjo 0,5 procento" [In September consumer prices rose 0.5 percent], October 8, 2008, http://www.stat.gov.lt/lt/news/view/?id=2777.

3 Civil Service Department, http://www.vtd.lt/index.php?1471208505, accessed October 16, 2008.

4 Department of Statistics to the Government of the Republic of Lithuania, "Vidutinis darbo užmokestis antrąjį 2008 m. ketvirtį sudarė 2237 litus" [Average wage was LTL2,237 in the second half of 2008], August 26, 2008, http://www.stat.gov.lt/lt/news/view/?id=2747&PHPSESSID=525ec7153a8c24ac0eb4e09a539bca06.

5 "Daugėja elektroninių paslaugų" [Online services multiply], *Veidas*, September 22, 2008.

6 Vilmorus, http://www.vilmorus.lt/index.php?lng=lt&page_id=16&news_id=5.

7 Civil Society Institute, "Civic Empowerment Index 2007," http://www.civitas.lt/lt/?pid=74&id=78.

8 Department of Statistics to the Government of the Republic of Lithuania, http://www.stat.gov.lt/lt/pages/view/?id=1573.

9 Hrebenar, R. J., McBeth, C. H., Morgan B. B. "Interests and Lobbying in Lithuania: A Spectrum of Development," *Journal of Public Affairs* 8, no. 1–2 (2008): 51–65.

10 Press release from GemiusAudience, June 5, 2008, http://files.gemius.pl/News/Lithuania/2008_06_05_More%20active%20Internet%20users%20live%20away%20from%20big%20cities.doc.

11 "Skaitmeninę televiziją Lietuvoje jau mato daugiau nei 100 tūkst. žiūrovų" [More than 100,000 people watch digital TV in Lithuania], *Veidas*, September 29, 2008, p. 7.

12 Lithuanian Chamber of Notaries, "Lietuvos visuomenė tarp teisininkų labiausiai pasitiki notarais" [Lithuanian society trusts notaries the most of all lawyers], October 23, 2008, http://www.notarai.lt/?item=aktual&id=12468&lang=1; Vilmorus, September 2008, http://www.vilmorus.lt/index.php?lng=lt&page_id=16&news_id=5.

Macedonia

by Zhidas Daskalovski

Capital: Skopje
Population: 2.0 million
GNI/capita: US$9,050

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	3.50	3.75	4.50	3.50	3.50	3.00	3.25	3.25	3.25	3.50
Civil Society	3.50	3.75	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25
Independent Media	3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25
Governance*	3.00	3.75	4.25	4.50	4.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75	4.00	4.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.25	4.25	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00
Corruption	5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25
Democracy Score	3.83	4.04	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86

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

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

Executive Summary

As with a number of other countries in Eastern European reforms in Macedonia in 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 idea behind the 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 applied for NATO membership as well.

National Democratic Governance. Although Macedonian society is still split along ethnic lines, conflicts have been subdued through the implementation of the Ohrid Agreement. In 2008, there was further progress in increasing the representation of minorities in public sector employment; the number of ethnic Albanian civil servants increased by 3.75 percent between January 2007 and January 2008. Six of the fifteen members of the Judicial Council, and one of the six elected members of the Council of Public Prosecutors belong to minority communities. Also in 2008, the government department for implementation of the Ohrid Agreement was upgraded to a secretariat. In August, a law was adopted to clarify and extend the use of minority languages at all levels of state and local government. Meanwhile, Macedonia's integration into NATO was blocked during the year owing to Greek objections to the country's official name. This could have polarizing effects on interethnic relations. *Macedonia's rating for national democratic governance remains at 4.00.*

Electoral Process. Macedonia has universal and equal suffrage, with regular, free, and fair elections conducted by secret ballot. The multiparty electoral system is free of major barriers to political organization and registration. Since independence, power has rotated among different coalitions representing competing interests and policy options. Following the country's failure to win an invitation to join NATO at an April 2008 summit, early elections were called for June 1. Monitors from the Organization for Security and Cooperation in Europe reported that key international standards were not met. The campaign was marred by attacks on campaign offices, physical fights, and shootings. On election day, organized violence, intimidation, and stuffing of ballot boxes were reported in some predominantly ethnic Albanian areas. One person was killed, and several others injured. Also in 2008, the threshold for electing the president was lowered from 50 to 40 percent, limiting presidential

candidates' need to win support from citizens of various ethnic backgrounds. There was no public discussion about this policy change. *As a result, Macedonia's electoral process rating worsens from 3.25 to 3.50.*

Civil Society. Since independence, the number and scope of nongovernmental organizations (NGOs) in Macedonia have increased dramatically. In 2008, the active involvement of NGOs in public policy making and reforms continued to grow, and the members of a think tank network established in 2006 continued to provide high-quality reports and trainings. Although the government respects the right to form and join civil society organizations (including free trade unions) officials are not receptive to advocacy and rarely invite civil society groups to comment on or influence pending legislation. The development of NGO activities is hampered mainly by a lack of resources. Private international donors are increasingly withdrawing from the Western Balkans region, leaving many NGOs in peril. *Macedonia's rating for civil society holds steady at 3.25.*

Independent Media. There is a diverse selection of print and electronic news sources representing a range of political viewpoints. Funding and political influence remained problematic in 2008, as many local public radio stations and magazines were closed owing to lack of funding. Yet quite a few national television channels started broadcasting during the year. A few television stations are owned by political party leadership. Ownership of the leading print media remains highly concentrated. During the June parliamentary elections, the media did not treat all political parties equally; the public television broadcaster showed bias in favor of government parties. There were few instances of violence against journalists in 2008. However, many faced libel suits, including one filed by the prime minister. Despite the 2006 Law on Free Access to Information, gaining access to information was problematic for journalists and concerned citizens alike. The Broadcasting Council and Macedonian Television and Radio, the public broadcaster, lack financial independence because of the failure of the fee collection system. In addition, the terms of three members of the Broadcasting Council expired before the elections and they were not immediately replaced. Internet penetration grew during 2008. *Macedonia's rating for independent media remains at 4.25.*

Local Democratic Governance. Since 2001, Macedonia has engaged in a thorough decentralization effort, devolving responsibilities of the central government to local government units. In accordance with the Law on Regional Development, which took effect in January 2008, regional development councils were set up for all 8 regions. The debts of the municipalities were further reduced during the year. Moreover, another 17 of the 85 municipalities entered the second phase of the fiscal decentralization process, bringing the total to 59 as of June 2008. Internal audit units were established in 8 more municipalities, reaching a total of 28. Progress was also made in the decentralization of the police, with the appointment of 8 regional commanders, and the selection, in consultation with municipal councils, of all 38

station commanders. *Macedonia's rating for local democratic governance holds steady at 3.75.*

Judicial Framework and Independence. Improving the independence and efficiency of the judiciary remained a major challenge in 2008. The Judicial Council assumed full responsibility for hiring judges, recruiting the president of the Supreme Court and some 115 others. Appointments to the Council of Public Prosecutors were completed by the Parliament in July. Also in 2008, the new administrative court and the court of appeals in Gostivar were set up and began processing cases. The Law on Courts was amended to provide for only one (instead of five) specialized court departments to deal with organized crime and corruption. The judiciary continued to suffer from a significant number of vacancies and unresolved cases. *Although reforms picked up pace in 2008, they were offset in part by libel cases against journalists, leaving Macedonia's rating for judicial framework and independence unchanged at 4.00.*

Corruption. The government of Prime Minister Nikola Gruevski has claimed that fighting corruption is one of its priorities. In 2008, the criminal procedure code and the Law on Monitoring of Communications were amended to allow use of special investigative measures in corruption cases, and law enforcement agencies demonstrated a determination to coordinate their activities. There were convictions in some high-profile cases, including those of the former central bank governor and the former director of the Public Revenue Office. In another case, a dozen highway toll collectors were charged with embezzlement. *Due to measures taken in 2008 in the fight against corruption, and convictions of public officials, Macedonia's rating for corruption improves from 4.50 to 4.25.*

Outlook for 2009. In 2009, Macedonia will face tensions within the ruling coalition; the ethnic Albanian coalition partner will be under pressure to leave the government. Developments in Kosovo, which declared independence in 2008, could negatively affect interethnic relations in Macedonia. The government will also be under pressure to continue economic reforms and achieve stronger growth levels. Remittances will decline in 2009, and many export-oriented companies will face declining demand abroad. A date for the start of EU accession negotiations and NATO membership would support domestic reformers and stabilize Macedonia's democracy. The conduct of presidential and local elections, scheduled for the spring of 2009, will be crucial for European perceptions of the country. A decision by the EU on a full visa liberalization is also expected in 2009.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75	4.00	4.00

Members of the 120-seat Parliament, or Sobranie (Assembly), are elected by proportional representation in six electoral districts for four-year terms. Between 30 and 70 percent of the candidates on each party list must be women. The Parliament elected in June 2008 enacted 172 laws by August 4, all by emergency procedure, largely because of a series of boycotts by opposition parties. The emergency procedure is intended for exceptional circumstances such as major natural disasters or security threats, and the quality of the newly promulgated laws is doubtful, since parliamentary debates and consultations with civil society were entirely lacking.

By law, Macedonian citizens and the media have access to legislators and the legislative process, but citizens' involvement in political life is rather low. Nongovernmental organizations (NGOs) and concerned citizens have not been engaged in budget oversight, and local governance is rarely scrutinized. And, the media raises issues of general interest not typically taken up by NGOs and citizens' groups.

Over the last 15 years, governments have been formed by party coalitions, usually including a major ethnic Macedonian party and an ethnic Albanian party. The current government is led by Prime Minister Nikola Gruevski and includes his Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE), the Democratic Union for Integration (DUI), the Democratic Renewal of Macedonia (DOM), the Party for a European Future (PEI), the Socialist Party (SP), and a number of smaller ethnic parties.

The political system is semipresidential, akin to the French model. By law, the president represents Macedonia at home and abroad and is commander in chief of the armed forces. The president may veto legislation adopted by the Parliament, but this can be overridden with a two-thirds majority vote. The president is directly elected for up to two five-year terms. Despite his limited powers, the president can wield significant influence depending on the force of his personality, particularly in foreign affairs.

The government dominates the legislature in practice by introducing laws to be adopted or amended. Still, a number of factors prevent the concentration of power in cases where a political party or coalition gains control of both the legislature and the executive. First, the figure of the president works to balance the authority of the prime minister even if they are from the same party, and especially if they are not, as was the case in 2008. Second, an informal rule requires the government to be composed of a multiethnic coalition, which entails accommodation and

compromise, making the concentration of power unfeasible. Relations between the government and the president varied in 2008. Although they met regularly to discuss Greece's resistance to Macedonia's NATO membership bid, they often did not have a joint stance on foreign policy. The president also argued against the government's decision to dissolve Parliament and hold early elections in June.

During the 1990s, Macedonian political elites clashed with their ethnic Albanian counterparts over various elements in the Constitution, the census, education, local self-government, public display of national minority symbols, and the ethnic makeup of the security forces and civil service. Interethnic tensions escalated into an armed conflict when ethnic Albanian militants attacked security forces in 2001. The conflict lasted for six months but caused relatively few casualties. In the Ohrid Agreement, representatives of the two sides agreed on reforms that would accommodate the grievances of the Albanian community while preserving the unitary character of the state. In 2008, the government department for implementation of the Ohrid Agreement was upgraded to a secretariat.

While there is occasional friction, all influential political actors accept the democratic institutions in principle and regard them as legitimate. Macedonian society is still split along ethnic lines, but conflicts have been subdued with the implementation of the Ohrid Agreement. Multiethnicity, moderation, and tolerance are widely understood as important characteristics of Macedonian politics. There are no visibly active extremist groups advocating racist or xenophobic agendas or threatening political and social stability. Kosovo's February 2008 declaration of independence did not negatively influence the stability of Macedonia, which recognized its new neighbor despite objections by Belgrade. Relations with Serbia have remained strong, especially in the economic domain.

In 2008 further progress was made on ensuring equitable minority representation in the public sector. The available data show that the number of ethnic Albanian civil servants increased by 3.75 percent between January 2007 and January 2008.[1] In the Ministries of Education, Economy, Health Care, Defense, and Local Government, the percentage of ethnic Albanian employees corresponds to the portion of this group in the general population. Six of the fifteen members of the Judicial Council and one of the six elected members of the Council of Public Prosecutors belong to minority communities.

A law adopted in August 2008 clarified and extended the scope for the official use of minoriry languages spoken by at least 20 percent of citizens at all levels of state and local government. The law notably provides for the use of minority languages in Parliament by members and committee chairpersons, although the Speaker and deputy Speaker will continue to use the single state language, Macedonian. The law extends the use of minority languages to the local offices of state organs but stipulates that they may not be used in the police and the army. The 20 percent threshold effectively means that national-level provisions apply only to the Albanian language. The High Commissioner for National Minorities at the Organization for Security and Cooperation in Europe (OSCE) has assessed that the law provides a clear and coherent legal framework and meets international standards.

Among other laws enacted in 2008, new legislation identified planned statutes that would have to pass by a "double majority," meaning a majority of the Albanian minority would also have to approve. Another new law provides for the creation of a specialized agency for the advancement and protection of the rights of the smaller ethnic communities. Committees for relations among ethnic groups have been set up in 19 out of 20 municipalities, where they are required by law, as well as in municipalities with sizable minority populations that fall short of the legal threshold of 20 percent.

All of Macedonia's political parties share the view that the country should join the European Union (EU) and NATO, but the process has often been slowed down by partisan bickering over European laws and regulations. In 2008, the EU did not grant Macedonia a date for the beginning of membership negotiations owing to the slow pace of reform and the year's election irregularities. Tensions between the largest ethnic Albanian party, DUI, and the rival Democratic Party of Albanians (DPA) were a significant constraint on progress in this regard. Working on EU integration in March, the government adopted a well-prepared action plan for the fulfillment of the key accession priorities. Also during the year, a Council for EU Integration was established, chaired by the leader of the opposition and including representatives from the main political parties in the Parliament and all sectors of civil society.

Greece's resistance to Macedonia's NATO membership bid stems from its long-standing objections to Macedonia's name, which it claims as part of its own exclusive cultural and historical heritage. Greece also argues that the name implies territorial irredentism on the part of Macedonia's capital, Skopje. Macedonia has renounced any claims on Greek territory, but it regards its name as a core part of its national identity. The view from Skopje is that Macedonians have a right to self-determination and that ancient Macedonian history is as much the heritage of the Republic of Macedonia as it is of the Republic of Greece. Macedonia was admitted to the United Nations in 1993 on the condition that it would be "provisionally referred to for all purposes within the United Nations as 'the former Yugoslav Republic of Macedonia' pending settlement of the difference that has arisen over the name of the State." Although the rule applied to internal UN usage, other international institutions have continued to refer to Macedonia as a "former Yugoslav republic." There have been extensive negotiations aimed at reaching a compromise solution, but they have not been successful to date. At a NATO summit in April 2008, Greece vetoed an invitation to Macedonia to join the alliance, helping to trigger the early Macedonian elections.

The prolongation of the name dispute has exposed a potentially destabilizing rift in opinion between ethnic Albanians and ethnic Macedonians. Albanians do not attach much importance to the internationally recognized name of the country and increasingly favored a change following the NATO summit, while a vast but apparently somewhat reduced majority of ethnic Macedonians continued to reject the notion of a name change to secure NATO or EU accession. Meanwhile, Macedonia has asked the International Court of Justice to rule on whether

Greece had violated the terms of a 1995 interim agreement stipulating that Athens would not block Macedonia's admission to international organizations if applied under the temporary term "the former Yugoslav Republic of Macedonia" used within the UN.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.75	4.50	3.50	3.50	3.00	3.25	3.25	3.25	

Macedonia has universal and equal suffrage, with regular, free, and fair elections conducted by secret ballot. Moreover, the multiparty electoral system is free of significant barriers to political organization and registration, and minority groups have sufficient opportunities to participate in the political process. Power has rotated among different party coalitions representing competing interests and policy options. The field of political contenders is generally free from domination by the military, foreign powers, totalitarian parties, regional hierarchies, or economic oligarchies. However, the lack of financial transparency with respect to political parties and election campaigns remains a serious concern.

Following the country's failure to win an invitation to join NATO at an alliance summit, the Parliament voted to dissolve itself on April 12, 2008. The move was proposed by the DUI and supported by the ruling coalition, led by VMRO-DPMNE and the DPA; the opposition Social Democratic Union of Macedonia (SDSM) and Liberal Democratic Party (LDP) boycotted the vote, meaning 70 of 120 lawmakers voted in favor and the remainder was absent. The resulting elections were held on June 1, and the OSCE Office for Democratic Institutions and Human Rights (ODIHR) election observation mission reported that key international standards were not met. The campaign was marred by attacks on campaign offices, physical fights, and shootings. According to reports by the State Broadcasting Council, there were problems with equal access to various media, and several government communication campaigns continued or were launched during the official election period.

Violence, intimidation, and ballot box stuffing were reported on election day in some predominantly ethnic Albanian areas. One person was killed and several others were injured in shootings of DUI and DPA party supporters. The government launched investigations into the violence and irregularities, resulting in prison sentences for at least 15 people by November. Other cases concerning 143 suspects were pending. In addition, at least 28 police officers were suspended, and 11 faced criminal charges.[2]

The State Electoral Committee annulled the results in 197 polling stations, accounting for 10 percent of registered voters, and dismissed 6 chairpersons of municipal electoral boards. Reruns were organized on June 15 with strengthened security, but further irregularities took place and additional reruns were held on June 29 in 15 polling stations.[3]

The voter turnout increased slightly compared with the 2006 elections, reaching 57.5 percent. While women accounted for 35 percent of the candidates, surpassing the 30 percent requirement for party lists, a number of parties representing smaller ethnic groups participated within coalitions. The VMRO-DPMNE-led bloc won 48.8 percent of the votes and 63 of the 120 seats, and the SDSM-led coalition took 23.7 percent of the votes and 27 seats. In addition, the DUI won 18 seats, the DPA took 11, and the PEI secured 1.

After the elections, ODIHR made 28 recommendations, including "reform of the electoral code, making campaign financing more transparent, strengthening the capacity of the State Electoral Commission, and ensuring equal access to the media." The government adopted an action plan addressing most of these recommendations, although it does not provide deadlines, a methodology, or a budget. In October, the electoral code was amended, broadly in line with ODIHR recommendations, to improve the maintenance of voter lists, strengthen rules on campaign financing, and clarify procedures for addressing election irregularities.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.75	4.00	3.75	3.25	3.25	3.25	3.25	3.25	3.25

In principle, the legal framework for the functioning of civil society is free of excessive state pressures and bureaucracy. The Constitution, the Law for Citizens' Associations and Foundations, and other regulations govern the civil society sector. The Law for Citizens' Associations and Foundations, adopted in 1998 and amended in 2007, remains ambiguous on the definition of an organization of public benefit. Moreover, the law does not allow NGOs to engage in economic activities and prohibits the establishment of NGOs by foreign entities.

Since independence, the number and scope of NGOs in Macedonia have risen dramatically. Many deal with significant societal, political, and economic issues. Their activities are hampered mainly by a lack of resources. After the Kosovo refugee crisis hit Macedonia in the late 1990s, there was a boom in the sector as donors made funds available. By some estimates, there are 5,500 NGOs in the country. The various international donors often fail to coordinate with one another or design programs to meet local needs. Moreover, private donors are increasingly withdrawing from the Western Balkans region, leaving many NGOs in peril.

EU assistance to the sector has been growing through a variety of programs, but few Macedonian NGOs are capable of applying successfully for EU funds, as the process requires significant technical skills and resources. Only organizations with sufficient experience and a sound financial record can hope to meet application criteria and win projects.

Not surprisingly, the biggest local organizations—such as the Foundation Open Society Institute Macedonia (FOSIM) and the Macedonian Center for International

Cooperation—dominate the sector. They often act as major grant issuers in their own right, redistributing parts of their EU funding. This can complicate fund-raising for local NGOs that do not have good relations with these organizations. The political stance of FOSIM and its executive director, Vladimir Milchin, a longtime member of the executive board of SDSM, also negatively affects the development of the sector. A number of civic organizations represent the interests of women, physically impaired persons, and sexual and ethnic minorities, and these receive most of the attention and funding of the donors. The others are left to their own devices, seriously constraining their ability to deliver more professional services.

Although many Macedonian civil society organizations have the necessary technical equipment and office facilities, as well as a motivated and well-educated staff, few groups are financially viable in the long term. A law providing tax incentives for donations and sponsorship by a local or foreign entity has not been used often. Local philanthropy and volunteerism are almost nonexistent, and charitable activities by religious groups are minimal. The influential Macedonian Orthodox Church and the Islamic religious community generally promote conservative attitudes, while the influence of trade unions has been on the wane.

A teachers' union strike from November 24 to December 2 disrupted the work of primary and secondary schools across Macedonia. The union was seeking salary increases, fixed-term contracts for temporary staff, and other concessions. After much wrangling, the government agreed to meet most of the teachers' demands.

The media often report on the activities of NGOs, and think tank experts are now regular guests on news programs. The think tank sector has also developed in terms of the quality of their products; members of a think tank network established in 2006 provide reports and trainings founded on solid, evidence-based research and analysis. The active involvement of NGOs in public policy making and reforms grew in 2008, but the government, unlike the media, is hardly receptive to policy advocacy by interest groups, research centers, and other nonprofit organizations. Government officials rarely invite NGOs to comment on and influence pending policies or legislation. While a lack of transparency surrounding the criteria for state grants to NGOs has been a serious problem in recent years, the situation improved in 2008 through the public announcement of the call for proposals, the selection criteria, and the results.

In general, Macedonian civil society has yet to attain the critical mass needed to become a serious actor at either the national or the local level. Instead of relying on funds on a per project basis, local NGOs would be better served if core funding in key sectors were available. Macedonian civil society groups also lack sufficient organizational capacity to sustain their work. Most NGOs are poorly managed, lack professionalism and communication skills, and have few experienced practitioners or trainers.

Macedonian society is largely free of excessive influence by extremist and intolerant groups, and there are no visibly active organizations advocating racist or xenophobic agendas or threatening political and social stability. The education system is generally free of political influence and propaganda, although recent

political history and the relations between ethnic Macedonians and ethnic Albanians are not discussed in textbooks, and optional religious education has been introduced in the public school system by the current government. Moreover, political parties use local government positions to influence the appointment of principals in elementary and especially high schools.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25	4.25

In principle, Article 16 of the Constitution guarantees freedom of speech and access to information. The Law on Broadcasting and other relevant statutes meet most international standards. Macedonian journalists and media outlets are able to form their own 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 owing to the failure of the fee collection system; the system had effectively collapsed by 2008, since very few people paid the license fee. Administrative capacity of the understaffed Broadcasting Council remains weak, and its decisions are sometimes not respected by broadcasters; the terms of three council members expired in the first half of 2008, and the Parliament failed to nominate replacements in time for June elections.

Employees at Macedonian Television and Radio went on strike on a number of occasions in 2008, protesting financial problems at the organization. Furthermore, an amendment to the Law on Broadcasting adopted in July increased the likelihood that the public broadcaster could declare bankruptcy or liquidation.

There is a diverse selection of print and electronic information sources representing a range of political viewpoints. In 2008, many local public radio stations and magazines were closed owing to lack of funding. Dozens of private electronic outlets struggle to survive in market conditions that are adverse even by regional standards, making the commercial sector as overcrowded and inefficient as the public sector. Quite a few, new national television channels began broadcasting in 2008.

Some television stations are considered to be politically influenced, since the owners are also presidents of political parties. 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 the president of the SP. Channel 5 is owned by Emil Stojmenov, son of the leader of the VMRO-Vistinska party. The owner of Telma TV is Makpetrol, a large oil distribution company, while an ethnic Albanian businessman, Vebi Velija, owns Alsat TV. In 2008, Ramkovski clashed on a number of politically charged issues with the owners and management of Sitel TV and the daily *Vecher*, as well as with the mayor of Skopje, Trifun Kostovski. The

media outlets defended their patrons while reporting negatively on the activities of their opponents. Ramkovski also apparently fired the entire staff of the daily *Vreme*, which he is believed to own, although the company that owns the newspaper is not registered in his name.

Since 2004, the country's three best-selling newspapers—*Utrinski Vesnik*, *Vest*, and *Dnevnik*—have been owned by the German media giant Westdeutsche Allgemeine Zeitung (WAZ). There is no legislative provision related to concentration of media ownership. During the June 2008 parliamentary elections, the media did not treat all political parties equally. The public television broadcaster showed bias in favor of government parties.

There were few instances of violence against journalists in 2008. Many faced libel suits, however. The prime minister sued two influential columnists, Branko Trichkovski and Ljubomir Frchkovski, in pursuit of substantial libel damages. Despite the 2006 Law on Free Access to Information, access to information remained problematic for journalists and concerned citizens alike.

There was a great increase in Internet penetration in 2008, with many new providers offering the service, although penetration remained low by European standards. Estimates vary significantly but hover around 40 percent. Users enjoy open access to the Internet and its diverse range of sites and viewpoints, and registration of new sites is unhindered.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	4.00	3.75	3.75	3.75

Macedonia has only two tiers of governance, with no intermediary level between the municipalities and the central government. Citizens have the right to establish local self-governing bodies, or communities, within the municipalities. Municipal officials are directly elected by secret ballot, in regularly held polls (in principle every four years), and are subject to independent monitoring and oversight. Citizens can also weigh in on a particular question through referendum.

Since the Ohrid Agreement in 2001, Macedonia has engaged in a thorough decentralization effort, committing itself to devolve responsibilities of the central government to local government units. The agreement set out a strategic agenda con-cerning equal representation of different ethnic groups in local self-government. The government has worked to correct the functional deficiencies of municipalities and enhance their capacity to fund sustainable economic development through independently collected local revenues. The list of local government responsibilities includes significant social services such as primary and secondary education, nursing homes, orphanages, preschools, and ambulatory health care.

Municipal debts were further reduced in 2008, in most cases by agreeing to repay principal to private construction companies in exchange for relief on the accumulated

interest. Another 17 of the 85 municipalities entered the second phase of the fiscal decentralization process, bringing the total to 59 as of July 2008.[4] Municipal tax collection increased substantially, although revenue remained insufficient in light of the new competencies. The Association of Municipalities (ZELS), which serves as a link between the central authorities and local governments, asked the central government for additional funding and debt relief in 2008. The municipalities that were not permitted to enter the second phase of fiscal decentralization were still burdened by sizable debt loads and related legal proceedings.

In addition to local revenue sources and central government grants, the law allows municipalities to borrow funds in the capital markets if approved by the Ministry of Finance. However, the administrative capacities of some municipalities are very low, and the transparency and accountability of local administration remain insufficient, particularly with respect to financial controls. Internal audit units were established in 8 additional municipalities in 2008, for a total of 28. Separately, progress was also made in the decentralization of the police during the year with the appointment of 8 regional commanders and the selection, in consultation with municipal councils, of all 38 local police station commanders.

Foreign direct investment is sometimes impeded by slow legal procedures and fragmentation of responsibilities between the central and local governments. In 2008, the government decided to allow foreign persons and companies to legally own land in Macedonia, but ZELS demanded that municipalities rather than the state manage land sales to foreign or domestic companies.

Citizens and investors complain that the procedures for issuing construction permits are protracted and subject to excessive discretion by municipal authorities. This has led to extensive illegal construction, and the authorities lack the resources and political will to demolish such buildings.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.25	4.25	4.75	4.50	4.00	3.75	3.75	3.75	4.00	4.00

As in previous years, improving the independence and efficiency of the judiciary remained a major challenge for Macedonia in 2008. The courts have been gradually strengthened since reforms began in 2005. The Constitutional Court, whose members are appointed by the Parliament using the "double majority" rule, has the power to annul legislation and decrees that are found to violate the Constitution. The Judicial Council, also appointed through a parliamentary double majority, oversees the court system and judges. The Parliament finally filled its last vacancy and the Judicial Council assumed full responsibility for recruiting judges and presidents of the courts in 2008, hiring 115 judges, of whom 12 would be presidents of courts, as well as the president of the Supreme Court.

Appointments to the Council of Public Prosecutors were delayed but completed by Parliament under the double majority rule in July. The council has 11 members

selected for a one-time renewable four-year term. Six are elected by the prosecutors themselves, and three are selected by the Parliament. The state public prosecutor and the minister of justice are *ex officio* members with a right to vote. The members in turn elect a council president for a nonrenewable two-year term. The state public prosecutor himself continues to be appointed by the Parliament, which acts on the proposal of the government, for a once renewable six-year term.

In 2008, the new administrative court and the new court of appeals in Gostivar began operating. They are expected to greatly help the overall functioning of the courts. The Law on Courts was amended to provide for just one (instead of five) specialized court department to deal with cases of organized crime and corruption. The Judicial Council maintained its efforts to combat corruption in the judiciary.

Two general problems remain in the judicial system: the significant number of vacancies in various institutions, and the number of unresolved cases. Vacancies remain in the public prosecution service, and the higher prosecutor's office in Gostivar has yet to begin work. Moreover, beginning in January the Constitutional Court functioned with six members instead of nine; the president and another member, both ethnic Albanians, had resigned in November 2007 to protest the Court's ruling on the use of ethnic flags, and a third member left in January 2008 to join the European Court of Human Rights. The Parliament appointed a judge to one of the vacant posts in July, and in October it made the remaining two appointments on the basis of proposals from the head of state.

Of the 27 basic courts, 22 managed to reduce the considerable backlog of cases, which consisted mainly of enforcement and misdemeanor cases as well as administrative cases to be dealt with by the new administrative court; there are hundreds of thousands of unresolved cases. The number of judges and prosecutors has increased modestly, but the number of employees in the judicial administration has dropped by 6 percent. Some basic courts still lack information technology equipment, as do most of the public prosecutors' offices. In general, the inefficiency of the judicial system, especially in the area of contract enforcement, influences the business environment and the country's attractiveness to foreign investment.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	
5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25

The government of Nikola Gruevski has claimed that fighting corruption is one of its priorities. Yet domestic and international reports and surveys indicate that corruption in Macedonia is a serious and widespread problem that affects many aspects of the social, political, and economic life. The code of criminal procedure and the Law on Communications Monitoring were amended to allow use of special investigative measures in cases where corruption is suspected. And various

law enforcement agencies demonstrated a clear determination to cooperate and coordinate. The Judicial Council continued efforts to combat corruption and ensure impartiality. In 2008, it dismissed seven judges and initiated procedures against twelve others; five disciplinary procedures are ongoing. The state public prosecutor demoted two experienced prosecutors from the specialized unit for the fight against organized crime and corruption. There were convictions in some high-profile cases, including the former governor of the National Bank and the former director of the Public Revenue Office.

In 2008, as in 2007, there have been several high-profile arrests involving misappropriation of public funds and bribery. The current leader of SDSM was also detained before being pardoned by President Branko Crvenkovski. Other persons charged include the mayor of Aerodrom, the former director of the public enterprise managing sports halls, employees in the Pension Fund and regional office in Bitola, the former director of Slavia supermarkets, and the former general manager of the Electric Supply Company. The high-profile court case involving former SDSM premier Vlado Buchkovski is pending resolution.

In the Zmisko Oko (Snake Eyes) affair, a dozen employees responsible for collecting highway toll fees were charged with embezzling public funds. Again in 2008, as in 2007, the government has been accused of selectively arresting and charging individuals in the opposition while turning a blind eye to corruption scandals involving their own cadres. Customs continued to combat corruption with a toll-free anticorruption hotline; 77 disciplinary procedures against customs officers were completed, of which 40 resulted in dismissals, 14 in suspensions, and 23 in fines.

The state Anticorruption Commission was very active in 2008; with the Law on the Prevention of Corruption strengthened, the commission began implementing the new state program for prevention and suppression of corruption, and investigated a number of issues including corruption during the electoral campaign, privatization of the Veles smelter plant, membership of civil servants in managing boards of public companies, and the work of the mayor of Kisela Voda and the former ministers of defense, Laze Elenovski and Jovan Manasijevski. The commission also published asset declarations without prior approval and initiated 41 cases of conflict of interest and a number of misdemeanor procedures against officials who failed to submit asset declarations.

In its 2008 Corruption Perceptions Index, Transparency International ranked Macedonia 72nd out of 180 countries, a significant improvement over its 2007 ranking. The improvement was also noted by the European Commission in its 2008 *Progress Report on Macedonia.* The report called for the government to continue with reforms, especially in implementing anticorruption legislation and reform of the judiciary.

▮ AUTHOR: ZHIDAS DASKALOVSKI

Zhidas Daskalovski is a senior analyst at the Center for Research and Policy Making and assistant professor of political science at the Department of Public Administration (FAMIS) of the University of Kliment Ohridski in Bitola.

---

1 For a comprehensive overview of the issue, see also *Budget Watchdogs* (Skopje: Center for Research and Policy Making, 2008) 8–21, http://www.crpm.org.mk/Papers/BudgetWatchdogsENG.pdf.

2 Much of the information here and below is drawn from the EU Progress Report on Macedonia, released on November 5, 2008, http://ec.europa.eu/enlargement/press_corner/key-documents/reports_nov_2008_en.htm.

3 See also the data in the OSCE/ODIHR reports on the Macedonian elections, http://www.osce.org/odihr-elections/item_12_19294.html and http://www.osce.org/documents/html/pdftohtml/31275_en.pdf.html.

4 Radio Liberty/Radio Free Europe data at http://www.makdenes.org/programs/intervju/ma/2008/07/A10EB88A-AC52-4BBA-805F-560C2181AD5C.ASP.

Moldova

by Liliana Vițu

Capital: Chișinău
Population: 3.8 million
GNI/capita: US$2,800

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	3.25	3.25	3.50	3.75	4.00	4.00	3.75	3.75	3.75	4.00
Civil Society	3.75	3.75	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75
Independent Media	4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75
Governance*	4.50	4.50	4.75	5.25	5.50	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.00	4.00	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50
Corruption	6.00	6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00
Democracy Score	4.25	4.29	4.50	4.71	4.88	5.07	4.96	4.96	5.00	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.*

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, located 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.

Relations with Romania remained tense in 2008 despite high-level meetings in July between Moldovan president Vladimir Voronin and Romanian foreign minister Lazăr Comănescu. Protests broke out in chief districts of Moldova after the Moldovan government refused to sign the Convention on Small Traffic on the Border arguing that the basic treaty between both countries should be adopted first. The Romanian prime minister canceled a visit to Chişinău at the end of 2008 following a request from the Moldovan Foreign Ministry to refrain from public statements against the statehood and sovereignty of the Republic of Moldova. The international format of negotiations that includes the EU and the United States was largely ignored by Moldovan and Russian authorities throughout the year. Furthermore, the partial lifting of the Russian ban on Moldovan wine and confidential bilateral talks on a plan for the resolution of the Transnistrian conflict throughout 2008 continued to prove that relations between Chişinău and Moscow are on the mend.

National Democratic Governance. President Vladimir Voronin continues to exert control over virtually all state authorities. The March 2008 replacement of the country's longest-serving prime minister, Vasile Tarlev, with the first woman in Moldova's history to lead a government, Zinaida Grecianii, did not dispel concerns over the government's lack of independence or political loyalty to President Voronin. Although the new government announced a higher degree of access to public information and openness in its relations with journalists and civil society, cooperation remained mostly formal. Parliamentary oversight of the security

sector failed when President Voronin overstepped his prerogatives and ordered the Intelligence Services to investigate funding of political parties and media outlets. After seven years of frozen "face-to-face" dialogue, President Voronin met with Igor Smirnov, leader of the breakaway region of Transnistria. Although the president repeatedly spoke about an emerging solution to the Transnistrian conflict, a deal was not reached during the year; on the contrary, a tendency to drift away from negotiations including the United States and the EU became more visible. *Owing to the continued, highly centralized exercise of power by the executive branch, Moldova's rating for national democratic governance remains unchanged at 5.75.*

Electoral Process. Moldova's election code was amended by the PC and Christian-Democratic People's Party (CDPP) members of Parliament (MPs) to increase the electoral threshold from 4 to 6 percent, to prohibit preelectoral blocks, and to introduce restrictions to persons holding multiple citizenship. Selective and delayed implementation of the new Law on Political Parties raised concerns about the possibility of opposition parties running for Parliament in the coming elections. Opposition leaders faced ongoing harassment and pressure via "fabricated" criminal cases initiated by the judiciary and security sector institutions and manipulation through media outlets loyal to the ruling party and its allies. The use of administrative resources by the ruling party for electoral purposes and against opposition candidates continued to be a top concern. Moldova's weak political party system did not see any major evolutions during the year. *Increased pressure on the opposition ahead of the 2009 national elections and abuse of administrative resources by the authorities prompt a worsening of Moldova's rating for electoral process from 3.75 to 4.00.*

Civil Society. The new government's efforts to heighten cooperation with civil society by establishing the National Council for Participation was one of the few positive tendencies in the sector in 2008. To ensure more receptiveness from authorities and increase their advocacy capacity, key nongovernmental organizations (NGOs) formed a number of coalitions in different fields. Despite calls to revise the Law on Public Association, Parliament did not pass the amendments needed to improve the economic activity, and thus the financial and institutional sustainability of NGOs. Hence, grants from foreign donors continue to play a crucial role in the sector. NGOs remain among the least trusted institutions in Moldova owing to a lack of transparency in management and grant administration. *Despite slight improvements in bridging the gaps among government officials, community groups, researchers, and foreign experts, civil society is not yet setting the public agenda and is treated formally by public institutions. Therefore the rating for civil society remains unchanged at 3.75.*

Independent Media. A number of Moldova's media laws are still not in line with the European Convention on Human Rights—namely, those regarding "defamation of the state and the nation" prohibited by the Constitution and incarceration for libel and verbal abuse. The new composition of the Broadcasting Coordinating Council (BCC) is politically biased in favor of the parties that secured the election of

its members. Arbitrary license annulments and distribution of licenses according to political loyalty are some of the BCC's most alarming practices. An unprecedented attack on the independent PRO-TV station by Christian Democrat MPs was reported. The public broadcaster Teleradio-Moldova continued to serve as an organ of propaganda for the ruling party by airing biased news reports. *Owing to serious abuses of independent media and increasing doubt about the authorities' political will to ensure media pluralism, Moldova's rating for independent media worsens from 5.50 to 5.75.*

Local Democratic Governance. A draft law regarding the status of the Chişinău municipality was approved by the government but differed from the draft sent to the Council of Europe for review. The powers of the central and local governments are vaguely distributed in the normative framework and often overlap, while other areas remain unregulated. The central government delayed approval of the new Law on Local Public Finances, thus impeding improvements in the financial autonomy of local public administration. The capacity of local government remains severely limited by the prevalence of group interests and nepotism. *The central government continues to exert political control over local public authorities, and opposition-led regions face harassment. As a result, Moldova's rating for local democratic governance remains stagnant at 5.75.*

Judicial Framework and Independence. Several political parties encountered difficulties registering at the Ministry of Justice in line with the requirements of the Law on Political Parties. Torture and ill-treatment remain some of the most serious human rights violations in Moldova. Judges continue to be highly susceptible to corruption and political control and are often transformed into tools of pressure and harassment against opposition parties. The measure to distribute cases randomly in order to reduce corruption among judges was still not implemented in 2008. Judges or police were not held accountable for corruption cases or violations of human rights during the year. *Owing to sporadic and incoherent efforts by authorities to set the necessary conditions for judicial independence, Moldova's rating for judicial framework and independence remains unchanged at 4.50.*

Corruption. Corruption is one of the most serious problem facing Moldovan citizens, but Moldova is the only country in the Commonwealth of Independent States without persons or public servants jailed for corruption. Moldovan authorities undertook important legal reforms by adopting the Law on Conflict of Interest and a new Law on Preventing and Fighting Corruption; however, the latter was adopted with a three-year delay. The Civil Monitoring Council of the Center for Combating Corruption and Economic Crimes—Moldova's first citizen oversight of a law enforcement body—was established during the year. The council lacks a provision on financial sustainability, which makes its existence dependent on the authorities. Both the executive and legislative branches ignored several valuable initiatives from NGOs to promote transparency among public officials. *The fight*

against corruption is one of the key shortcomings of reforms in Moldova, as pointed out by European officials. Despite the adoption of legal acts in 2008, no other sound steps were taken by the government; thus the rating for corruption remains unchanged at 6.00.

Outlook for 2009. The Moldovan political scene will be dominated by parliamentary and presidential elections in the first part of the year. At the same time, violations of democratic human rights, in particular against opposition politicians and non-affiliated media, are almost certain to increase during the election season, which will negatively impact efforts by authorities and civil society to ensure a free and fair campaign. The Party of Communists will likely remain the largest parliamentary group, yet unable to secure enough seats to elect the president on their own. Anticipated political fights and economic instability will likely slow the pace of democratic reforms, but the country will not officially give up its European foreign policy. Relations with Romania, Ukraine, and Russia will remain troublesome owing to their divergent bilateral and regional interests.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	

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. Despite Moldova's parliamentary form of rule, the president exerts control over virtually all state authorities, which lack reciprocal independence. The current president of Moldova, Vladimir Voronin, serves simultaneously as the first secretary of the Party of Communists (PC), which has a majority of 56 parliamentary seats out of 101. In an attempt to boost the image of both the party and the cabinet, Voronin dismissed the country's longest-serving prime minister, Vasile Tarlev, in March 2008 and appointed Zinaida Grecianii as the first woman in Moldova's history to lead a government. The composition of the new cabinet was positively acknowledged by international partners, mainly for the prevalence of competent decision makers and nonparty members. However, concerns over whether the cabinet would find a balance between independence in formulating public policies and political loyalty to the president remained throughout the year.

The new government announced a higher degree of access to public information and openness, particularly for civil society organizations and journalists. However, reports by media nongovernmental organizations (NGOs) revealed a continuous discrepancy between the declarations of state officials and the lack of proper implementation of the Law on Access to Information, as well as an increased number of refusals to provide information as requested. Furthermore, at the local level and in a number of decentralized institutions there was evident ignorance of the Law on Access to Information.[1]

On November 27, PC members of Parliament (MPs) supported by Christian Democratic People's Party (CDPP) passed the Law on Transparency in Decision Making and the Law on State Secrets in the final reading. While the first law was produced in cooperation with civil society and was meant to put in place mechanisms for citizen participation in the drafting of decisions by public authorities, the second law raised concerns among opposition parties over "increasing secrecy."[2] The Law on State Secrets, President Voronin's initiative for "reducing the acts and documents classified as secret," established reasons to deny access to state secrets to persons with multiple citizenship and those who "are not observing the commitment to keep a state secret."[3] According to a report commissioned by the Organization for Security and Cooperation in Europe (OSCE) Representative on Freedom of the Media, the new law imposes undue limitations, reduces oversight by the Parliament over state secrecy, and represents a step back from existing legal provisions.

In 2008, the Moldovan legislature was unable to fulfill one of its key responsibilities, oversight/investigation of democratic institutions, mainly because of constraints from the ruling party. Supervision of security sector institutions—the Ministry of the Interior, Defense Ministry, and Intelligence Services—saw a major setback. In February 2008, President Voronin, lacking the legal prerogatives, ordered the Intelligence Services to investigate "illicit funding of political parties and media outlets."[4] This request was seen as an attempt to transform the Intelligence Services into a "political police" to deal with parties and media allegedly funded by the Romanian government.[5]

Despite resuming the bilateral, diplomatic dialogue between Romanian foreign minister Lazăr Comănescu and President Voronin in July 2008, and Prime Minister Grecianii and Romanian president Traian Băsescu three months later, key issues such as opening Romanian consulates in the north and south of Moldova and the conclusion of the Convention on Small Traffic on the Border remained unresolved. Moreover, Prime Minister Călin Popescu-Tăriceanu of Romania canceled his November trip to Moldova ahead of elections in Romania, as the Moldovan authorities asked their Romanian counterparts to abstain from "hostile declarations" against Moldova during the campaign.

Moldova's future membership in the European Union (EU) is supported by almost 70 percent of the population. The EU-Moldova Action Plan (EUMAP), signed in February 2005, has become the main framework for domestic democratic reforms and was extended for an indefinite period in February 2008 owing to shortcomings in reforms related to the judiciary, corruption, business climate, media freedom, and human rights. Nevertheless, the Moldovan Foreign Ministry requested an agreement that would clearly stipulate the country's EU membership perspective in place of the Partnership and Cooperation Agreement, which came to an end in June 2008. Moldovan leaders therefore pleaded to be treated on an equal footing with Ukraine, which has been negotiating a new contractual agreement with the EU since March 2008. Despite common goals shared by the two countries, Moldova's relations with Ukraine remained sporadic and inconsistent during the year.

The EU Council of Ministers announced its readiness to approve the European Commission mandate by the end of 2008 and stated that it would start negotiations over a new agreement only if the 2009 spring parliamentary elections in Moldova are conducted in a free and fair manner. For the first time, the EU spoke officially about a visa-free regime for Moldova as a long-term objective, thanks to the crucial role Romania played in putting the issue on the council's agenda and pushing for adoption of the conclusions. These developments came about owing to new challenges raised by the Russian-Georgian military conflict in August 2008 and the EU's role in ensuring security in the region, as well as to its commitment to conflict resolution in Transnistria; a large portion of eastern Moldova beyond the control of Moldovan authorities. At the same time, the EU fortified its engagement through the EU Special Representative to Moldova and the EU Border Assistance Mission and by implementing visa facilitation and trade liberalization agreements.

After seven years of frozen "face-to-face" dialogue, President Voronin met Tiraspol-based separatist leader, Igor Smirnov in an attempt by the Kremlin for a quick-fix resolution to the 2003 Kozak Memorandum, a document that provided Russian military presence on Moldovan territory for 25 years and disproportionate veto powers for Tiraspol in the country's foreign policy. President Voronin met with Russia's president Dmitrii Medvedev and prime minister Vladimir Putin and spoke repeatedly of an emerging solution. Meetings were also held between Speaker Marian Lupu and Evghenii Sevciuk, the self-proclaimed Speaker of the Transnistrian legislature, yet these did not lead to a major breakthrough during the year. On the contrary, and much to the dissatisfaction of the EU and the United States, a tendency to drift away from negotiations involving the OSCE, Russia, Ukraine, the EU, the United States, Moldova, and Trasnistrian authorities, also referred to as 5+2 format, has been noticed in the past two years.

At the same time, relations with Russia warmed steadily, culminating with meetings between President Voronin and State Duma chairman Boris Grizlov at the end of October and between the two prime ministers, Zinaida Grecianii and Vladimir Putin, in November. Accordingly, public opinion increasingly views Russia as Moldova's chief partner, with 30 percent of citizens qualifying the recognition of the separatist regions South Ossetia and Abkhazia in Georgia as "correct," causing local experts to raise the alarm over Russian media dominance in Moldova. In a statement on Radio Ekho Moskvy, President Voronin declared that "Moldovan wines had returned forever to Russia," referring to the lifted ban on imports and implying that symbolically, the difficulties between the two states were solved and Moldova looked forward to working with its "strategic partner" again.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
3.25	3.25	3.50	3.75	4.00	4.00	3.75	3.75	3.75

As provided in Moldova's Constitution, parliamentary elections are conducted "periodically" by casting secret ballots in free and fair elections. The Parliament then elects the new president, a procedure that has been followed since Moldova became a parliamentary republic in July 2000. The general parliamentary elections will be called not later than spring 2009. The second and last mandate of President Voronin will come to an end on April 8, 2009.

In April 2008, the PC and CDPP MPs amended the election code to restrict persons with multiple citizenship from holding high-level public offices, to increase the electoral threshold from 4 to 6 percent, and to prohibit preelectoral blocs. The former especially targeted opposition candidates with Romanian passports and was made possible because the Romanian official monitor lists new recipients of Romanian passports, unlike in Russia or Ukraine.

The amendments were criticized by national and international organizations. The European Commission for Democracy Through Law (Venice Commission) and the ODIHR recommended "lower[ing] the threshold to its previous level at 4 percent" in order to avoid a high number of wasted votes, as well as to avoid restrictions based on multiple citizenship, since this could be a violation of a number of conventions ratified by Moldova. European diplomats urged the Moldovan authorities to take full account of the recommendations made by these organizations, stating that "compliance of the electoral code with the international standards will only enhance the democratic stability of the Republic of Moldova."[6]

The PC and CDPP also passed a new Law on Political Parties in December 2007, providing for the first time state funding to parliamentary parties beginning in July 2009. Funding will depend on the number of seats acquired. The opposition claimed that financing should have begun in 2008 to strengthen parties prior to the electoral campaign. The Ministry of Justice rejected the registration of former Prime Minister Vasile Tarlev as the new leader of the Centrist Union of Moldova, the registration of the new statute of the Republican People's Party, and the registration of such parties as the Unionist Movement of Moldova, Moldova's Patriots, and the Popular Action Movement, led by former presidential adviser Sergiu Mocan.

At the same time, top opposition party leaders had to face ongoing harassment and pressure via "fabricated" criminal cases initiated by the judiciary and security sector institutions and manipulation through media outlets loyal to the PC and CDPP. For example, Dorin Chirtoacă, Chişinău mayor and deputy president of the Liberal Party (LP), and LP chairman Mihai Ghimpu were variously charged with "hooliganism" during anti-Russia protests, illegally appointing a public servant, and illegally holding the position of chairperson of the Chişinău Municipal Council. A property worth €50 million (US$67 million) owned by Vlad Filat, leader of the Liberal-Democratic Party, was nationalized; the case was slated for trial as a matter of urgency by the European Court of Human Rights (ECHR). Filat is also subject to criminal investigation for a 10-year-old "illicit privatization" of a cement factory and "cigarette smuggling" and is accused of illegally selling six airplanes in 1999 when he served as minister of privatization. These and other instances have led to a number of cases against the opposition that the government has lost at the ECHR and to negative reports by the foreign community over Moldova's lack of genuine political will to promote democratic electoral reforms.

The political party system is poorly developed in Moldova, and the use of administrative resources by the ruling party in the preelectoral period is a continuing concern. The center-right liberal wing supported by 40 percent of the population is overcrowded and defragmented owing to continuous internal fighting, while the center-left social democratic wing launched a complex merger process that will continue until the start of the 2009 campaign.

Overall, taking into consideration the events of 2008, the prospects for free and fair elections and the capacity for opposition parties to run and accede to the Parliament look slim. In contrast with the 2005 elections, when the PC was endorsed by the EU and the United States owing to radical changes in Moldovan

foreign policy, the 2009 campaign will be thoroughly monitored at the international level. This is due not only to Moldova's rapprochement with the EU and NATO, but also to the fact that the country's leadership has provided enough reasons to doubt its commitment to democratic freedoms.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.75	4.00	3.75	4.00	4.00	4.00	3.75	3.75	3.75

The new cabinet led by Prime Minister Zinaida Grecianii took significant action to improve its work with civil society organizations in 2008. After a few months of discussions, the executive established the National Council for Participation, which reunited three main forums of consultation: the Economic Council, affiliated with the Office of the Prime Minister; the National Committee for Technical Assistance; and the Council for Participation, which is responsible for drafting, monitoring, and evaluating the National Development Strategy. As a positive indicator for future development, the council, which includes 33 organizations, elected its administrative bodies and approved its Regulation and Plan of Activities.

Despite efforts by civil society groups and donor organizations to amend the Law on Public Association, which was passed amid criticism in 2007, the Parliament did not institute any of the crucial amendments needed to improve the financial and institutional sustainability of NGOs, such as tax exemptions or state subventions. The Consortium for Civil Society Development submitted a draft amendment to the Parliament to allow citizens to transfer a percentage of their income tax to selected NGOs to stimulate civic activism. The amendment has not yet been approved, and grants from foreign donors continue to play a crucial role in sustaining Moldovan NGOs. Overall, the "public utility" mechanism is imperfectly applied and does not provide for sufficient civic sector development.

To ensure a "one voice" approach to policy and reform priorities, key NGOs joined together in coalitions such as the Civic Coalition for Free and Fair Elections—Coalition 2009, which relaunched its activities in electoral civic education, media monitoring, and observation of the preelectoral atmosphere and parliamentary campaign in November. A few weeks earlier, ProGen-Elections 2009 Alliance announced it would monitor equal opportunities for women. Previously, women were given the lowest ranks on the lists and thus minimal chances to hold state functions. Also, the campaign "A Clean Parliament" was launched by seven NGOs with support from the Soros Foundation–Moldova to monitor party lists for candidates involved in cases of corruption.

According to opinion polls, more than half of the population (51.9 percent) —predominantly young people from urban localities with higher education and higher incomes—does not trust civil society organizations. Lack of transparency in management and grant spending are chief reasons for the public's low regard. For

example, among NGOs the functions of the president and executive director are commonly performed by one individual, despite the conflict of interest between those roles (evaluation vs. execution). According to the law, NGOs can decide their own structure, which means practices develop that run counter to international NGO management guidelines. To address these issues, NGOs drafted a Code of Ethics for the sector.

Journalists widely use the expertise of NGOs as an alternative source of information and for analytical purposes. Additionally, the Foreign Policy Association organized six events dedicated to confidence building and resolution of the Transnistrian conflict with the participation of civil society representatives, Western high-ranking officials, Moldovan leadership, media, and academic groups, partially addressing concerns over the lack of transparency in the conflict negotiations.

Trade unions in Moldova are not free from central government control but are viewed as subsidiaries of state power. On November 6, the pro-government newspaper *Moldova Suverana* reported a meeting between President Voronin and the National Confederation of Trade Unions (NCTU) where he called for "the creation of a single national trade union organization," underlining that "only a tight cooperation with state administration will make it possible to identify adequate solutions to existent problems, rather than controversies and misunderstandings."[7] NCTU chairman Leonid Manea praised the "constructive dialogue" with central authorities and its "efficient social policies since 2001."

In 2008, steps were not taken to remove ideological elements from the country's education system. History lessons taught in Moldovan schools include the concepts of Moldovan statehood, Moldovan language, and Moldovan nation (as developed under Stalinist rule), with their obvious anti-Romanian slant.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.25	5.50	5.75

During January 2008 meetings with President Voronin, both José Manuel Barroso, president of the European Commission, and Benita Ferrero-Waldner, EU Commissioner for External Relations and European Neighborhood Policy, declared that lack of progress in ensuring a pluralistic environment and respect for media freedoms would be addressed in the implementation of the EUMAP.

Although Moldovan media legislation largely embraces European norms, a number of laws are still not in line with the European Convention on Human Rights—namely, "defamation of the state and the nation" prohibited by the Constitution and "unlawful collection or deliberate unauthorized dissemination of legally protected information regarding someone's private life...." (Article 177, criminal code). The new administrative code provides up to 15 days incarceration for slander. Furthermore, any individual may file a civil complaint for defamation.

The law does not set a ceiling on the payment of moral damages. In practice, the defendant is asked to prove the truthfulness of his or her statements and value judgments regardless of good faith, dominant public interest, and journalistic ethics. In 2004, Moldova decriminalized libel by removing Article 170 from the criminal code; and in 2006, clear criteria for fixing fines for moral damages was introduced in Article 16 of the civil code.

The new composition of the Broadcasting Coordinating Council (BCC) has proven politically biased in favor of the parties that secured the elections of BCC members in Parliament—namely, the PC the CDPP and, to a lesser extent, the Democratic Party. Arbitrary licenses, annulments, and the distribution of licenses according to party loyalty were alarming tendencies at the BCC during the year.

In October 2008, top media NGOs expressed concern over the unprecedented attacks on the independent PRO-TV station by CDPP MPs, who ordered BCC not to extend the station's expiring license. PRO-TV requested a prolongation of its license, but BCC replied that the broadcaster's request did not meet the conditions of the audiovisual code. The denial triggered protests not only from national and international NGOs, but also from the European Commission and the OSCE Representative on Freedom of the Media. On December 19, the broadcasting authority approved a moratorium on tendering new broadcasting licenses until after the 2009 parliamentary elections. The BCC made other news earlier in April when Parliament asked for an explanation of the *Masked Fairy Tales* political show broadcast by New Ideas TV, a station affiliated with the ruling party. The show featured offensive language and libeled opposition politicians as "drug dealers," "homosexuals," "alcoholics," or "mafiosi" in prime-time hours, but the BCC took no action to remove the program. On a more positive note, online television was launched with www.jurnaltv.md in May.

In August, the Romanian Television Society took the Moldovan government to the ECHR after its license was removed in 2007 on a minor technicality. The pluralism of views in Moldova was further limited after the BBC World Service management closed the Romanian service, including its Chişinău-based office. The decision was geopolitical and budgetary.

Teleradio-Moldova (TRM) continued to serve as an organ of propaganda for the ruling party. According to the October 2008 issue of *Barometer of Public Opinion*, TRM reporting was viewed as "somewhat biased" in favor of PCM by 30.6 percent of respondents. Other media-monitoring reports indicate that the country's top leadership (President Voronin, Prime Minister Grecianii, and Speaker Lupu) continue to enjoy the most screen time, while opinions of the opposition are absent.[8] European diplomatic missions to Chişinău have repeatedly expressed concern in past years over the lack of editorial independence at TRM and pluralism in the broadcasting sector throughout the country.

Moldovan authorities continue to use various forms of economic pressure to restrict media pluralism, redirecting advertising toward more docile outlets. A report by the Independent Journalism Center of Moldova revealed that state advertising depended not on circulation, but on editorial policy and went mostly to Russian-language newspapers, not those published in the state language. Attacks

on independent journalists raised questions over the political will of Moldovan authorities to conduct free and fair elections by ensuring media pluralism. President Voronin accused "opposition media" of writing negative articles about Moldova and criticizing the government.[9] In October, eight media NGOs protested the security and paramilitary structures that prevented a reporter of the *Ziarul de Garda* investigative weekly from photographing a convicted person in the military court and a *JurnalTV* cameraman from taking footage of President Voronin partaking in a wine festival.

Other worrisome actions carried out by officials occurred throughout the year. In May, the opposition Russian-language newspaper *Moldavskie Vedomosti* accused President Voronin of having ordered law enforcement bodies to close the newspaper after a massive raid by anticorruption officers. The following month, the Office of the Prosecutor confiscated computers from a group of teenagers expressing critical opinions on web-based forums; the accusation was that "through the portals they repeatedly called to violently overthrow the constitutional regime and to liquidate the statehood and territorial integrity of Moldova."[10] In response, *Ziarul de Gardă* published an article describing the security services' operations and interrogation of Moldovan citizens studying in Romania, leading to an intimidation campaign against the newspaper's reporters and editors by officials. In September, the general secretary of the South East European Media Organization, Oliver Vujović, sent a letter to Prime Minister Grecianii and the interior minister in protest. Also in 2008, a number of journalists, including two working for Romania media outlets, were refused accreditation by the Office of the President and Foreign Ministry without reason.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75

Local autonomy in Moldova is granted by the Constitution, the Law on Administrative Decentralization, and the Law on Local Public Administration. The draft Law on Local Public Finances was discussed in detail with experts of the Council of Europe in 2007. Its adoption, however, was delayed, thus impeding greater financial autonomy for local public administration. Recently, the draft Law on the Status of Chişinău Municipality was approved by the government. Central authorities stated that the draft was coordinated with the Council of Europe, while experts claimed that the approved draft was different from the one sent to the Council of Europe.

A special Ministry for Local Public Administration handling local affairs through its territorial offices was created in 2006. In line with Council of Europe recommendations, the ministry organized the first European Week of Local Democracy in October 2008 to "consolidate the perception of the local democracy

by citizens," one of the few activities of this kind.[11] Yet local county (*raion*) heads act as representatives of the central government in local administration, a practice that runs counter to the principle of decentralization of executive powers.

The powers of the central and local governments are vaguely distributed in the normative framework and frequently overlap or remain unregulated—the central authorities often decide which roofs, streets, and pipelines should be repaired in a given county or how much a local government should pay for a particular service. Local needs are rarely considered as decisions taken at the central level are made without prior consultation. Despite recommendations, the framework was not improved in 2008 except for areas directly covered by the EUMAP.

The capacity of local governments in Moldova continues to be severely limited by the prevalence of group interests and nepotism, as well as by the drive to acquire more resources from the central government in the face of a seemingly permanent deficit in funding. Both the Parliament and government encourage such conditions through "adjustments" to the state budget or ad hoc supplementary funding to some *raions*, without clear explanations.[12] Furthermore, following local elections in 2007, in which opposition parties won in two-thirds of *raions*, the government distributed local budgets according to political loyalty. Hence, 97 million lei (74 percent) of 132 million lei (US$8 million out of US$12 million) went to regions led by Party of Communists.[13]

Along with budget allocation pressures, the central authorities intervene in local decision making by using administrative or even criminal cases against opposition leaders. The mayor of Chişinău and deputy chairman of the Liberal Party, Dorin Chirtoacă, was a constant target, which also put pressure on the Chisinau Municipal Council (CMC). For example, Moldova-Gaz, of which the government owns 35 percent and appoints the administrator, refused to deliver fuel to the area unless tariffs were fixed at a certain level, although setting gas prices is the responsibility of the CMC.[14] Additionally, the Ministry of Justice blocked seven CMC accounts for failure to pay debts to prosecutors, judges, and police dating back to 1997. The ruling party was instrumental in dismantling the "democratic coalition" on the CMC, forcing out the president, LP chairman Mihai Ghimpu. LP leaders announced they will challenge the decision at the ECHR. Also, claims of attempts to limit local autonomy in the autonomous region of Gagauzia, populated primarily by Christian Turks, were reported.

The degree of transparency and accountability varies from one *raion* to another. In Chisinau, journalists are allowed to attend public meetings and CMC sessions without proof of accreditation. Yet in the second largest city of Bălţi, where the mayor is supported by the ruling party, there were constant complaints about limited access to town hall meetings for journalists working in non-affiliated media. Though the level of involvement of NGOs, local business, and community needs groups depends to a large extent on local leaders, the increased interest in foreign funding has led to radical changes in a number of localities. This positive feature speaks to the potential of local autonomy in the country despite current difficulties.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	4.00	4.00	4.50	4.50	4.75	4.50	4.50	4.50	4.50

The Republic of Moldova is part of the European Convention on Human Rights, the International Covenant on Civil and Political Rights, and other international treaties that provide for the freedoms of association, speech, conscience, and religion. These rights are also enshrined in the Moldovan Constitution. As a result of fruitful cooperation with civil society, the Parliament adopted a new Law on Assembly that entered into force on April 22, 2008. As Amnesty International Moldova noted, the most important change was the new option to simply notify local administration of the intention to assemble rather than ask for its permission. Such a notification is not required for meetings of fewer than 50 people. Also, ad hoc public meetings are allowed without prior notification, and public meetings may be prohibited only by a court rule, not by a local government decision as was the case previously.

When the new law came into effect, serious police violations were reported. On April 23, members of the NGO Hyde Park were taken into custody by police during the peaceful action Pro Test, meant to test the application of law. On May 11, police did not intervene when demonstrators of the NGO GenderDoc-M, which represents sexual minorities, were violently attacked by a group of counterdemonstrators. Reports by the human rights NGO, CReDO showed that the number of restrictions on meetings imposed by police almost doubled after the new Law on Assembly entered into force. Nevertheless, police and officials were not held accountable for violations of the new law.

Religious groups encountered problems registering despite the 2007 Law on Cults, which provides a 15-day registration period. In mid-2008, there were 24 such requests still pending before the Ministry of Justice, more than half of them dating back to 2007.

In January, the Liberal-Democratic Party registered amid allegations from the ministry that a number of the submitted signatures were fraudulent. The Office of the Prosecutor opened a criminal investigation at the ministry's request. Registration of the European Action Party and People's Republican Party were declined owing to "incomplete files."[15]

Moldova's Constitution provides for equality before the law. The Constitutional Court has the sole right to interpret supreme law provisions and to ask for their enforcement. Still, implementation is the key shortcoming in the progress of reforms in the country. For example, eight years after signing the Rome Statute of the International Criminal Court, Moldova has not yet ratified the document, despite express commitments in the EU-Moldova Action Plan, which was extended in March 2008.

Torture and ill-treatment remain some of the most serious human rights violations in Moldova, as confirmed by national and international reports and

judgments of the ECHR. Despite efforts to transpose European provisions into the national legal framework, "practice and attitudes are lagging behind. Beatings and abuse of detainees remain the norm, channels for seeking redress stay blocked, and lack of transparency breeds impunity."[16]

At the recommendation of the Supreme Council of Magistrates, the president appoints judges to district courts and the courts of appeal for an initial mandate of five years and reconfirms these appointments until they reach the age limit expiry of 65 years. Judges on the Supreme Court of Justice are appointed by the Parliament. The justice system in Moldova remains severely underfunded; as a result, judges are highly susceptible to corruption and political control and are often transformed into tools of pressure and harassment against opposition parties. In March 2007, the random distribution of cases aimed at reducing corruption among judges was approved, but the mandate was not implemented in 2008. Moreover, judges were not held accountable for corruption cases, which raised questions about the authorities' commitment to judicial independence.

Among the 47 countries that have ratified the European Convention on Human Rights, Moldova ranks 12th based on number of requests in proportion to population, rivaling Russia and Turkey. The ECHR has passed decisions against Moldova related to the lack of fair trials, inhumane treatment and torture, the right to freedom of expression, and non-enforcement of judicial decisions—making the ECHR the highest judicial authority for Moldovan citizens. In 2008, the government lost over €2.6 million (US$3.5 million) as a result of cases lost at the ECHR.[17]

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	[illegible]

The *Barometer of Public Opinion* lists corruption as second only to welfare issues such as low wages, unemployment, and the high cost of living in major problems facing Moldovan citizens. More than half of respondents expressed dissatisfaction with the way the public administration deals with corruption. Other studies identified the police, customs service, politicians, and judges as the most corrupt.[18]

The Anticorruption Bureau of the Center for Combating Corruption and Economic Crimes (CCCEC) identified roughly 1,300 cases of corruption in the period 2002–2008. Nevertheless, Moldova is the only member of the Commonwealth of Independent States with no persons or public servants jailed for corruption. The country's Transparency International Corruption Perceptions Index rating rose by only 0.1 point (from 2.8 in 2007 to 2.9 in 2008) owing to reforms initiated in the framework of the Threshold Country Program (TCP).

The Moldovan authorities undertook important legal reforms in 2008 by adopting the Law on Conflict of Interest in February and the Law on Preventing and Fighting Corruption in April; however, the latter features a three-year delay relative to provisions in the National Strategy for Preventing and Fighting Corruption. Although the Law on Anticorruption introduced adjustments to international conventions adopted by Moldova, it was not subject to European expertise. Also, the law does not address declaration of revenues and assets; it superficially covers conflicts of interest and corruption in the private sector and allows for public servants to be hired without open competition. The Anticorruption Alliance (with 32 participating NGOs) criticized the delays in implementing the adopted laws, citing concerns over the conflict-of-interest provisions and the random distribution of cases in the court system.

Under the TCP, the Civil Monitoring Council of the CCCEC—Moldova's first citizen oversight of a law enforcement body—was established in 2008. Yet, it lacks a provision for the council's financial sustainability, which makes its existence dependent on the authorities. Additionally, members of the council were not given permission to access restricted information, which will make its activity incomplete and inefficient. According to the Anticorruption Alliance, these circumstances are meant to hinder genuine participation of civil society in monitoring the government's anticorruption measures and attest to a lack of political will to fight corruption.

During the year, both the executive and legislative branches ignored several valuable initiatives from NGOs to promote transparency among public officials. For example, the Association of Independent Press launched a public campaign that pointed out inefficiencies in the Law on Revenues and Assets of Public Officials, particularly its openness to misinterpretation by public servants. It also criticized the Central Control Committee for Revenues and Property—an agency responsible of controlling MPs and public servants' statements—for its failure to report irregularities in statements submitted by officials. These and other civil society recommendations were overlooked by Parliament when it amended the law in mid-2008.

▮ AUTHOR: LILIANA VIŢU

Liliana Viţu is a Chişinău based political analyst. She has worked as contributor for the BBC World Service and the Economist Intelligence Unit.

---

1 Vasile Spinei, et al. *"Right on Information: on paper and in reality,"* (Chisnau, Moldova: "Access-Info" Center, August 8, 2008), http://www.acces-info.org.md/upload/RighttoInformationonPaperandinReality.doc.

2 "Legea privind secretul de stat limitează accesul la informaţie" [State Secret Law Limits Access to Information], September 23, 2008, http://social.moldova.org/stiri/rom/152235.

3 "Speaker Marian Lupu about the Reasons of Not Involving Civil Society in Drafting Law on State Secrets," *Monitor Media*, August 20, 2009.

4 "Controversă privind raporturile preşedinţie—SIS" [Controversry Regarding Presidency-Security Relations], *BBC*, February 7, 2008, http://www.bbc.co.uk/romanian/moldova/story/2008/02/080207_sis_lupu.shtml.

5 "Media in Moldova" analytical bulletin, Independent Journalism Centre, June 2008, http://www.ijc.md/Publicatii/eng/bmm/june2008.pdf.

6 *Statement on the state of democracy and freedom of expression in the Republic of Moldova*, EUSR and EC Delegation to Moldova, July 17, 2008, http://www.azi.md/news?ID=50207.

7 "Sindicatele trebuie să devină mai combative şi mai credibile pentru angajaţi" [Trade Unions have to become more combative and credible for employees], *Moldova Suverană*, November 6, 2008, http://www.moldova-suverana.md.

8 Report by 10 media NGOs supervised by Association for Electronic Press—PEL, July 25, 2008, www.moldova.org.

9 "Presa de opoziţie criticată de şeful statului pentru că scrie articole negative la adresa guvernării" [Opposition Media Criticized by the President for Writing Negative Articles about the Government], *Monitor Media*, July 16, 2008.

10 The portals investigated by prosecutors were: www.forum.md, www.torrentsmd.com, www.desteptarea.info and www.unimedia.md, *Media Monitor*, June 4, 2008.

11 "European Week of Local Democracy to Be Held in Moldova," *Moldpres*, October 9, 2008.

12 "Local Finances Decentralization" *IDIS Viitorul*, May 2007, http://www.viitorul.org/public/1014/en/CPE_newsletter_descentralizare_engl.pdf.

13 "Factorul politic al finanţării infrastructurii la nivel local" [The Political Factor in Funding Infrastructure at Local Level], *IDIS Viitorul*, March 2008, http://www.viitorul.org/public/1146/ro/policy_brief_factory.pdf.

14 "Primăria capitalei va face un demers la procuratura generală împotriva companiei Moldova-Gaz" [Chisinau City Hall Says It Will Appeal against Moldova-Gaz to General Prosecutor's Office], *IPN*, November 10, 2008, http://www.info-prim.md/?x=23&y=19062.

15 "Another Party Threatens to Sue Justice Minister for Refusing to Register Modifications to Its Statute," *Moldova Azi*, November 3, 2008, http://www.azi.md/news?ID=51808.

16 *Amnesty International Moldova*, "Urgent Measures Needed to Stop Torture or Other Ill-Treatment," Hearings before the European Parliament, Human Rights Subcommission, August 25, 2008.

17 Valentina Baciu, "Tot mai mulţi moldoveni îşi caută drepturile la Curtea Europeană" [More and More Moldovans Are Seeking Their Rights at the European Court], *Timpul*, October 30, 2008, http://www.timpul.md/Article.asp?idIssue=882&idRubric=9097&idArticle=20371.

18 A list of these studies can be found at http://www.alianta.md/index.php?module=stiri_int&news_id=44&news_cid=10.

Montenegro

by Lisa McLean

Capital: Podgorica
Population: 0.6 million
GNI/capita: US$11,780

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia				Montenegro					
	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.50	4.75	3.75	3.75	3.50	3.25	3.50	3.50	3.25	3.25
Civil Society	5.25	4.00	3.00	2.75	2.75	2.50	3.00	3.00	2.75	2.75
Independent Media	5.75	4.50	3.50	3.25	3.25	3.25	3.25	3.50	3.75	3.75
Governance*	5.50	5.25	4.25	4.25	4.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.50	4.50	4.50	4.25	4.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.25	3.25	3.25
Judicial Framework and Independence	5.75	5.50	4.25	4.25	4.25	4.25	4.25	4.25	4.00	4.25
Corruption	6.25	6.25	5.25	5.00	5.25	5.25	5.25	5.50	5.25	5.00
Democracy Score	5.67	5.04	4.00	3.88	3.83	3.79	3.89	3.93	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

In the 17 years since the introduction of a multiparty system, the same political force—albeit with various splits—has dominated the political and economic scene in Montenegro, leading it through years of state breakup, regional conflict, sanctions, independence—and, now, toward integration with the European Union (EU) and NATO alliance. Its second full year of independence, 2008, was one of symbolic achievements for Montenegro. In addition to winning the European championship in water polo and attending its first Summer Olympics, the country submitted its application for a membership action plan from NATO as well as its application to become a member of the EU. Strategies were developed, action plans put into place, and legislation adopted—much of it aimed at addressing European concerns related to judicial independence, corruption and organized crime, and a bureaucracy built on years of political patronage.

In 2008, Montenegro faced the challenge of bringing about fundamental change in a small society comfortable with the tradition of using relationships to get things done. Through repeated violations of the Law on Implementation of the Constitution, which enjoyed the same force of law as the Constitution, the ruling forces failed to uphold respect for the basic law underpinning all other laws in the country. Yet with limited criticism from opposition forces, the media, civil society, or independent institutions, few other forces in society rose to the challenge of reshaping fundamental values. Thus, Montenegrin society embraces the prospect of European integration and its promise of economic growth in a country long plagued with poverty that had difficulty creating the political basis for economic change.

National Democratic Governance. In 2008, with a stable governing majority, the government and Parliament adopted a number of pieces of legislation, strategies, and action plans designed to advance the government's combined goals of NATO and EU membership. However, missing from the equation was development of a changed system of governance to reduce the predominance of the executive branch and to open up the process to additional voices in order to create a shared vision of the future. Making few efforts from its dominant position to open a dialogue, establish trust, fashion compromises, or enable oversight, the governing coalition blamed the governance situation on forces that it accused of often opposing the state. *Given the inability on the part of the ruling parties, which dominate the public and private sectors, to find common ground with the opposition, the national democratic governance picture remained one subjugated to the disproportionate power of the executive branch; thus Montenegro's rating for national democratic governance remains at 4.25.*

Electoral Process. Elections in 2008 were held largely in line with international standards. But a number of campaign and election day irregularities allowed opposition parties to spread doubts about the outcome and accuse governing parties of overwhelming advantages. While the Law on Voter Lists was adopted without the presumed need for a two-thirds majority, nothing was done to reconcile the election law with the Constitution and define legal means to guarantee ethnic minority representation in elected bodies or to address long-standing objections about certain provisions raised by the Organization for Security and Cooperation in Europe. *The obvious lack of political will to adopt internationally recommended changes to the legal framework or to create a level playing field for all competitors suggests that Montenegro's rating for electoral process should remain at 3.25.*

Civil Society. While there have been small changes to the legal framework, civil society continues to exist in a precarious and competitive environment, even though some larger nongovernmental organizations (NGOs) increased their profile and influence. The government reluctantly included civil society in policy-making processes—especially in sensitive areas that claim the attention of the NGO watchdogs; but the government welcomed civil society organizations' efforts to help with public education and policy promotion. *Slowly but surely, civil society is becoming an alternate voice that variously supports and criticizes official actions and policies; but institutional obstacles it continues to face cause Montenegro's civil society rating to remain at 2.75.*

Independent Media. In 2008, cases involving violence against journalists remained unresolved, and courts assessed significant monetary judgments against the media for slander. In an effort to secure an independent source of funding for and independent management of the public service, changes were made to the Law on Public Service Media that some fear could restore governing party control. In addition, the independent Broadcasting Agency was merged into a new government-controlled agency, threatening the prospects for independent distribution of broadcasting frequencies. *With no change in official attitudes toward violence against journalists or slander, and with the threat that legislative changes may restore government interference in the media scene, Montenegro's rating for independent media remains at 3.75.*

Local Democratic Governance. In 2008, local municipalities began to focus on improving their management capabilities, and the Union of Municipalities became more active in that process. Still, serious efforts to professionalize the local civil service were limited. The property boom at the coast and in the capital created a huge disparity in fiscal revenues and consequent developments in local communities, despite efforts to transfer more state funds to the poorer northern municipalities. *Without serious efforts to transform the local administrations into capable, nonpartisan, service-oriented organizations, Montenegro's rating for local democratic governance remains at 3.25.*

Judicial Framework and Independence. Legislative changes in 2008 moved the process of personnel appointments further away from the political arena, but the criteria for appointing judges remains imprecise, nontransparent, and open to subjective selection. Furthermore, the amendment to the Law on the State Prosecutor was adopted despite being contrary to the suggestions of the Council of Europe for establishing the service's independence. The concerning number of cases of police torture, high amounts awarded by the courts in cases of slander, and continued public distrust of the independence of the judiciary presented worrying trends in 2008. *Although the legislative framework for judicial independence improved in 2008, continued public distrust in the judiciary's independence, disregard of the Council of Europe's suggestions in amending the Law on the State Prosecutor, and a concerning number of cases of police torture and politically motivated violence suggest that the rating for judicial framework and independence worsens from 4.00 to 4.25.*

Corruption. For the international community and the print media in Montenegro, corruption was one of the biggest concerns. Legal and institutional reforms were introduced to strengthen the state's ability to deal with the problem. But without any cases ending in convictions for serious corruption, there was no challenge to the culture of impunity. The activities of the State Audit Institute, as well as of some NGOs and governing bodies, did change perceptions and improved public information about corruption. *Given that the domestic public improved its understanding of the corruption challenge through the many reports and activities of nongovernmental and international organizations and information increasingly provided by government institutions, the power of public pressure has developed in Montenegro in order to address the issue; for that reason, Montenegro's corruption rating has improved from 5.25 to 5.00.*

Outlook for 2009. The EU expects the large number of strategies and action plans that have been put in place to deal with the identified key challenges to yield concrete results. But given the precarious economic environment created by world events, the government is expected to move parliamentary elections, which were scheduled for the end of the year, forward to the spring of 2009. Thus it will be important not to let the election fervor and the world economic crisis distract from the long-term goal of Euro-Atlantic integration, which will require the adoption of European governance values that include transparency, accountability, and political consensus.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Y u g o s l a v i a				n/a	4.50	4.50	4.50	4.25	4.25

Based on the Constitution adopted in October 2007, Montenegro is an independent and sovereign state with a republican form of government regulated by the division of power into legislative, executive, and judicial branches. In addition to the direct election of the head of state, there is an 81-seat Parliament elected through a system of proportional representation based on a single nationwide constituency. The last elections held in September 2006 resulted in the election of 15 parties to Parliament, which include representatives of the constitutionally recognized peoples and national minorities in Montenegro. In January, the prime minister resigned for health reasons, and the president of the Democratic Party of Socialists (DPS), Milo Đukanović, who had served as either prime minister or president from 1991 until 2006, returned to head an unchanged government made up of 15 ministers and two deputy prime ministers.[1]

Montenegro's governance system was stable owing to the dominance in the public and private sectors of the ruling DPS, which has led the country—alone or in coalition—since its transition to a multiparty democracy and introduction of a market economy. After years of economic decline, the last several years witnessed an economic recovery and tourism upswing that produced high economic growth rates, a decline in the unemployment rate, an increase in salaries, and a significant rise in direct foreign investment. A property market boom, as well as a soaring stock market, created a new business class of individuals close to the ruling parties and fueled a general sense of public optimism that sustained support for the coalition government of DPS and the smaller Social Democratic Party of Montenegro (SDP). While many living in the north continued to struggle owing to moribund industrial complexes, a lack of investment, poor infrastructure, and a rigid labor market, the government used the growing state budget fueled by improved tax collection to fund generous government social programs there to substitute for a lack of economic activity.

Three disparate groups standing in opposition to the ruling coalition attempted to define an alternative after the 2006 independence referendum. Some still had not acknowledged the results of the referendum, refused to respect the country's state symbols, and did not vote for the 2007 Constitution. As such, governing parties portrayed opposition groups as threats to the state's continued existence and promoted themselves as the only ones capable of bringing about Montenegro's Euro-Atlantic integration goals. While in 2008 a part of the opposition allowed the

question of Kosovo's status and Montenegro's recognition of Kosovo in October to dominate its political strategy, another part sought to go beyond the traditional nationalist-civic fault lines and focus on the government's failures to meet the challenge of European integration. But despite a shared goal to oust "a regime" whose every major decision it portrayed as tainted by association with organized crime and corruption, the strategies and tactics of each of the opposition parties varied widely, often appeared self-serving, and undermined public confidence that giving up on the DPS could bring better solutions than the ones on offer.

In Parliament, there was limited progress in the Committee for Security and Defense to exercise civilian oversight of the security services and greater determination on the part of the Committee for International Affairs and European Integration in dealing with Euro-Atlantic integration issues. Also, reports from independent institutions, such as the Supreme Court, the state prosecutor, the Central Bank, and the State Audit Institute, improved in terms of the information provided, recommendations made, and substance of the debate on the part of members of Parliament (MPs). But with firm control of the administration and planning of parliamentary business, governing parties blocked most opposition efforts to discuss issues or gain access to information it considered important for oversight of the executive. The refusal on the part of some in the opposition to acknowledge Montenegro's status as an independent country and to deal seriously with questions of vital interest to the country regularly provided governing parties an excuse to exclude the opposition from the governance process and to label them as irresponsible partners. Governing parties regularly used allegations about opposition parties' commitment to the country's independence and the patriotism of some political opponents to silence justified concerns from opposition members about the transparency, legality, and impartiality of state action.

As a result, when live television broadcast of plenary sessions was abruptly discontinued at the end of May, the opposition parties walked out of Parliament for four months, returning only after mediation efforts by the Montenegro office of the Organization for Security and Cooperation in Europe (OSCE). The opposition's boycott of Parliament represented a clear sign of frustration about the opposition's sense of its own marginalization and inability to use the legislative body effectively to represent the interests of their voters or oversee the executive bodies or independent institutions.

While Parliament was bogged down in infighting, the executive focused on Euro-Atlantic integration, producing a national program for European Union (EU) integration and submitting applications for a NATO membership action plan and for EU membership. Through a variety of strategies and action plans, the executive mapped out plans to improve the legislative framework and address the weak capacity of the state administration, whose limited skills and knowledge, as well as low salaries, lack of transparency, and limited accountability, make it ill prepared to guarantee respect for the rule of law. A particular problem was the employment in state administration of functionaries on the basis of their connection with ruling political parties, which has led to the perception of politically biased decision making

in order to protect political subjects or their personal interests.[2] Also, while a great deal of information was available on official Web sites about adopted strategies, plans, legislation, and decisions, accessing information dealing with sensitive or inconvenient subjects proved difficult.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				3.50	3.25	3.50	3.50	3.25	

In 2008, Montenegro held elections for the president and for the municipal assemblies of Herceg Novi, Tivat, and Kotor. Although a new law brought presidential elections into line with the Constitution, municipal assembly elections were held under the 2006 Law on Election of Councillors and MPs and the 2003 Law on Minority Rights and Freedoms, despite a January deadline to harmonize these laws and provide a means for representation of ethnic minorities.

On April 6, 68 percent of registered voters went to the polls to elect the president for the first time in independent Montenegro. The DPS candidate, incumbent president Filip Vujanović, was reelected by 52 percent. Another 20 percent voted for Serbian List candidate Andrija Mandić, 17 percent for Nebojša Medojović of Movement for Changes, and 12 percent for Srđan Milić of the Socialist People's Party (SNP). The OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) judged the presidential elections in line with "nearly all aspects" of OSCE commitments.

Opposition candidates complained about the president's use of official events to campaign, which OSCE/ODIHR characterized as "continued evidence of blurring of state and party structures...contrary to the 1990 Copenhagen Document."[3] International and media attention also focused on the anomaly of DPS offices situated in the same building as government, such that the final rally of the DPS candidate was held in the building housing the offices of government, for which the government pays rent to the DPS as the successor of the League of Communists, which owned the building during the transition.

The three opposition candidates also complained about rules for campaign financing and media coverage on the public broadcast service. With regard to financing, candidates taking more than 5 percent of the vote received €80,000 (US$117,072) based on a parliamentary decision adopted on February 5, 2008. Opposition parties unsuccessfully contested the decision, saying that it contradicted the Law on Political Party Financing, which provides 0.4 percent of the annual budget to cover election campaign costs. Regarding media coverage, each candidate was given 30 minutes of free airtime on the public service channel on March 25 and 26; and a live televised debate was organized on April 3. However, the Public Service Council did not adopt its decisions until 14 days before elections, despite an

election law provision mandating adoption of the decision within 15 days of calling the election. The delay was caused by a long-standing political argument over the nomination and election of council members that left the body without a quorum to decide until two weeks before the elections. Furthermore, the start of the only debate, reportedly viewed by 74 percent of the population, was delayed by 17 minutes of paid advertising, including a 13-minute DPS advertisement that featured a fierce attack by the prime minister on one of the presidential candidates.

Delays in bringing relevant laws into compliance with the new Constitution created a legal question about whether permanent residents or citizens had the right to vote. When Parliament finally did harmonize the Law on Voter Lists, it did so without opposition participation and, as a result, without the two-thirds majority required for "laws regulating the electoral system."[4] When the opposition SNP appealed this parliamentary decision to the Constitutional Court, the Court determined that the Law on Voter Lists was not "a law regulating the electoral system"—although Article 1 of the law states that "registration in the voters list is a condition for achieving the right to vote"[5]—and therefore did not need to be approved by a two-thirds majority. Instead, the Court argued that the law protected the right to vote—a human right—and therefore fell under the constitutional requirement for approval by a simple majority of all MPs.

In the aftermath of presidential elections, SNP filed a number of charges against heads of polling boards for allowing individuals in prison or absent from the country for a number of years to vote. Similarly, after November elections in Kotor, SNP produced the signed list of voters who voted in prison on election day, which the party believed proved that prisoners had not cast their own votes. These cases raised questions about the responsibility of the polling board in voter identification and the wisdom of allowing voting in the closed, militarylike atmosphere of a prison. In fact, in advance of April presidential elections, inmates had gone on a hunger strike because of unfulfilled promises made to them about reduced prison sentences in advance of the reform. DPS gained a decisive seat in the Kotor Municipal Assembly through these 19 prison votes. Yet there was no reaction on the part of the prosecution related to the SNP charges, which served to undermine confidence in the elections and left it up to the court of public opinion to pass judgment.

By year's end, minimal efforts had been made to bring the electoral law in line with the Constitution, although the deadline had passed eight months earlier. Ruling parties explained the flagrant disrespect for the Law on Implementation of the Constitution as the result of disagreement among ethnic minorities on a formula for their authentic representation, shirking any responsibility to reconcile differences given their overwhelming political influence. As a result, the long-standing objections that OSCE/ODIHR has raised repeatedly about weaknesses of the legal framework likely will not be dealt with before parliamentary elections expected in 2009, thereby satisfying the interests of the ruling parties.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				2.75	2.50	3.00	3.00	2.75	2.75

In 2008, Montenegro had an abundance of nongovernmental organizations (NGOs) owing to an NGO law that makes it easy to register. A group of Podgorica-based NGOs became aggressive and effective critics of the state administration, government, and Parliament in the fields of anticorruption, free access to information, conflicts of interest, EU integration, human rights, and rule of law. At the same time, some of these same NGOs participated in cooperative civic education programs and worked with the government on a strategy and action plan for improved cooperation. Thus there was a healthy love-hate relationship between civil society and government in which the NGOs had limited success in pressuring state authorities to be more transparent and accountable and to include them in reform efforts, especially related to European integration issues.

But despite a year's worth of effort, no framework for improved cooperation was agreed upon, and the most developed NGOs regularly criticized the government for not including them in a dialogue over policy development or involving them only to impress the international community and the domestic public. NGOs complain that government-sponsored public debates are opened with great fanfare and media attention without any knowledge of what suggestions were submitted by whom and which suggestions were incorporated into the law. Instead, a piece of legislation or a government strategy is adopted with the unproven assertion that the opinions of civil society and international organizations are fully incorporated.

Parliament rarely reaches out to NGOs to include them in policy debate, partly because it is quite limited in Parliament. As a result, Montenegro's spatial plan was adopted in an extraordinary plenary session with limited public discussion about the merits, much to the disappointment of NGOs. In contrast, NGO pressure did result in Parliament inviting an NGO to discuss the Law on Conflicts of Interest with several committees—but in the end, the proffered amendments were rejected and criticisms ignored.

Tax laws provided NGOs with a number of tax exemptions, but the complicated legislation was confusing and few NGOs or civil servants knew of its provisions or how to apply them. Also, reimbursements paid to volunteers were subject to taxes similar to those for paid employees, thereby discouraging voluntarism in Montenegro. In an effort to reduce the number of small businesses that register under the NGO legislation to avoid taxes, legal changes were introduced to permit economic activities with a total income of up to €4,000 (US$5,853) in a single year, or 20 percent of the entire budget of the organization in the previous year. NGOs that reach the limit must cease economic activities or face fines of €500–1,600 (US$732–2,341).[6] Implementation began in 2008, and the effect of the new law remains unknown.

The NGO legislation provided for funding from the state budget on a competitive basis, and NGOs could compete for funds available from municipal budgets. But the distribution and use of these funds could not be judged transparent. Amendments to the 2004 Law on Games of Chance earmarked 45 percent of concession fees collected from games of chance for NGOs dealing with social protection and humanitarian activities, needs of the disabled, sports development, cultural activities, extracurricular education for youth and children, and the fight against drugs.[7] In December 2008, a Ministry of Finance decision distributed €2.7 million (US$3.95 million) to 350 projects,[8] of which 43 percent were related to the disabled, 22 percent to sports, 14 percent to drug abuse, and 11 percent to cultural activities.[9] Within days, the NGO community complained that the commission had violated its own rules for distributing funds, by giving some funds to all applicants, but not at least 60 percent of the requested budget for each NGO application.[10]

The money from the state coffers, however, was minimal compared with funding from international donors, on which most NGOs rely. In a highly competitive atmosphere, the largest and most developed NGOs took the bulk of these funds. Smaller, locally based NGOs lacked the expertise to access and compete successfully for funding outside the governmental sector.[11] In a positive development, an NGO coalition managed to raise funds from six private companies to fund 100 percent of the costs of its "Women's Government" program.

As the NGO sector grows louder in its criticisms of government, it has begun to enjoy increasing media attention and public credibility. A 2008 poll indicated that 20 percent of citizens believed that NGOs do the most to deal with the problem of corruption,[12] and another poll has consistently given the highest ratings among politicians and public persons to the leader of the Network for Affirmation of the NGO Sector (MANS).[13] Still, some NGOs complain of harassment from government inspection services, and at least one NGO leader was beaten by an unknown assailant in a case still under investigation.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				3.25	3.25	3.25	3.50	3.75	3.75

In 2008, Montenegro had approximately 70 electronic and print media outlets,[14] most of which were privately owned. There were two public service television stations, one public service radio station, and a number of local public service radio and television stations. Distribution of newspapers was privately controlled, and society enjoyed unfettered access to the Internet, which was used by 38 percent of the population.[15] Introduced in 2007, cable television offered access to media throughout the region. The biggest challenge to private media in Montenegro was the limited advertising market due to the small size of the economy.

Although the 2002 Law on the Media banned state ownership of press, the state remained the majority shareholder of the daily newspaper *Pobjeda* in 2008. An effort to sell a controlling stake in the newspaper failed due to a significant debt burden that put off potential investors. A second tender was issued after the government assumed the newspaper's debts, but its outcome will not be known until April 2009.

While the Constitution guarantees freedom of expression, freedom of the press, prohibition of censorship, and access to information, violence against journalists and disproportionate fines against media outlets for "mental pain" compromised those freedoms. The journalist Mladen Stojović was assaulted in his apartment and beaten unconscious in May 2008, allegedly as a result of reporting on Mafia involvement in football; but the facts of the attack were never uncovered, and the case is still under investigation. Also, on appeal, the high court reduced the sentence of those accused of beating one of the founders of the daily *Vijesti* in September 2007 from four years to six months because they had confessed.[16] In cases of slander and libel, courts awarded from €12,000 to €20,000 (US$17,600 to US$29,300) to individuals in 2008.[17] In all cases, it was unclear how the courts had determined the level of "mental pain."[18] In fact, the absence of serious police investigations or rigorous condemnation on the part of state bodies regarding attacks on journalists and the lack of defined criteria for leveling fines in civil suits combined to cast a pall over the guarantees of free speech and press and to encourage self-censorship.

In 2008, the public service Radio Television of Montenegro (RTCG) suffered a financial crisis when the method for collecting the user fee remained unresolved for half of the year. A decision to collect the fee as part of the electricity bill yielded only 30 percent of planned annual revenue.[19] RTCG also suffered a management crisis in the first quarter of the year when Parliament failed to confirm appointees to its council, leaving it without a quorum for decision making. At the end of 2008, Parliament adopted the new Law on Public Radio–Diffusion Services of Montenegro, which provided automatic funding of 1.2 percent of the state's annual budget and established a new method for selecting council members. Critics of the law expected the changes to turn RTCG into a state-controlled organ. However, both the British-based NGO Article 19 and the OSCE Representative on Freedom of the Media estimated that the automatic transfer of budget funds, together with other legal provisions, could actually serve to establish RTCG's independence.

The new law gave Parliament the right to elect members of the council, outlining elaborate rules for the nine nominees and some minimum standards to prevent problems related to creating phantom nominating NGOs. Still, the majority of the nominating bodies were closely associated in some way to government organs, and insofar as their own independence is not established, it is unlikely that the new council will enjoy the public's trust as an independent body until, by its own decision making, it affirms the principles of independence so clearly stated in the new law.

Trust in the public service media is low, which contributed to difficulty in collecting the user fee. The revived Journalist Self-Regulatory Body issued four

reports in 2008, each pointing out some important piece of news that RTCG did not report on—usually related to a newsworthy critical position toward the government—demonstrating that taxpayer-funded public service with nationwide coverage avoids unpleasant news about the government or distorts news from those opposed to the government.

Finally, in July, without the presence of the opposition and without addressing any concerns raised by domestic and international experts, Parliament passed the new Law on Electronic Communications, which merged the independent Broadcasting Agency into the government-appointed Agency for Electronic Communications and Postal Services responsible for licensing broadcasters. By the end of the year, the government had appointed the agency's five-member council, whose head is the husband of the deputy prime minister. Given its role in distributing broadcasting frequencies, there is concern about the future independence of this agency.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				n/a	3.50	3.50	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 municipal assembly serving a four-year term. In addition, the municipality of Podgorica has two subunits, called city municipalities, with proportionally elected assemblies that elect an assembly president. During the course of 2008, three municipalities (Herceg Novi, Kotor, and Tivat) held elections for a new mandate. It took over three months to form a new local government in Tivat, and in Herceg Novi, a local government was formed, fell apart, and a new local government emerged in the course of eight months. A number of other municipalities also ran into difficulties during the year in maintaining a government coalition.

In almost all cases, tensions in the municipalities came down to jobs and the ability of coalition partners to distribute positions to its members, especially in the eight municipalities where opposition parties dominate or share power with governing parties. As a result, local self-government was considered dominated by nepotism and politicization, which led to bad financial management. One of the major private business associations in Montenegro described the personnel problem at the local level as "a growing barrier to business development, especially in terms of construction, tourism, forestry, and wood industry."[20] And, in fact, the overlapping competences of national and local governments in these areas, among others, raised tensions between the two levels of government. With help from European institutions interested in improving local governments' ability to absorb assistance, the Union of Municipalities (UOM) became more active in trying to promote reform in terms of the legislation, financing, and training of local self-government.

In January, the Coordination Body for Reform of Local Government—made up of representatives from national and local levels—adopted an action plan for reform of local government. In October, the UOM adopted a national training strategy and action plan in order to improve management at the local level, encourage an exchange of best practices, advance economic development of individual self-governments, and improve the quality of life for citizens and businesses in the municipality. In addition, UOM agreed that all municipalities would adopt programs and action plans to combat corruption at the local level.

While these efforts demonstrate the functioning of an association of municipalities, the results so far are limited. Including an ambitious agenda of 22 legislative reforms for 2008, less than a third of the laws in the action plan actually changed, and some changes failed to address concerns of the municipalities, which complained about new national legislation (or lack of legislation) curbing their ability to raise local revenues.[21] But the central government considers itself justified in preventing the levying of huge local taxes and fees that create business barriers and undermine the national strategy of encouraging investment to stimulate economic growth. The escalating price of land and real estate provided a number of opportunities for "boom" municipalities; in fact, in the first half of 2008, the six coastal municipalities and Podgorica received 75 percent of the €74 million (US$108 million) worth of local revenues collected throughout the country, of which 84 percent came from boom-related taxes and fees on construction and real estate.[22]

Cognizant of the dissonance the boom created between coastal and the poorer mountainous municipalities, changes were introduced to the Law on Financing of Local Government at the end of 2007. These changes increased the sources of financing for the Equalization Fund, which was established to assist municipalities generating less than the average revenue of all municipalities in the previous year. The new formula increased the amount of personal income, property, consumption, and business taxes allocated to local governments. Still, despite efforts to improve the functioning of local government, the European Commission's progress report considered "capacity of the municipalities for financial management, including budgeting, public procurement, and allocation of grants," to be in need of further improvement.[23]

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				4.25	4.25	4.25	4.25	4.00	[illegible]

In 2008, the Ministry of Justice, the courts, and the Office of the Prosecutor worked intensively to change the legal framework in order to bring it into line with the 2007 Constitution, improve conditions for judicial independence, and increase efficiency of the judicial process. A new state prosecutor was appointed,

the Office of the Special Prosecutor for Organized Crime and Corruption was expanded, and amendments to the Law on the State Prosecutor were adopted. Amendments provided for the appointment and dismissal of prosecutors by a simple parliamentary majority at the suggestion of the Prosecution Council and were in line with the Constitution but contrary to the suggestions of the Council of Europe for establishing the service's independence.

The Law on the Judicial Council was adopted, and a new council—functioning for the first time since November 2006—accepted its rules of procedures and criteria for appointing judges, which should limit political involvement in the judiciary. Although the criteria for appointment and dismissal of judges improved greatly, it continued to leave open the possibility for subjective selection because the criteria remained imprecise, the method of assessing the criteria was not transparent, and a majority of the Judicial Council continued to depend on the support of politicians.

A survey conducted by the Agency for Anticorruption Initiatives confirmed that citizens do not trust the independence of the judiciary and believe that family and social connections, politics, and corruption often influence judicial decision making with the aim of protecting rich and powerful individuals. Furthermore, the ombudsman continued to cite the length of the judicial process as the most frequent complaint that he handles. In addition, he noted that the problems related to treatment from the state and local administrations in terms of length of administrative processes, lack of responsiveness, and property and citizenship rights are of growing concern to those who approach him.

During 2008, another problem was a concerning level of individual cases of police torture and politically motivated violence without consequences. Among the 38 reported cases of police excess, the case of Aleksandar Pejanović, accused of violent behavior and attacking the police during the demonstration protesting the decision to recognize Kosovo, raised the particular attention of local human rights groups. Pejanović claimed he was beaten in police detention and produced a medical report detailing his injuries. The police reported that its own internal investigation determined that it had "acted within the legal limits,"[24] but human rights organizations and opposition MPs complained about the reliability of such an investigation. In the meantime, five police officers, accused of having beaten detainees during a 2006 arrest of 18 ethnic Albanians for alleged involvement in a terrorist plot, were sentenced to three months in jail, a judgment human rights organizations considered to be quite mild and hardly a signal that police violence would not be tolerated.[25]

At the time of Pejanović's alleged police beatings and media reports of the police detention facilities, the ombudsman sent the police an opinion on the need to ensure international standards of treatment and police behavior in detention facilities. Within two months, police did improve facilities in the north, and they are expected to do the same shortly in Podgorica.

The ombudsman reported few individual complaints about violations of minority rights but noted a dearth of necessary legal and sublegal acts outlining the ways to exercise rights provided by the Constitution. Most noticeable

was the long delay in bringing the electoral law in line with the Constitution, harmonizing the Law on Minority Rights and Freedoms, and adopting the Law on Antidiscrimination.[26] In addition, the ombudsman issued an opinion at the end of December concluding that international human rights treaties and national legislation were applied inconsistently in the employment of ethnic minorities at all levels of the state administration.

Finally, in August 2008 the prosecutor issued indictments in two important war crimes cases: against eight individuals for the killing of fleeing civilian refugees during the 1999 Kosovo crisis, and against six individuals for the abuse of Croatian prisoners of war at a concentration camp in 1991 and 1992. The government also reached a civil settlement with families of Bosnian Muslims deported in 1992 and killed in Bosnia-Hercegovina, which accepted Montenegrin responsibility in their deaths. Still, human rights organizations complained that the indicted and those under investigation in another three cases include only those at the lowest levels and not those with command responsibility.[27]

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				5.25	5.25	5.25	5.50	5.25	5.00

In order to address the biggest concern related to Montenegro's European prospects, a government commission was established in 2007, with more than 50 public organs reporting and meeting twice a year for discussions. The government and NGOs had contradictory opinions about the success of the commission and the action plan, which the government claimed had increased transparency and the quality of dialogue related to corruption. In contrast, MANS claimed that accomplishments related to training and legislation had not yielded results and that only 9 percent of the action plan (as opposed to the government's claim of 46 percent) had been accomplished.[28]

Indeed, the European Commission's progress report on Montenegro noted that "corruption continues to be a widespread and particularly serious problem in Montenegro" in the absence of "strong and independent supervisory and auditing authorities" necessary to "impartially and objectively...enforce and assess declarations of assets and financing of political parties, but also to monitor privatization and public procurement procedures and the state budget." Thus the report concluded that "the declared commitment of the authorities to combat corruption has not been backed up by rigorous implementation with clear results, including higher conviction rates in corruption cases."[29] In addition, the Council of Europe's human rights commissioner noted that "the widespread perception of corruption within the judiciary is seriously undermining the legitimacy of the institution and is considered to be a major obstacle to the nation's reform efforts" owing to its failure to sanction corruption and criminal activities.[30]

At the end of 2008, Parliament adopted the new Law on Conflicts of Interest, which for the first time introduced fines and exclusions from serving in the state administration for a period of four years for those who fail to report assets or who falsify their reports. But the law continued to allow public officials to serve on the board of public companies, for which they receive significant compensation. According to MANS, half of the 34 DPS MPs and 70 percent of the 7 SDP MPs serve as members of boards of public companies in which the state holds a controlling interest.[31] In the case of the DPS, its financial report on presidential election campaign funding noted that one source of income came from its functionaries, who were obliged to give to the party a portion of their compensation on these bodies, which in effect meant that state companies funded the party's campaign. Further, during the debate on the 2009 budget, a DPS MP argued for an increase in budget funds for the public company where he serves as president of the board of directors. These facts demonstrate the problems that can arise from the mixing of political and economic functions.

Several surveys in 2008 indicated that the perception of rampant corruption exists. While a bleak picture overall, there were positive improvements throughout the year. First, the fact that surveys publicly confirming the fact that negative perceptions exist related to corruption makes it a topic that can no longer be denied. Second, the fact that the DPS, as well as other parties, provided much more detailed reports on campaign financing exposes some facts warranting a reaction from civil society and the public at large. Finally, the existence of the Law on Free Access to Information provided an important tool for promoting transparency and accountability, even if it was "only weakly enforced by the courts, in particular in relation to privatizations."[32]

Another positive step made in 2008 was the State Audit Institute's release of nine audit reports in 2008, compared with four in 2007, signaling the body's growing capacity to control public finances. The print media covered these reports, informing the public of the written rules of managing public funds (and violations recorded). Along with a number of problems related to public procurement and storing public funds in private banks, citizens learned of exorbitant severance payments made to the former board of a loss-making public company. Additionally, the Ministry of Finance reported progress in overseeing the financial reports of limited liability companies and shareholders. Although opposition parties and media repeatedly asked why the State Audit Institute and other entities did not bring criminal charges and the public received no clear answers to these questions, the existence of a greater volume of public information has resulted in a significant increase in public discussion on the appropriate use of public funds and contributed to public awareness of the dimensions of the problem of corruption.

▮ AUTHOR: LISA MCLEAN

Lisa McLean is the senior resident director of the Montenegro office of the National Democratic Institute, where she has served for the last nine years.

1 At the end of 2008, a Ministry for Informatics was created. It was headed by one of the deputy prime ministers, and the minister of finance was given the added portfolio of deputy prime minister for financial issues.

2 In 2008, the government decision to bail out a private bank, whose major shareholders included those close to the government, with a €45 million ($65.9 million) loan from the state was the most obvious manifestation of this problem. It resulted in intense political debate and opposition accusations of politically motivated decision making.

3 *Final Report on Presidential Election in the Republic of Montenegro Conducted on 6 April 2008* (Warsaw; OSCE/ODIHR September 1, 2008), 3.

4 Article 91, paragraph 3, *Constitution of Montenegro*, "Official Gazette of Montenegro," 01/07 from October 25, 2007.

5 Article 1, paragraph 2, *Law on Voter Registers*, "Official Gazette of Montenegro," 40/08 from June 27, 2008.

6 Article 31, *Law on Nongovernmental Organizations*, "Official Gazette of Republic of Montenegro," No. 27/99, 09/02, 30/02 and "Official Gazette of Montenegro," No. 11/07 from December 13, 2007.

7 The amendment states that nongovernmental organizations are entitled to 75 percent of the 60 percent of funds set aside for organizations in general. Article 9, *Law on Changes and Additions to the Law on Games of Chance*, "Official Gazette of Montenegro," No. 13/07, December 18, 2007, and Article 15, *Law on Games of Chance*, "Official Gazette of Republic of Montenegro," No. 52/04, August 2, 2004.

8 "Komisija da uskladi odluku sa Uredbom" [Commission to Bring Decision into Line with Regulation], *Pobjeda*, December 8, 2008, www.arhiva-medija.com.

9 *Odluka o raspodjeli dijela prihoda od igara na sreću, za sufinansiranje programa i projekata po oblastima* [Decision on the Distribution of a Portion of the Income from Games of Chance to Subsidize Programs and Projects in the Following Areas], Commission for Distribution of a Portion of Income from Games of Chance, Government of Montenegro, December 1, 2008.

10 According to government regulation, projects that the Commission judged worthy of funding were to be awarded at least 60 percent of the sum sought. T.P., "Komisija da poštuje uredbu" [Commission to Respect Regulation], *Vijesti*, December 8, 2008, www.arhiva-medija.com.

11 Draft portion on Montenegro of forthcoming *2008 NGO Sustainability Index* (Podgorica: USAID/ORT, December 2008), 4–5.

12 Unpublished results from *Key Findings of November Poll Results* (Podgorica: National Democratic Institute, December 8, 2008).

13 *Public Opinion in Montenegro* (Podgorica: Center for Democracy and Human Rights, November 2008), 9, http://www.cedem.cg.yu/opolls/images/CEDEM_November08.pdf.

14 *The State of Media Freedom in Montenegro: Observations and Recommendations* (Vienna: Organization for Security and Cooperation in Europe, November 13, 2008), 3.

15 Mr. Milović V. Šofranac, "Uskoro surf ukorak sa Evropom" [Soon Surfing at the Level of Europe], *Pobjeda*, September 14, 2008, www.arhiva-medija.com.

16 D.B., "Nagrađeni što su 'priznali'" [Awarded Because They "Confessed"], *Vijesti*, June 8, 2008, www.arhiva-medija.com.

17 The court awarded €12,000 (US$17,600) to film director Emir Kusturica against the weekly magazine *Monitor* and the journalist Andrej Nikolaidis for an article written in June 2004, €15,500 (US$22,700) to a former editor of the state television against Veseljko Koprivica for an article in 1994, and €20,000 (US$29,300) to Prime Minister Milo Đukanović against the daily *Vijesti* for an article written in September 2007. Vladan Žugić and Branko Đorđevski, "Kad balkanskog političara zaboli duša" [When Balkan Politicians Souls Begin to Hurt], *Vijesti*, May 18, 2008, www.arhiva-medija.com.

18 D. Babović, "Ne boli svakog jednako" [Not Everyone Hurts the Same], *Vijesti*, June 1, 2008, www.arhiva-medija.com.

19 *The State of Media Freedom in Montenegro: Observations and Recommendations* (Vienna: Organization for Security and Cooperation in Europe, November 13, 2008), 9.

20 "Barijere su i dalje ozbiljna smetnja razvoju biznisa" [Barriers Continue to Be a Serious Difficulty in Business Development], Press Release, Montenegro Biznis Alijansa [Montenegro Business Alliance], October 14, 2008, www.visit-mba.org.

21 M.N. "Opštine u minusu zbog lošeg zakona" [Municipalities in Deficit because of Bad Laws], *Dan*, June 12, 2008; "Kase prazne, jer investitori imaju mnogo povoljnosti" [The Coffers are Empty because Investors Have Many Advantages], *Vijesti*, September 26, 2008; "Čekaju Vladine donacije" [They Wait for Government Donations], *Dan*, December 26, 2008, www.arhiva-medija.com.

22 Slobodanka Burić and Gordana Radović, "Local Level Public Expenditure Realization for January–June 2008," *Bulletin of the Ministry of Finance* (Podgorica: Ministry of Finance, July–September 2008), 48.

23 *Montenegro 2008 Progress Report* (Brussels: Commission of European Communities, November 5, 2008), 11.

24 *Third Trimester Report on Human Rights Situation in Montenegro in 2008* (Podgorica: Youth Initiative for Human Rights, September–December 2008), 2.

25 D. Babović, "Specijalcima po tri mjeseca zatvora" [Members of the Special Unit Get Three Months Prison Sentence], *Vijesti*, October 31, 2008, www.arhiva-medija.com.

26 Šefko Crnovršanin, Speech at press conference in honor of the International Day of Human Rights (Podgorica: Protector for Human Rights and Freedoms, December 8, 2008), 4, www.ombudsman.me.

27 Boris Raonić, "Small Fish in the Net," Youth Initiative for Human Rights Newsletter, September 2008, 2.

28 As an example of this, the plan contains a commitment to publish public procurement plans on its Web site. While the government lists this obligation as implemented (continuously), MANS has concluded that only 134 of 873 taxpayer-funded organizations have complied. *Report on Implementation of the Innovated Action Plan for Fight Against Corruption and Organized Crime* (Podgorica: Network for Affirmation of NGO Sector—MANS, January–June 2008), 7–8.

29 *Montenegro 2008 Progress Report* (Brussels: Commission of European Communities, November 5, 2008), 14–15.

30 *Report by the Commissioner for Human Rights Mr. Thomas Hammarberg* (Strasbourg: Council of Europe, September 24, 2008), 8.

31 "Izađite iz upravnih odbora: MANS pozvao poslanike vladajuće koalicije da glasaju za amandmane na predlog Zakona o sprečavanju sukoba interesa" [Leave the Management Boards: MANS invites MPs from the Governing Coalitioon to Vote for Amendments to the Proposed Law for Preventing Conflict of Interest], MINA News Agency, *Vijesti*, December 11, 2008, www.arhiva-medija.com.

32 *Secretariat Monitoring Report from August 2007 through April 2008, Information Documents SG/Inf (2008) 9* (Strasbourg: Council of Europe, May 6, 2008) paragraph 32, 9.

Poland

by Andrzej Krajewski

Capital: Warsaw
Population: 38.1 million
GNI/capita: US$15,500

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00
Civil Society	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.25	1.50
Independent Media	1.50	1.50	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00
Governance*	1.75	1.75	2.00	2.00	2.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.75	3.25	3.50	3.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25	2.00
Judicial Framework and Independence	1.50	1.50	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25
Corruption	2.25	2.25	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75
Democracy Score	1.58	1.58	1.63	1.75	1.75	2.00	2.14	2.36	2.39	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 2008, the center right party, Civic Platform (PO) and its government coalition marked its first year in power with significantly fewer political ups and downs than the two previous years under the rule of the Kaczyński twins, former Prime Minister Jaroslaw Kaczyński and President Lech Kaczyński. Current Prime Minister, Donald Tusk attempted to bring an end to the internal lustration hunt and reach new conciliatory relations with Poland's neighbors. Highlighting the competition within the executive, President Lech Kaczyński responded by using his veto power, especially at the conclusion of the year, to block reforms to health care and public media, as well as several other bills.

In the last two months of 2008 Poland began to feel the burden of the economic crisis, which led to a reduction in the predicted GDP growth in 2009, cuts in spending across the board, and growth of the budget deficit. At the end of the new ruling coalition's first full year in power, the future did not seem as bright as it did the previous year, but was not as bleak as that of some of Poland's neighbors.

National Democratic Governance. 2008 was a smooth ride following the political roller coaster of the previous two years with the Kaczyński twins sharing executive power. In October 2007, the Law and Justice party democratically relinquished power after losing the early elections. The new PO government appeared more transparent and less bureaucratic as it emphasized decentralization, trust in public life and a focus on the future. In 2008, the President showed his support for the opposition, especially the party of his brother, and orchestrated constitutional clashes with the government. *Owing to PO's restraint in using state power, and the introduction of necessary reforms, Poland's national democratic governance rating improves from 3.50 to 3.25.*

Electoral Process. With no nationwide elections in 2008 Poland remained a stable democracy, having solved its political problems in 2007 with parliamentary elections scheduled two years in advance by a vote that garnered support from the ruling party and opposition. The electoral law for European parliament elections, scheduled in June 2009, will allow a proxy vote. *As no elections were held in 2008 Poland's rating for electoral process holds steady at 2.00.*

Civil Society. NGOs were less visible than in previous years, when the hostile attitude of the government made them more combative. Gay pride marches and cultural events took place without interruption, and new watchdog and public interest groups were formed. Ecologist groups were active during the December

2008, Poznan World Ecology Forum. *Due to the decline in the vibrancy of the civil society and slight reductions of the state's funding of NGOs caused by the economic crisis Poland's civil society ratings worsens from 1.25 to 1.50.*

Independent Media. The right to freedom of speech is observed in Poland, and the government, installed in November 2007, refrained from applying pressure to the media. The government announced plans to depoliticize the public media, however, it failed to do so through legislation as a result of a Presidential veto. Nevertheless, the media appeared less polarized in 2008. *Due to this and government efforts to develop media neutrality. Poland's independent media rating improves from 2.25 to 2.00.*

Local Democratic Governance. Local governments put in place in 2006 have made use of European Union (EU) funds to implement a number of revitalization and social programs co-financed by the central government. With a general calm in national governance, and a new emphasis on decentralization, cooperation between local self-government, local governments and national structures improved. *Owing to the enhanced cooperation of local politicians, the rating for local democratic governance improves from 2.25 to 2.00.*

Judicial Framework and Independence. Less stringent criminal law and more effective courts, along with a government pledge to divide the positions of Prosecutor General and Minister of Justice in 2010 *improves Poland's rating for judicial framework and independence from 2.50 to 2.25.*

Corruption. The perseverance in the fight against corruption in football, restraint in changing the head of the Central Anticorruption Bureau, and more transparency in public life *improves Poland's corruption rating from 3.00 to 2.75.*

Outlook for 2009. The economic crisis will have a decisive influence on the political situation of Poland as well as the fate of other countries in the region; the troubled Ukrainian and Russian economies may contribute negatively to internal problems. Despite the economic hardships, support for the government was high at the end of 2008, but may drop as unemployment rises following the slowdown of Polish exports to Western European markets. European Parliament elections in June will serve as a midyear assessment of national governance, however, low turnout may lead to unbalanced results.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.50	2.75	3.25	3.50	[illegible]

In Poland, 2008 was declared the year of "politics of love" by Donald Tusk, leader of the center-right Civic Platform (PO), who was appointed prime minister in November 2007. Nevertheless, the year featured fierce political fighting between PO and the main right-wing political party, Law and Justice (PiS), which lost the 2007 early elections to PO. (The leader of PiS, Jarosław Kaczyński, is the twin brother of the president of Poland, Lech Kaczyński, who was elected in 2005.) Often described as a conflict between two palaces (the presidential and the prime ministerial), the political fighting reached a low point in October with President Kaczyński's demand to represent Poland at the European Union (EU) summit in Brussels. The government denied use of an official plane to the president, but he joined the delegation anyway, which resulted in a public relations calamity.

Efforts by the president to create a mini-PiS cabinet in his palace proved successful. By using his veto power against fundamental reforms in health care and public media, the president marked his position as an important political player, but at the cost of international doubts over Polish dual foreign policy and growing local disapproval of his actions. Public support for the president remained low throughout 2008, with 70 percent of Poles declaring in a November survey that they did not trust Kaczyński.[1] The president's reelection in 2010, therefore, seems unlikely.

A year after gaining power, the coalition government of PO and the Peasant Party (PSL) managed to sustain high public support, hovering around 50 percent. Poles seemed to prefer PO's slow train over the bumpy ride with PiS. After an initial period of inaction, the Tusk government signed a missile defense agreement with the United States and introduced a fast-track approach to entering the Euro zone by 2012. Difficulties in Poland's relations with the rest of the EU were ironed out by the withdrawal of Polish troops from Iraq (some joined NATO forces in Afghanistan) and the nonconfrontational style of Foreign Affairs Minister Radosław Sikorski (former minister of defense in the PiS cabinet). Government criticism of the judiciary appeared to be over, as the project of establishing broad lustration legislation, supported by the previous PiS government, was put on hold. However, some well-known names of former Communist secret police collaborators, such as the astronomer Aleksander Wolszczan, were still being leaked by the Institute of National Remembrance (IPN).

Two parliamentary commissions set up in late 2007 to investigate alleged illegal PiS government practices did not gather much public attention, echoing Prime

Minister Tusk's general line of "not rocking the boat." The Left, hoping for more liberal public discourse, was disappointed with the prime minister's verbal attacks on the civil rights of convicted pedophiles and the government bill terminating inflated pensions of former secret police functionaries and members of the Military Council of National Salvation. Its head, the 85-year-old general Wojciech Jaruzelski, was put on trial for "conspiracy to overthrow the legal authorities of People's Poland" by the IPN prosecutor.

Poland is a parliamentary democracy. Its Constitution, adopted by national referendum in 1997, provides a balance among executive, legislative, and judicial powers. Broad changes to the national law were introduced in 2004 to meet the requirements for EU membership. In 2006, the Constitution was changed to accommodate the European Arrest Warrant Law, which allows for the deportation of Polish nationals who break laws abroad on condition that the same crimes are punishable under Polish law. Further amendments to the Constitution dealing with Polish National Bank prerogatives will be necessary for Poland to enter the Euro zone in 2012.

The government is confirmed by a majority of the 460-member *Sejm* (lower house). Both chambers of Parliament—the *Sejm* and the Senate—work on new legislation, which is signed or vetoed by the president. The president's veto may be overridden by a 60 percent majority of the *Sejm*. The president may also send legislation to the Constitutional Tribunal, whose 15 members are elected by the *Sejm* for a single nine-year term. The Constitutional Tribunal may declare laws or parts of laws unconstitutional; its decisions are final and obligatory. The Parliament may form investigative commissions and impeach the president.

In 2007, the October early elections delivered a landslide (42 percent) victory for the opposition PO, which formed a coalition government with the PSL (9 percent). The Senate was divided between PO (60 seats) and PiS (39 seats), with one independent senator, the former left-wing prime minister. Before the elections, the government was run by PiS, which won 27 percent of votes in 2005 and first formed a minority government led by Kazimierz Marcinkiewicz, then in mid-2006 was joined by the populist Self-Defense League and the right-wing League of Polish Families in the government of Prime Minister Jarosław Kaczyński.

The most powerful political office in Poland is the prime minister, who may be recalled only by a constructive no-confidence vote. President Lech Wałęsa (1990–1995) greatly influenced the choice of ministers of defense, the interior, and foreign affairs, which led to restrictions on presidential powers in the Constitution adopted in 1997. His successor, Aleksander Kwaśniewski, who held the office from 1995 to 2005, had a lesser mandate and was more active abroad, gathering support for Poland's NATO membership in 1999 and EU membership in 2004. In October 2005, Lech Kaczyński from PiS succeeded President Kwaśniewski with 54 percent of the popular vote, beating Donald Tusk (PO) and swinging Poland's political pendulum significantly to the right with a tendency toward anti-European and antiliberal views.

All legislation is published in the *Official Gazette* and on the *Sejm*, Senate, and president's Web sites. *Sejm* proceedings and parliamentary investigative commissions are often broadcast live on public television TVP Info and on TVN 24, a private channel. The Law on Freedom of Information, adopted in 2001, provides for access to a significant amount of government, self-government, and other public documents. However, the law did not overturn other legal acts dealing with this topic, and many items are still inaccessible.

Under the 1997 Law on Lustration, all public representatives, high-ranking government officials, and attorneys were required to declare if they had worked for Communist-era secret police or intelligence. Those who hid such information were punished with a 10-year ban on public service after facing trial in the lustration court initiated by the public interest prosecutor. These procedures often took years and were criticized as being too lenient. According to the new 2006 Law on Lustration, the IPN replaced the lustration court, the public interest prosecutor ceased to exist, and IPN files of all public officials were to be opened. About 700,000 people, including journalists, teachers, and university professors, were required to make written declarations, though many refused to sign them, risking their jobs. The rift between the country's elite and PiS continued to grow until May 2007, when the Constitutional Tribunal issued a decision making such statements void. The Catholic Church formed its own investigation commissions in dioceses, and prepared opinions about the agents found among clergy. All churches were officially excluded from lustration legislation; however, leaks from the IPN about priests and bishops collaborating with Communist police have continued.

The Supreme Chamber of Control audits all government institutions. Its head is nominated by the *Sejm* and approved by the Senate for a six-year term, which keeps the office less prone to political influence. The chamber audits institutional legality, efficacy, economic sense, and diligence at all levels of the central administration, Polish National Bank, and state and local administration. In 2007, Mirosław Sekuła, elected by the center-right Solidarity Electoral Action coalition, was replaced by its former deputy Jacek Jezierski. Also, the head of the Polish National Bank was changed; Leszek Balcerowicz, author of the "shock therapy" approach for Poland's economy in the early 1990s, was exchanged for a low-key PiS official, Sławomir Skrzypek. In 2008, he supported the president on several points, including voicing concerns over Poland's early joining of the Euro zone.

The early 1990s goal of creating a depoliticized, high-quality corps of civil servants throughout government was finally abandoned. In 2006, the State Cadres Reserve was formed; in 2007, all those holding the advanced academic degree of PhD (about 120,000 people), no matter the type or source of degree, were included, forcing former civil servants into lower positions.

The Polish economy generally comprises private corporations, but after 19 years of privatization, the state still owns 1 bank and 16 state companies, and holds shares in 1,212 companies.[2] From 1990 until October 2008, the privatization of 5,896 state companies was completed; 29 percent of these were exposed to market forces, a first step toward privatization.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00

There were no general elections in Poland in 2008, but in June a Senate seat came into contention with the death of a parliamentary member. The opposition PiS took the seat, gathering almost twice as many votes as the ruling PO candidate, though in a traditionally conservative province. The turnout was low at only 12 percent.

Poland's multiparty parliamentary system with proportional representation was introduced in 1993. The electoral thresholds are 5 percent for parties and 8 percent for coalitions. These do not apply to national minorities; for example, the German community won one seat in the *Sejm* in 2007, although its voting power is less than 0.5 percent. The *Sejm* has 460 members, elected for four-year terms. The Senate has 100 members elected by majority vote on a provincial basis, also for four-year terms.

The system is considered free and fair, with effective protests filed with the Supreme Court. There have been no significant instances of voting fraud or use of coercion, but international (Organization for Security and Cooperation in Europe) monitoring of the 2007 early elections did find that there was preferential treatment of the largest parties by the public media, TVP foremost.

Low voter turnout has been characteristic of all elections since the beginning of the Third Republic in 1989, when a record 62 percent of the eligible population voted. Subsequently, the rate has decreased steadily, from 52 percent in 1993 to 41 percent in 2005. The all-time low was 21 percent in 2004 in the European Parliament election. Given the 46 percent turnout in local elections in 2006 and the 54 percent turnout in the 2007 early elections, it would appear that Poland may be undergoing a reversal of the trend. To solidify this positive change, the government expressed a wish to extend the June 2009 elections to the European Parliament to two days and to allow a proxy vote.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.25	[illegible]

Only 1 in 10 Poles belongs to some form of social organization, and 70 percent of those confess they are only passive members.[3] This means that the social capital in Poland is among the lowest in the EU, despite the country's lively and influential nongovernmental organizations (NGOs). It is important to note, however, that the civic sector is generally supported by the current PO-PSL government, in contrast with the previous one.

Perhaps as a result, there were no widespread and spontaneous civil society actions in 2008 that could compare with the 2007 defense of the Rospuda Valley

peat bogs, which were slated to be destroyed by a projected highway near Augustów in northeast Poland. For years, environmentalists had fought this project, even offering an alternative route, but local and central authorities insisted it was necessary to relieve the heavy truck traffic through Augustów's city center. After winter sit-ins, marches, petitions, TV actors wearing "Save Rospuda" ribbons, and huge media support, especially by *Gazeta Wyborcza*, the European Commission asked the European Court of Justice to freeze construction until it could decide the case. In the autumn of 2008, the decision was still pending, but the contract for the road construction through Rospuda Valley had already been canceled, a clear win for the country's civic sector.

Poland's civil society is based on the traditions of the Solidarity trade union and other anti-Communist opposition movements of the 1970s and 1980s, as well as social activity by the religiously dominant Catholic Church. Frequent changes of government in the 1990s helped to establish civil society structures—foundations, think tanks, and analytical centers—in which the current opposition is maintained until the political pendulum repositions its members within the official mainstream. Since 2004, the Law on Public Benefit Activities and Volunteering has given NGOs the option to register as "public benefit organizations," allowing tax breaks and 1 percent personal income tax donations, but also stricter rules on salaries and an obligatory annual audit.

Over 50,000 associations and 7,000 foundations are registered in Poland as active in sports, recreation, tourism, art and culture, education, social help, and health protection. They report a total of eight million members, with one million performing volunteer work. The main sources of financing are member dues, self-government donations, donations from private persons, and funding from institutions. Major donors are the Polish American Freedom Foundation, Stefan Batory Foundation, and Kronenberg Foundation.

Freedom of association is secured in Article 58 of the Polish Constitution and the Law on Associations. The only prohibitions are on groups promoting Nazism, Fascism, Communist ideology, racial and national hatred, secret membership, or the use of power to overthrow the authorities. However, the authorities have not always been consistent in protecting these freedoms.

In 2007, the European Court of Human Rights (ECHR) in Strasbourg decided the case of *Bączkowski v. Poland* dealing with the Warsaw ban on a gay rights parade in 2005. Poland was reprimanded for breaking several articles of the Human Rights Convention, and Lech Kaczyński—then mayor of Warsaw, now the president—was personally criticized for his homophobic remarks. "Public officials should be restrained in expressing their opinions, realizing that their words may be treated as instructions by their subordinates," wrote the ECHR judges in their decision. Poland also lost another strategic case in the ECHR, that of Alicja Tysiąc, who had been denied the right to an abortion even though the pregnancy posed a medical risk of blindness.

For the second year, Leszek Balcerowicz, former Polish National Bank president, headed the Citizens' Development Forum, a watchdog NGO aimed at

verifying politicians' declarations and promises. In addition, the Batory Foundation ran several political watchdog projects (including a verification of 2007 election promises by political parties) involving public education, access to information, and ecology.

The most well-known Polish charity action was the annual New Year's telethon of the Great Holiday Help Orchestra. In 2008, 120,000 young volunteers raised USD$13.9 million from street collections and auctions, and the proceeds went to purchase medical equipment for handicapped children. Polish Humanitarian Action has helped victims of natural disasters and armed conflicts in Chechnya, Palestine, Iraq, Sri Lanka, and elsewhere. It also helps poor children and refugees in Poland. The biggest charity organization in Poland is Caritas, which feeds the poor and shelters the homeless on behalf of the Catholic Church.

The trade union movement has good standing in Poland thanks to Solidarity, but it has only a shadow of its strength in 1981, when 10 million employees belonged to the union. The All-Poland Alliance of Trade Unions has about 1.5 million members. Solidarity currently has fewer than 1 million, with the majority employed in state-owned factories, steel mills, mines, railways, and budget-funded health care and education facilities.

The front line of union efforts in 2008 was the fierce defense of retirement privileges. (In Poland, the qualifying age is 60 for men, 55 for women.) When the PO-PSL government, after months of negotiations, cut the number of eligible employees from over 1.1 million to fewer then 300,000, Warsaw saw several union protests, with burned tires and firecrackers thrown in front of the Parliament building. The selling of historic shipyards in Szczecin and Gdynia also drew union protests, and criticism of the European Commission for its demand that the illegal public aid given to the ailing national industry over many years be paid back to the state budget. As part of the sale agreements, unions received high severance payments for all workers of the two shipyards. Calls for a nationwide strike in December, carried out by 100 members of the militant union Sierpień 80 during a 48-hour occupation of Prime Minister Donald Tusk's office, were not followed.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.50	1.50	1.50	1.75	1.75	1.50	1.75	2.25	2.25	2.00

According to Christopher Bobinski, a long-term observer of Polish media "Journalism in Poland is not a dangerous profession. Investigative reporters do not have to fear reprisals at the hands of murderous thugs. There is no censorship. Journalists have enjoyed and continue to enjoy high prestige in society..."[4]

The biggest news in the Polish media, which featured little change during the year, was the withdrawal in 2008 of Rupert Murdoch from TV PULS, presumably News Corp's future flagship in Poland. Contrary to expectations, the PO-PSL

government failed to transform the politicized management of Polskie Radio (PR) and television (TVP) into a more professional model. Midyear, President Lech Kaczyński vetoed the broadcasting bill prepared by PO, and the governing coalition did not manage to convince the opposition Democratic Left Alliance (SLD) to overturn the veto. Therefore, key posts in the state-owned broadcast media were still held by open supporters of the previous government. Also, while the government owns half of the daily *Rzeczpospolita*, it remains among its strongest critics, which serves a diversity of opinions but also solidifies the notion that public media are politically skewed. On the PO-PSL side, there was no sense of urgency to take back the public media and *Rzeczpospolita* from PiS supporters.

The importance of free media is well understood in Poland, where fighting censorship and the tradition of an underground free press go back to the nineteenth century. According to the Constitution, the state "shall ensure freedom of the press and other means of social communication," but other legal acts still contain traces of authoritarian rule that threaten this basic freedom.

Article 133 of the penal code provides up to three years' imprisonment for persons who "publicly insult the Polish Nation or the state," though the statute has not been used in recent years. In 2007, a new form of insult was added as Article 132a: "Anyone publicly insulting the Polish Nation for participating in, organizing of, or responsibility for Nazi or Communist crimes may be punished up to three years in jail." The dangers to free speech presented by this article prompted the ombudsman to challenge it in the Constitutional Tribunal. In September 2008, the Court declared it unconstitutional, but only on formal grounds, which means it may come back in a future bill. Libeling the president can carry a sentence of up to three years in jail. Libeling members of Parliament or government ministers is punishable by two years in jail and libeling other public officials by one year.

Libel suits against media professionals are common but usually carry only fines. The Constitutional Tribunal upheld the constitutionality of the penal code article that penalizes defamation in the media with up to two years in prison; however, three justices, including the chair, wrote dissenting opinions emphasizing that the truth of questioned statements protects the journalist against the defamation charge only if it safeguards "a socially protected interest." In addition, they pointed out that the article runs counter to the verdict of the ECHR in Strasbourg, which ruled that a requirement of truth concerning opinions is an impossibility and therefore an infringement on the freedom of speech. In December 2008, the PO-PSL government introduced changes in the penal code to remove the infamous Article 212, which punishes libel with jail time to Parliament.

Polish electronic media are controlled by the National Broadcasting Council (KRRiT), a body elected by Parliament and the president. Before the 2005 elections, the KRRiT was composed almost completely of left-wing nominees. The new Law on Radio and Television, signed by President Kaczyński in 2005, reduced the KRRiT from nine to five members (two nominated by the *Sejm*, one by the Senate, and two by the president). KRRiT was again politicized, but this time by PiS and its allies; the KRRiT chair resigned to become a PiS parliamentarian following the 2007 early elections.

The public television broadcaster TVP has a dominant position with viewers and advertising markets with its three ground channels (TVP1, TVP2, and TVP Info with 16 local branches), satellite channels (TVP Polonia, TVP Kultura, TVP Sport, TVP History), and potentially more with digital Webcasting. TVP's strong position comes at the price of commercialization and political influence on programming.

Two-thirds of TVP's revenue comes from advertising, the rest from license fees. The PO moved to stop the collection of license fees, which are unpaid by 20 percent of households and 95 percent of enterprises, but after a presidential veto, the payment system stood on the verge of collapse and public media were in a state of disarray. In December 2008, Polskie Radio suspended its leadership, and there are speculations that TVP may do the same.

TVP's main private competitors include Polsat TV, TVN, the Canal+ cable channel, and Father Tadeusz Rydzyk's Trwam TV, a religious satellite channel. TV digital platforms are Cyfra+, Cyfrowy Polsat, and N by ITI group, owner of TVN. News Corporation, owned by Rupert Murdoch, bought 24.5 percent of TV Puls; KRRiT agreed to allow the change of its religious character, and in fall 2007, TV Puls launched new programming, which was abruptly canceled in June 2008 with the firing of over 120 journalists. In November 2008, Rupert Murdoch sold back his shares to the religious order holding the majority stake at TV Puls.

Among radio stations, the public Polskie Radio—with 6 Warsaw-based channels and 17 local stations—has a strong position, but private competitors Radio ZET and Radio RMF FM are leaders in audience and advertising revenues. Radio Maryja, founded by Father Rydzyk in 1991 together with Trwam TV, has been a popular media outlet, despite occasional rifts between PiS and Father Rydzyk caused by his antipresidential and anti-Semitic remarks. In 2008, Radio Maryja and Trwam TV became proponents of geothermal energy drilling when the PO-PSL government cut off EU funds for this venture.

Newspapers with the largest press circulation are the tabloids *Fakt* and *Super Express*. Opinion dailies include *Gazeta Wyborcza*, *Rzeczpospolita*, *Dziennik*, and *Polska*. *Nasz Dziennik*, a conservative nationalist daily, is part of the Father Rydzyk media empire.

There are three major opinion weeklies: the left-wing *Polityka*, the center *Newsweek Polska*, and the right-wing *Wprost*. The biggest weekly is tabloid *Życie na Gorąco*, while *Przekrój* has become a voice of the younger generation. The Catholic liberal *Tygodnik Powszechny* has a strong intellectual reputation as the only independent (though censored) paper of the former Communist Poland. Weekly *Nie*, run by Jerzy Urban, former spokesman for President Wojciech Jaruzelski, is anticlerical, left-wing, and often provocative.[5] Two English weeklies (*Warsaw Voice* and *Warsaw Business Journal*) and a Russian weekly are also published.

The local press still produces about 3,000 titles, but media concentration has become a threat. The major press companies include Axel Springer, Agora, Mecom, and Polskapresse (Passauer Neue Presse). Media cross-ownership has not been regulated, yet the antimonopoly office intervened when Axel Springer attempted to buy 25.1 percent of Polsat TV in 2006.

According to Eurostat, 48 percent of Polish households have a computer with access to the Internet, and broadband is available in 38 percent of households.[6] Child pornography is the only prosecuted Web offense. Naukowa Akademicka Sieć Komputerowa (Research and Academic Computer Network, a leading operator, research, and development organization) maintains a registry of sites, but there are no address restrictions. Print media have Web sites, and the number of personal and public Web sites, blogs, and video blogs in Poland has increased rapidly.

There are about 20,000 journalists working in Poland, but only a few hundred are members of the media trade unions (Journalists' Syndicate and a branch of Solidarity). Only a few thousand, mostly older professionals, are members of the Polish Journalists' Association or Republic of Poland Journalists' Association. These groups maintain ethics standards and lobby for new press legislation and changes in the penal code, but their authority is weak. The majority of Polish journalists work without a collective agreement or wage bargaining, and publishers do not disclose salaries. Media strikes and other union actions rarely occur in Poland.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.25

Public trust in local government reached a record high of 78 percent in 2008, up from 56 percent in 2006, the year of the last local elections.[7] These numbers may reflect the relative calm in national politics in 2008 or the impact of the development of nearly 300 local football fields finished under the joint effort of the government and self-government program Orlik 2012—a program aimed at creating modern playing fields for youth in every Polish *gmina*, Poland's basic territorial division. The next large-scale local modernization program is a partnership with the Bill & Melinda Gates Foundation for Internet modernization of 8,000 local libraries.

Two-thirds of the officials elected in 2006 to two levels of local councils—*gmina* and *powiat* (town councils)—and 16 *voivodship* (regional assemblies) have no party affiliation. The strongest party representation (10 percent) is held by PSL. Among the regional councils, PO and the party Left and Democrats fared stronger in the more affluent western part of Poland, and the PiS led in the poorer east and south. In cities, incumbent mayors took elections with ease regardless of political affiliation, proving that at the local level a candidate's record and personality count more than party affiliation.

Self-government traditions are strong in Poland. This is especially true in the west and south, where more than a century ago, in the absence of a Polish state, local authorities worked with Catholic and Protestant clergy to maintain Polish schools and nurture Polish customs in choirs, folk dance, gymnastics groups, fire brigades, and credit unions. One of the first acts of the Solidarity government after 1989 was the restoration of local self-governance by re-creating nearly 2,500 *gminas* that were

canceled in the 1950s. Ninety thousand local officials were transferred from the state administration to local governments. In 1998, the number of regions was reduced from 49 to 16, and 314 counties and 65 cities with equal status were added.

According to the Constitution, local government is a permanent feature of the state based on the principle of subsidiarity. The powers and independence of local authorities are protected by the courts, and there is a presumption that *gmina* competences extend to all matters not reserved for other institutions of central administration. Local authorities are responsible for education, social welfare, local roads, health care, public transport, water and sewage systems, local culture, public order, and security. Municipalities are responsible for a majority of these tasks. Regional accounting chambers audit local authorities.

Local representatives are elected every four years. Mayors of cities and towns are elected directly, as are the members of local, county, and regional councils. County members elect the *starosta* (heads of *powiats*), and members of regional assemblies elect *marszałek* (marshals, or the heads of the *voivods*). They must cooperate with government-nominated *voievodas*, the national authority representatives outside Warsaw, who control *gmina* resolutions by suspending them within 30 days if they contradict the law. Appeals of *voivod* decisions are filed with the regional administrative courts.

The 1990 Law on Local Government introduced referendums as a tool of direct democracy on issues such as voluntary taxation for public purposes and the dismissal of local councils. At least 10 percent of voters must support the referendum motion, and it is valid with a minimum of 30 percent of voters participating. Municipalities are allowed to collect taxes on farms, properties, forests, pet registrations, and transportation. New taxes can be levied only via a referendum. Personal and corporate income taxes account for 75 percent of local government income. Taxes are redistributed from richer to poorer local governments.

The central government is obliged to consult local governments on every bill that may add costs to their budgets, but the time given to review budgets is often too short, and cost estimates are vague. Local self-governments must seek opinions from environmental organizations when granting building licenses, which may allow for the blocking of some development plans.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.50	1.50	1.50	1.50	1.50	2.00	2.25	2.25	2.50	2.25

A year after taking power, the PO-PSL government announced changes to the penal code and reform of the justice system. The flagship invention of its predecessor—24-hour courts for petty crimes—was found to be too expensive for punishing almost exclusively drunk drivers and subsequently will be converted into 72-hour courts without the obligatory arrest of offenders. New offenses, such as taking

photos without consent and publishing them online, and punishments such as the electronic bracelet were also introduced in the project. The minister of justice will cease to be the prosecutor general, which will make the two separate positions much less dependent on political winds. The elite cadre of 160 prosecutors, working in 11 regional offices since 2007 to fight organized crime under the aegis of the prosecutor general–minister of justice, was moved back to the regional prosecutors' offices.

After taking power, the PO-PSL coalition ended the previous government's war with judges, specifically the Constitutional Tribunal, which centered around 140 decisions that were not being implemented. The new Senate pledged to correct the matter by introducing bills devoted solely to fulfilling Constitutional Tribunal decisions.

Judges nominated by a majority of the National Judicial Council are appointed by the president. In 2007, for the first time, the president did not sign some of the nominations, which caused an uproar within the legal profession. The 2007 law obliges the National Judicial Council to lustrate the courts and help unify sentencing, and it prohibits all chief justices from being council members, which would eliminate 9 of its 23 members. The Constitutional Tribunal rejected some of these changes.

As stated in the Constitution, the judiciary has full independence from the executive and legislative branches. The court system consists of the Supreme Court, 310 district courts, 43 regional courts, 11 appeals courts, 10 garrison and 2 provincial military courts, 16 regional administrative courts, and the main administrative court. The State Tribunal, elected by the lower chamber of Parliament, determines constitutional violations by the highest officials. The Constitutional Tribunal analyzes the conformity of Polish and international laws to the Polish Constitution, adjudicates disputes of authority among central state bodies, and recognizes the temporary incapacity of the president to perform his or her office. Court decisions are final and applied directly. The *Sejm* elects Constitutional Tribunal justices for a single nine-year term. In 2006–2007, six vacancies were filled by ruling coalition candidates; in 2008, two judges known for more liberal views were chosen.

Polish judges cannot be members of political parties or trade unions and cannot perform any public function that may jeopardize their independence. They must be at least 29 years of age (27 for junior judges); there is no prerequisite of earlier work as prosecutors or lawyers. Judges cannot be arbitrarily dismissed or removed; however, the 2007 Law on Court Organization gave the minister of justice the right to reassign judges to different courts for six months, to arrest and strip judges of immunity in 24 hours, and to temporarily nominate a chief judge without soliciting the opinion of other judges. The head of the Supreme Court called these changes "crazy and offensive"; on his motion, the Constitutional Tribunal reviewed the law and found it unconstitutional.

In 2008, Poles appealed to the ECHR in Strasbourg less frequently than in the previous year. In November, about 3,550 cases from Poland were pending in the ECHR, representing 3.7 percent of all 95,900 cases from the 47 countries of the Council of Europe to come before the Court.[8] In 2007, there were 5,100 cases from Poland, representing 5.7 percent of all cases.

The computerization of Polish courts made further advances in 2008. Protocols are being digitized, accessing criminal records takes two hours instead of two days, real estate books are being scanned and will be accessible online, and courts have information pages on the Internet. In 800 courtrooms, procedures are audio-recorded, and witness interrogations may be conducted via videoconference.

Prosecutors are part of the executive branch. Experts argue that as long as the minister of justice is the attorney general, there is no chance for autonomous, non-politically motivated work by prosecutors. The bill separating these two offices is in the *Sejm*, and the division is to start from January 1, 2010.

According to the penal procedures code, prosecutors have three months to present an indictment to the court; in practice, it takes three to four times longer. In the political case of lobbyist Marek Dochnal and heads of the "fuel mafia," the process took three years. Prosecutors do not have terms of office; they may be advanced or removed at any time, a policy that the new government has vowed to change.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.25	2.25	2.25	2.50	2.50	3.00	3.25	3.00	3.00	2.75

According to Transparency International, Poland has improved its Corruption Perceptions Index (CPI) for the fourth year. On a scale of 1–10, where 1 indicates highly corrupt, the 2008 CPI for Poland was 4.6, up from 4.2 in 2007, 3.7 in 2006, and 3.4 in 2005. Since 2004, when Bulgaria and Romania joined the EU, Poland is no longer the most corrupt country in the EU according to this index.

Transparency International acknowledges the following conditions as contributing to the decrease in corruption in Poland: one-mandate election precincts (in *gminas* of fewer than 20,000 inhabitants), government officials taking responsibility for mistakes and delays in the decision-making process, legal definitions for conflicts of interest, anticorruption procedures in central and local governments, better quality laws, and more transparent administration and public institutions. Warsaw University sociologist Grzegorz Makowski argues that public opinion in Poland focuses almost exclusively on bribes, while other examples of corruption, such as nepotism at work, are practically ignored.[9] Still, in 2008 there was a political rift between PO and its coalition partner, PSL, over widespread, traditional nepotism among Polish Peasant Party members.

The Anticorruption Program of the Batory Foundation reported in its 2007 Corruption Barometer that Poles list corruption as their fifth or sixth most important problem. They observe corruption most prominently in health services, then in politics, justice, police, and local administration. Out of those who admitted to giving a bribe (only 10 percent of respondents), 58 percent did so in a healthcare transaction, 9 percent to local government, and 7 percent to police when stopped on the road.

The controversial bribery scheme involving Polish soccer tournaments, which started in 2005 but produced only a single court case in 2007, led to a major crisis in 2008. After several arrests of soccer judges and coaches suspected of fixing soccer matches, the government forced the Polish soccer association (PZPN) to hire an outside comptroller against the will of international football associations. After the warning that Poland might not be able to participate in the European championships in 2012, the government stepped back, but days later several important soccer figures were interrogated. Until the end of the year, rarely a week passed without another arrest among football officials, judges, coaches, and players, with some reporting voluntarily to the National Public Prosecutor's Office.

Members of Parliament and all government officials must report their property annually. The Central Anticorruption Bureau (CBA), with 500 officers, is empowered to fight corruption at the highest levels, including the review of property statements by politicians and officials. The CBA, installed with much trumpeting in 2006, lacked any great successes in 2008, and the new government failed to replace its head, Mariusz Kamiński, who is a close associate of the former prime minister.

▮ AUTHOR: ANDRZEJ KRAJEWSKI

Andrzej Krajewski is a freelance journalist based in Warsaw, a former TVP correspondent in Washington, DC, and a former editor in chief of Reader's Digest Polish edition. In 2006, he worked for the Stefan Batory Foundation.

---

1 http://www.wiadomosci24.pl/artykul/kaczynski_nie_ma_szans_na_reelekcje_79085.html?ses_go=668644b64fdefa9102042646490d61c6.

2 Numbers quoted from Serwis Prywatyzacja at official Ministry of State Treasury website: http://prywatyzacja.msp.gov.pl/portal/pr/23/5403/Przeksztalcenia_wlasnosciowe_przedsiebiorstw_panstwowych.html.

3 Data from comprehensive study "Association and civil rights capital in Poland" done in 2007 by CBOS, see: http://www.cbos.pl/SPISKOM.POL/2008/K_133_08.PDF.

4 Krzysztof Bobinski, *Public Broadcasting: The Case of Poland* (Association of European Journalists, November 2008).

5 All numbers are September 2008 sold copies; data from Press Distribution Control Association, http://www.teleskop.org.pl/dane_ogolnodostepne.php.

6 http://ceo.cxo.pl/news/327546/Eurostat...blisko.polowa.polskich.gospodarstw.domowych.z.dostepem.do.internetu.html

7 http://www.cbos.pl/SPISKOM.POL/2008/K_030_08.PDF.

8 http://www.echr.coe.int/NR/rdonlyres/96960736-30E5-40DE-BC54-28F374A60C0B/0/Pending_applications_chart.pdf

9 Grzegorz Makowski, "To nie jest skorumpowany kraj" [It is not a corrupted country], *Gazeta Wyborcza* 20, November15–16, 2008.

Romania

by Alina Mungiu-Pippidi

Capital: Bucharest
Population: 21.5 million
GNI/capita: US$12,350

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50
Civil Society	3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50
Independent Media	3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75
Governance*	3.50	3.75	3.75	3.75	3.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00
Corruption	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00
Democracy Score	3.54	3.67	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36

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

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

Executive Summary

After lagging behind other Central European countries for most of its transition due to a hesitant break with its Communist past, on January 1st, 2007 Romania succeeded in becoming a member of the European Union. 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. Since 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. For most of 2008, Tăriceanu's minority liberal government, with less than a quarter of seats in Parliament, has been opposed by the party of former President Ion Iliescu (1990–1996, 2000–2004).

In 2008, Romania held parliamentary and local elections with a new and original electoral system replacing proportional, list-based voting. Over the course of the past 18 years, the former electoral system had managed to consolidate the vibrant party system developed after the revolution to only five parties. High levels of foreign investment contributed to the growth of Romania's economy by more than 5 percent.

National Democratic Governance. 2008 did not bring spectacular changes to Romania's system of national democratic governance. The minority coalition brought continuous policy instability, with bills involving high spending being proposed and adopted by Parliament. As Romania lacked an alternative political majority, the year was quite stable, and the Tăriceanu government was never endangered by the acts of the political opposition. *Due to the lack of evolution in the process of policy formulation, which remains erratic and informal, the country's national democratic governance rating stagnates at 3.75*

Electoral Process. A new electoral system was tested in local and legislative elections in 2008. The introduction of single unit constituencies brought about some gerrymandering, but otherwise elections were held without major incidents. Although the results were close, there were no attempts to manipulate the election outcomes, and a new government coalition was formed with relative ease. *Due to improvements in Romania's electoral system and the free and fair conduct of elections in 2008, the electoral process rating improves from 2.75 to 2.50.*

Civil Society. Romania's civil society continued to follow the negative trends of the previous year as co-optation and intimidation of the most vocal NGOs continued. Parliament adopted a bill in 2008 to enable the closing down of a few established

NGOs. Some grassroots development can be reported in the fields of environmental and heritage protection, where civic participation had been traditionally low. *Due to the continuation of the negative trends noted in 2007, and legislation specifically working against the development of civil society, Romania's civil society rating worsens from 2.25 to 2.50.*

Independent Media. The interference of business interests hindered the functioning of free media in Romania for yet another year. Members of Parliament unsuccessfully tried to introduce legislation to censor media content. *As a result, Romania's rating for independent media stagnates at 3.75.*

Local Democratic Governance. There was little improvement in the local governance of Romania in 2008. Local elections, despite a new system of electing county presidents, did not bring a major step forward; the central government returned to discretionary funds allocation practices. *The return of discretionary central government transfers persisted, keeping Romania's local democratic governance rating at 3.00.*

Judicial Framework and Independence. Romania received criticism from the European Commission in 2008 for unsatisfactory fulfillment of accession commitments. Criticism was particularly directed at the Supreme Council of Magistracy for failing to effectively ensure accountability of the magistrates' body. Although a new Minister of Justice was appointed in 2008, commitment to reform remains doubtful, as the new minister recommended a candidate without any credentials to replace Romania's embattled chief prosecutor, Daniel Morar. *The judicial framework and independence rating for Romania remains at 4.00.*

Corruption. Romania's anticorruption efforts were seriously hindered in 2008 by Parliament's efforts to reinstate immunity for ministers who also enjoy MP status. Many candidates in local and legislative elections, including some members of the government personally profited from abusing their positions. Several politicians tried to curtail the powers of the anticorruption agency and sack Chief Prosecutor Morar, but the President and Constitutional Court have prevented such efforts thus far. *Romania's rating for corruption holds steady at 4.00.*

Outlook for 2009. Romania will hold elections for the European Parliament in June 2009, and presidential elections in November. It is likely that the presidential elections will dominate the agenda of the year. While President Traian Băsescu continues to be the most popular Romanian politician, as the economic situation worsens, the crisis may prove the chief challenger to President Băsescu's second term.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75

In 2008, the second year of Romania's European Union (EU) membership, the European Commission (EC) released two reports regarding the country's progress in meeting the benchmarks set out in the Cooperation and Verification Mechanism. The mechanism, set up by the EU to ensure new entrants meet their preaccession promises and do not endanger the EU common market or legal state, lasts three years and focuses on judiciary reform and the fight against corruption. The EC's findings were critical, stating that "greater evidence of implementation on the ground is needed in order to demonstrate that change is irreversible."[1]

The influence of the EU, especially EU law, was evident in 2008. The EC spokesperson intervened more than once in defense of agreements between the EU and Romania that came under threat in the Parliament. For instance, EC intervention stalled and eventually killed a bill on the registration of imported cars. Sold as an antipollution bill, this law was passed in 2006 in complete disregard of the European acquis, de facto placing European cars at a disadvantage against the national carmaker Dacia-Renault, which produces the highest number of cars not meeting EU standards. After a Romanian citizen challenged the bill in a provincial court (and won on the basis of EU legislation), the EC began discussing an infringement procedure, and the bill was eventually renegotiated with the EC and sent by the government to Parliament, where it was stalled again. Citizens who paid the importation tax in 2006 have started to apply for a refund from the government.

In 2006, the National Agency for Regulating Communications (ANRCTI) was established at the request of the EU (its legal status was included in the acquis communautaire) to independently ensure a level playing field in the area of telecommunications. In 2008, the agency was restructured from above, despite its presumptive autonomy, via an emergency ordinance. The agency head was fired, and the name of the agency was changed. An administrative court sided with the head of the former agency and declared the emergency ordinance illegal. Prime Minister Călin Popescu-Tăriceanu appealed the decision. The EU commissioner for telecommunications disapproved of the intervention and started an infringement procedure.

The financial influence of European integration has remained a powerful incentive for Romania to fulfill its accession agreements. Romania has signed the European stability pact and entered procedures to take on the EU common currency, the euro, bringing scrutiny from the European Central Bank. While Romania has achieved economic growth of 5–6 percent in the last years, strong

demands for increasing wages in the public sector, as well as the 2007 increase of pensions, widened the budget deficit. In light of a serious trade deficit (Romania imports far more than it exports), the International Monetary Fund warned the government that giving in to popular demands for wage increases after entering the EU and accumulating expenses in the public debt may lead the country into a financial crisis not unlike that of its neighbor, Hungary. By the 2008 elections, the Romanian government faced demands for wage increases from nearly all public sectors: A 50 percent increase of teachers' salaries passed Parliament unanimously despite lack of funding for it within the 2009 budget.

In October 2008, Romanian lawmakers endorsed the property bill introduced by Romania's Conservative Party (formerly the Humanistic Party) against returning property confiscated by the Communist regime to its former owners, effectively overturning Romanian law allowing for property restitution. The bill's supporters—mainly left-wing and nationalist parties—claimed that one million people living on property nationalized by the Communists would be made homeless if restitution was allowed. Lawmakers instead voted to provide cash compensation for nationalized property at market prices (with no impact evaluation on the budget). Romania's former restitution law had resulted from a 2000 deal between Social-Democrats and right-wing political parties and the number of cases won in the European Court of Human Rights in Strasbourg by former property owners.

In January 2008, following an appeal of the Greater Romania Party, the Romanian Constitutional Court ruled that the Romanian intelligence agency, the Council for Screening Archives of Communist Securitate (CNSAS), was unconstitutional and suggested transforming the institution into an archive. The CNSAS once ruled on people's former collaboration with the Securitate on the model of the Gauck institution in Germany. The Court had ruled several times before on the CNSAS, an institution created in 1999, without coming close to such a radical decision. Although the decision can and has been contested in lower-level courts by a number of politicians, the Constitutional Court ruled that the CNSAS was in fact making itself into a court by issuing this decision, which had a de facto legal verdict. The "verdict," however, had no legal consequences, as Romania does not have lustration legislation punishing former collaborators or restricting their access to public positions. According to the ruling, applicants to some public positions must declare if they had collaborated with the CNSAS, and if such declarations are proven untrue, the applicant can be legally pursued for false statement. In February, the government passed an emergency ordinance to keep the CNSAS open, stating that the CNSAS can close a case only if they find a person did not collaborate, but the CNSAS must automatically send the case to a general court to rule if the accused did in fact inform to the Securitate. Although the ordinance weakened the CNSAS considerably, the ordinance eventually adopted by Parliament in October was even weaker. New exceptions were added excluding Orthodox priests from the indivuduals who can be checked under the law. In August 2008, Mona Musca, a politician who had been found guilty of cooperation with the Securitate (a verdict confirmed by the courts), was the first person to be charged under this article.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50

In 2007, a parliamentary majority adopted a preliminary version of a bill on electoral reform, which was later revised by Parliament following the intervention of the Constitutional Court. By March 2008, a final bill was promulgated proposing a unique mixed system. In the Romanian mixed system, seats are not allocated a priori: All seats are initially open for election in single-unit constituencies, allowing voters to support candidates, not party lists, and thereby keeping members of Parliament (MPs) accountable following elections. However, only candidates receiving more than 50 percent of the vote are elected, and the remaining seats are divided proportionally.

A parliamentary committee led by the informal alliance of the Social Democratic Party (SDP) and the National Liberal Party (NLP) set about to engage in gerrymandering, trying to craft single-unit constituencies following the party majorities in local elections, in order to create "safe" constituencies for the parties. As the committee could not reach an agreement, the government intervened and passed a new emergency ordinance establishing voting districts. Most key political figures therefore had "safe" constituencies where their party enjoyed a majority, and ran practically unopposed in legislative elections. A string of unknown political candidates ran in the most disputed areas. The electoral reform bill was attacked for gerrymandering by the Greater Romania Party (GRP). The GRP claimed that the government did not have the right to establish voting districts and this should have been done by the parliamentary electoral committee. The court of appeals in Bucharest, however, decided that elections could go forward and referred the lawsuit to the Constitutional Court

The new electoral legislation also introduced direct election of county heads in local elections. But the new law does not overlap with the current powers that administrative law confers to county heads, who were nicknamed "local barons" by virtue of their informal power. The electoral changes proposed by the SDP empowered voters.

The Coalition for a Clean Government (CCG), including several non-governmental organizations (NGOs) and unions, monitored the corruption of candidates for this position and informed voters with the help of local media, leading to electoral losses for many allegedly corrupt officeholders.

An independent candidate was elected for the first time in the Bucharest local elections. Dr. Sorin Oprescu, a longtime member of the SDP, ran an independent campaign in the 2008 local elections. His former party rallied behind him in the second round when he faced President Traian Băsescu's candidate, former minister Vasile Blaga. Bucharest, the largest single-unit constituency, is considered a political springboard for any politician, especially presidential hopefuls who have served as its mayor.

The opposition SDP and President Băsescu's ruling Democratic Liberal Party (LDP), both gained about 28 percent of the vote in nationwide, local elections. About 18 million people were eligible to vote for 3,200 mayors, 40,000 members of district councils, and 41 chairmen of district councils. The vote was marred by low voter turnout, with less than 50 percent of eligible voters going to the polls, five percentage points below turnout in 2004. The turnout was especially low in Bucharest, with only 31 percent of eligible voters casting ballots.

The pattern of rising voter apathy was again manifest in the November parliamentary elections, when only 39 percent of voters turned out at the polls. It was the first time in Romania's post-1989 democratic history that parliamentary elections were held separately from the presidential race. According to official results, the center-left alliance formed by the SDP with the Conservatives won 33.1 percent in the Chamber of Deputies, just ahead of the LDP with 32.4 percent, the NLP with 18.6 percent, and the Democratic Union of Hungarians in Romania (DAHR) with 6.2 percent. The results were similar in the Senate, where the SDP won 34.2 percent, just ahead of the LDP with 33.6 percent. Compared with the 2004 election, the SDP-led alliance lost a few percentage points in the national vote share. The LDP and NLP, former members of the 2004 Justice and Truth Alliance, registered uneven performances. The LDP made significant gains in 2008, and owing to the new electoral system won more seats than the SDP in both houses (despite having fewer votes), while the NLP made smaller gains. Support for the DAHR remained largely unchanged at 7 percent. Owing to competition between the two radical populist parties, neither managed to win any constituency. The GRP fell from 13 percent in the 2004 elections to under the 5 percent threshold in 2008. The other nationalist party, the New Generation Party–Christian Democratic, also failed to cross the 5 percent threshold for representation.

President Băsescu constitutionally holds the power to appoint a prime minister and nominated Teodor Stolojan from his own party, LDP, which had obtained the highest number of seats. As the two main parties were so close to each other, Stolojan received the mandate to form a coalition with the other main party, SDP. Four days after his nomination and one day after a coalition protocol was signed, Teodor Stolojan announced his resignation as prime minister designate. That same day, President Băsescu signed a decree nominating the mayor of Cluj-Napoca and president of the LDP, Emil Boc, for the position. Boc vowed to create a government with the SDP and bring Romania out of the economic crisis but failed to agree with his allies on the reappointment of Monica Macovei, former minister of justice noted for her tough anticorruption position. An agreement was finally struck to keep Cătălin Predoiu as minister of justice, in exchange for his promise to reappoint Daniel Morar as chief attorney of the Romanian National Anticorruption Directorate (NAD).

Boc's coalition government was approved by Parliament in a 324–115 vote, and Boc was sworn in on December 22, 2008. Mircea Geoană of the SDP became head of the Senate, and Roberta Alma Anastase of the Democratic Party became president of the Chamber of Deputies. By the beginning of 2009, Romania had

defeated predictions of presidential impeachment and early elections after the hung vote in November and was preparing to face the economic crisis with its first left-right coalition from which NLP was excluded.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	[illegible]

Roughly 17,000 of the 60,000 NGOs registered in the country submitted an annual balance account report in 2007—likely an accurate figure of the active NGOs in the country. According to the Romanian Civil Society Development Foundation, the total budget of the sector amounts to about US$20 million, not including tax-deductible donations. Around 15 percent of the population donates 2 percent of their income tax to NGOs. In total, the state allocations for civil society remain very small.

Civil society was active and innovative in 2008, with projects ranging from heritage protection to fighting corruption in the educational system. At the same time, efforts to create a counter-civil society reached a peak. A group of paper-based NGOs close to the NLP, led by Mugur Ciuvica, a politician related to a small party that merged with the Popular Alliance, gained notice by supporting government attacks on the NAD. The group posted a statement claiming that the EU monitoring report was erroneous, in language similar to that of the government. Mr. Ciuvica acknowledged on a talk show that he received funding from two major "oligarchs" under investigation by the NAD, Dan Voiculescu and Dinu Patriciu, who have donated to several charities in 2008.

In a parallel development, the well-known head of an environmental foundation advocating for the preservation of the Danube Delta, Liviu Mihaiu, was appointed governor of the area, a position of considerable economic clout. Mr. Mihaiu led the alliance, Save Danube Delta, and had been successful in attracting funds from major businesspeople before becoming governor. He has also been a leading journalist in the Academia Catavencu group, and some of his sponsors became targets of disclosure in his newspapers. Rather than being seen as the first civil society success in engaging business and government, his appointment was reported in the Romanian media as proof of co-optation of civil society.

In 2008, Parliament adopted legislation with the potential to repress critical NGOs. The new law forbids NGOs from using names that might be confused with official institutions (even if legally registered under this name), and a court complaint is enough to initiate a procedure to close them down. Two active watchdogs, Institute for Public Policy (IPP) and Romanian Academic Society (SAR), are potential targets. Their names do not duplicate any existing institution, but the law is so ambiguous that NGOs may not use words such as "academic" or "institute," which

are reserved for official use only. Some politicians have threatened to immediately move against such organizations. Both SAR and IPP faced harassment in 2008. SAR was investigated by the police at the request of Gheorghe Funar, currently an MP for the GRP, for "faked analysis," despite the absence of any article in the criminal code on such a "crime." IPP sued Bucharest City Hall for being denied public information and was likewise sued for overstepping its founding statute under this litigation. Although policemen and judges are unlikely to pursue this very far, they are also unlikely to quickly dismiss these investigations if pressed by politicians or judges. However, an investigation of Freedom House Romania initiated by former justice minister Tudor Chiuariu in 2007 was dismissed by prosecutors.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75

Romania was downgraded in both the Reporters Without Borders Worldwide Press Freedom Index and the IREX Media Sustainability Index in 2008. However, the media faced the same threats pinpointed a year ago: concentrated ownership, many outlets without clear or legitimate support, and systemic corruption—meaning a large part of the media uses what analysts call "black and gray" public relations, which frequently amounts to disinformation. Such propaganda media are not profitable. Nevertheless, bankruptcy turnover is low, and low-audience media persist. Media market institutions are not fully functioning, and advertising is not rigorously correlated to audience.

Though a plurality of media sources exist, most media owners belong to vested interest groups linking business and politics. Frequently, the same characters move from one part to another, so there is no de facto separation between the business of media, politics, and business in general. In Romania, Ringier and CEMI are the only large-scale foreign investors. Three Romanian media tycoons, Dan Voiculescu, Dinu Patriciu, and Sorin Ovidiu Vantu, own the rest of the media. All three have been unsuccessfully investigated by prosecutors on various counts over the years and have used their media outlets to denigrate the justice system and intimidate their investigators. President Băsescu has often criticized these media "oligarchs," with little to no effect. Professional journalists (as opposed to propagandists) are becoming scarce. Media outlets where working does not mean compromising personal ethics to please the employer are becoming more difficult to find as employment alternatives are increasingly confined to electronic media, especially in light of the 2008 closures of both the BBC Romanian Section and Radio Free Europe Romania.

In 2008, two MPs managed to pass through Parliament an amendment to the Law on Broadcasting obliging television and radio stations to ensure that

half of their news coverage consists of "positive news." The draft law, initiated by Senator Gheorghe Funar of the GRP, and NLP deputy Ioan Ghişe, was denied promulgation by President Băsescu. The Senate (upper house) unanimously adopted the amendment on June 25, despite rejections from both the Chamber of Deputies (lower house) and the Senate's Human Rights Commission. The National Audiovisual Council of Romania and the Union of Professional Journalists also opposed the proposed law.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	[illegible]

The year 2008 has seen a continuation of the negative trends of 2007 in the field of local governance. While steady economic growth and an increase in the price of local assets (mainly land) led to an unprecedented increase in local budgets, accountability of public spending decreased dramatically. Increased revenues at the central level have allowed the government to set up new transfer funds on top of existing ones, for which no criteria or allocation rules were created. As a result, local budgets went up in absolute sums—as did the fraction that can be controlled discretly by upper echelons: by the Ministry of Finance and county councils, and by the latter in their relationship with local councils and mayors. This informal (and unconstitutional) budgetary subordination reinforces the existing patterns of political favoritism and clientelism in the administration. Furthermore, in 2008 the total pool of funds for financial equalization across territorial units was exempted from the legal allocation requirements (a formula that sends more money to poorer localities). Instead, lump sums were given to localities on the whim of the county council presidents, as was the custom prior to the 1998–1999 reforms.

Just one month before general elections, the government distributed RON 2 billion (roughly US$800 million) from its reserve budgetary fund to local governments of counties and municipalities. The funds were distributed disproportionately in favor of counties where SDP and NLP politicians were voted into office. The situation is even more disproportionate where mayors are concerned. Mayors from the ruling government party, 22 percent of the total number of mayors, received 42 percent of the total funds. The electoral constituencies of the prime minister and of SDP leader Mircea Geoană received the biggest bonuses, more than entire counties in areas that had elected LDP leaders.

The government attempted to create an advantage for loyal, local politicians, as well as their informal allies, the SDP, to gain reelection. For instance, the funds given to county councils for repairing district roads are regularly underestimated in budget proposals, as the sum must in principle be distributed according to technical criteria, to be supplemented by 200 percent only through ad hoc amendments negotiated during the fiscal year with county council presidents and

their lobbyist MPs, on a case-by-case basis. This does not appear to be a genuine planning mistake, but a deliberate strategy to shortcut procedures. In another example, the Ministry of Education has run a large-scale school rehabilitation fund for two years where mayors can apply with projects. No transparent criteria or justifications were produced explaining how funding decisions are made: Funds are granted to a list of localities, which creates suspicions of party favoritism, especially during an electoral year.

Most of the appropriation of government spending for localized projects is done legally, by adopting "exemptions" from local finance legislation, but individual corruption also persists. An impressive number of mayors from major cities and the main political parties have been charged by NAD with corruption. Mayors claim that a very restrictive legislative framework pushes them to breach laws to get things done. However, under Romanian anticorruption legislation, NAD can accuse a person only if indication of personal profit is found, not just proof of enacting illegal decisions. The CCG, a civil society group including NGOs and trade unions, monitored the integrity of candidates running for county council presidency in the June 2008 local elections. The posts, which are key for the implementation of both national and EU funds on a local level, were filled by direct election. Out of 150 candidates, the majority of which were incumbents, the coalition found that 54 had previous integrity lapses, corruption charges, and material profit from conflicts of interest or broken fiscal regulations in the distribution of funds. The majority of allegedly corrupt county council presidents were not reelected, but 13 of the 54 questionable candidates concerned were elected. CCG did not monitor the integrity of mayors.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00

In January 2008, a government proposal to replace former justice minister Tudor Chiuariu, who was under investigation for corruption, with MP Norica Nicolai was met with considerable opposition, including from President Traian Băsescu. The president has the constitutional right to reject a proposed minister, but a constitutional clash in 2007 led to the conclusion that if the prime minister makes the same nomination twice, the president cannot refuse it the second time. After President Băsescu turned down Nicolai's nomination, the prime minister nominated her again. The Constitutional Court overturned their 2007 decision, and Băsescu suspended her nomination a second time. The prime minister then nominated a young business lawyer close to the NLP, Cătălin Predoiu, who became minister of justice just a few months ahead of the EU monitoring report released in July.

As part of the effort to secure the independence of the judiciary, most powers regarding the selection, career, and control of magistrates passed from the

Ministry of Jusitice to the self-governing judicial council, the Superior Council of Magistracy (SCM). The SCM acts more as a corporate union, protecting the interests of magistrates, rather than as a body ensuring accountability. While the minister of justice can propose laws, he does not have such authority in policy formulation. The human resources policy, for instance, lies within the authority of the SCM, which is subject to montoring by the EC. Despite intense discussions on the issue (and assistance programs from donors such as the World Bank), the SCM has yet to develop objective criteria for promoting magistrates as judges of the High Court of Cassation and Justice, appointing SCM inspectors, nominating heads of department, and transferring magistrates—all of which depend on the arbitrary will of the SCM. The examination for management positions in courts and prosecution offices includes a verbal test requiring the candidate to present a "project" in accordance with the description of the intended position. The examination is subjective, with no clear scores or justifications. Moreover, the many appointments made by the SCM are made with no set methodology, no database of persons meeting the examiner's profile, and no random appointment of members. The lack of transparency of these procedures is enhanced by the fact that the salaries of committee members are not disclosed.

NGOs also criticize the SCM for lacking transparency. Although its meetings are usually open to the public, many important decisions are made in closed meetings, and their justification for these decisions is not made public. Transparency is a widespread problem in the Romanian court system; despite being equipped to do so, courts publish only brief case solutions on their Web sites, not the motivations or logic behind their decisions, which would enable interested parties to analyze their odds in a dispute or monitor the practice of courts or judges.

Despite three, critical reports from the EC, and a special clause included in the Cooperation and Verification Mechanism concerning its activity, the SCM has made no progress in enhancing its own accountability: Breach of ethics and potential conflicts of interests of its members persist. The activities foreseen in the action plan for meeting the benchmarks of the EU Cooperation and Verification Mechanism fail to address this problem, as no mechanism has been identified for increasing the accountability of the SCM, and the SCM has constantly denied that corruption is even a problem within the Romanian judiciary. However, a scandal broke in 2008 when NAD brought charges against top magistrates for fraud in the competition for management positions within a high-level prosecution office.

The July 2008 EC report predictably warned Romania to clean up its justice system while cutting aid to Bulgaria and leveling unprecedented criticism at the bloc's newest countries for failing to tackle corruption. Romania was let off with a warning to overhaul its judiciary. The SCM called these EU criticisms "constructive" but did nothing to address them.

The Romanian judicial system is currently characterized by a lack of predictability and consistency. The criminal code, currently undergoing fundamental rewriting, stems from the Communist era and has been modified 11 times since 1997. The most stable civil code was adopted in 1864, suspended during the Communist

rule, and reintroduced in 1993 with only one modification since. The criminal procedure code has been modified 18 times since 1997. An additional modification to the code has been criticized by the EU and NGOs and has been submitted to the Constitutional Court. The equivalent procedure code for civil law has been modified 10 times since 1993. In 2008, despite criticism from the European Court of Human Rights of the non-unitary case law used by the High Court of Cassation and Justice, neither the SCM nor the Ministry of Justice was able to consolidate the case law.

Since June 2007, half of the 14 elected members of the SCM continue to act in a double capacity as council members and in other positions. Although at least two days per week are spent at the SCM, all magistrates receive a full-time salary from the courts where they work. Some permanent SCM members remit their managerial positions in courts and prosecution offices until the end of their SCM tenure, leading to a state of provisional affairs in courts and prosecution and unstable local management (for instance, the Bucharest Court of Appeals is headed by interim presidents who are changed every six months).

Further efforts are needed to complete staffing and organizational reforms within the judicial system and to assure its sustainability. The SCM suggestion of filling vacancies through "fast track" admission procedures alongside annual competitions raises concerns as to the quality of new recruits to the judiciary. At the end of 2008, there were 428 vacant positions for judges out of a total of 4,469 judicial posts, and 604 vacancies for prosecutors from a total of 2,784 prosecution posts.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00

The Constitutional Court ruled that ministers who are also MPs can be charged for crimes only with the approval of the chamber to which they belong, despite the removal of immunity for MPs in the 2003 constitutional reform package. Parliament postponed discussions on a NAD request to lift immunity for MPs that NAD had earlier charged (former ministers), so allowing them to stand trial, despite pressure from the media and Brussels. The judicial committees asked for complete files on the ministers' cases in order to decide if investigations are current and not "politically motivated." In August, the mandate of Daniel Morar, chief prosecutor of Romania's anticorruption agency, expired. Despite warnings from the EU that NAD should not be interfered with, Minister of Justice Cătălin Predoiu replaced Morar, proposing a magistrate with no anticorruption prosecuting record. The nomination was negatively received by the SCM and was returned to President Băsescu, who has final appointment power over prosecutors general. In an extraordinary summer session, Parliament voted to spare their colleagues from

the ordeal of defending themselves in court, de facto ending their prosecution. They also passed an amendment to the nomination procedure of prosecutors, stripping the president of this right and granting it to the SCM instead. The bill ended in the Constitutional Court. Meanwhile, the prosecutor general gave interim powers to Morar until a final appointment was made. Labor Minister Paul Pacurariu, featured on television in an audio recording asking that a public job be granted to his son, lost his immunity and was immediately sacked by the president. He is officially the first Romanian minister dismissed for corruption.

Even more detrimental than hindering the cases of MPs from reaching the courts, Parliament modified amendments to the procedural code to favor criminals over prosecutors. Despite warnings from the EU that such amendments risk compromising the EU's ability to fight organized crime in an increasingly coordinated EU home and justice space, the Romanian Parliament maintained its main points even after the law was returned from promulgation by the president. The most notorious amendment calls for prosecutors to provide suspects with an advance warning prior to carrying out a home search warrant.

A crucial part of Romania's 2008 evaluation by the EU rested on the functioning of the National Integrity Agency (NIA), which monitors the assets and conflicts of interest of politicians, civil servants, and magistrates. The NIA Law, crippled the previous year by Parliament, curtailed the powers of the agency and was again amended by a government emergency ordinance to bring it closer to EU guidelines. By summer, however, the agency had an insufficient budget, which then prime minister, Călin Popescu-Tăriceanu deemed "not a priority." After the critical EU report, a compromise was made allowing the agency to check 17 politicians by the beginning of the fall 2008 electoral campaign. It also fined individuals who did not compile the legally required statements of assets. It is too early to assess the agency's ability to fulfill its competences.

Romanian civil society has continued to play an effective role in anticorruption, monitoring Parliament, universities, and locally elected bodies. While the print media reports on corruption, television stations, whose owners are accused in various cases, have ignored or downplayed any investigation or substantial discussion on the matter.

▮ Author: Alina Mungiu-Pippidi

Alina Mungiu-Pippidi is founding president of the Romanian Academic Society and democracy studies chair at the Hertie School of Governance in Berlin.

---

[1] European Commission, MEMO/07/262, "Key findings of the progress report on the Cooperation and Verification Mechanism with Romania", Brussels, June 27, 2007.

Russia

by Robert W. Orttung

Capital: Moscow
Population: 142.1 million
GNI/capita: US$14,330

The data above was provided by The World Bank, *World Bank Indicators 2009*.

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75
Civil Society	3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75
Independent Media	4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25
Governance*	4.50	5.00	5.25	5.00	5.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50
Corruption	6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25
Democracy Score	4.58	4.88	5.00	4.96	5.25	5.61	5.75	5.86	5.96	6.11

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

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

Executive Summary

Since first coming to office in 2000, former president and current prime minister Vladimir Putin has used his general popularity and the wealth generated by rising oil prices to consolidate an authoritarian form of government in Russia. His personalized power, wielded from the executive branch, currently dominates other branches of government, key provisions of the Constitution, and even the conduct of presidential and regional elections. Consequently, Russia's top media lack the freedom to independently assess government actions, civil society groups have difficulty monitoring state actions and proposing alternatives, and corruption is pervasive in the country.

In 2008, Putin ostensibly transferred power to Dmitry Medvedev at the end of his constitutionally mandated two presidential terms, but he has continued to define policy as prime minister while maintaining the tacit approval of a majority within the Russian population. During this period, the media were not permitted to objectively cover the war with Georgia or the spreading international economic crisis. President Medvedev identified Russia's "legal nihilism" and widespread corruption as two priority concerns, but his proposed reforms have little chance of success without also addressing the authoritarian nature of the political system.

National Democratic Governance. The uncompetitive presidential election in March 2008 allowed Putin to retain the dominant role in the Russian political system. At the end of the year, unprecedented constitutional amendments strengthening executive power by extending presidential and parliamentary terms were quickly passed without debate. Furthermore, the state has increased its role in the economy while the global economic crisis could undermine its main form of legitimacy: robust economic growth and improving living standards. *Owing to Putin's continued dominant, personality-based role in the governance system, which weakens the potential for establishing meaningful democratic institutions, Russia's rating for national democratic governance worsens from 6.25 to 6.50.*

Electoral Process. The presidential and regional elections held in 2008 were largely formal exercises designed to confirm decisions made by the country's ruling elite. Following this electoral cycle, the Russian leadership continued its practice of fine-tuning the electoral legislation to meet its political needs. The authorities also pared down the number of parties, putting in place a system in which Putin's United Russia dominates a handful of smaller parties. *Given that voters effectively have no ability to influence the outcome of controlled elections, Russia's rating for electoral process remains unchanged at 6.75.*

Civil Society. The state continues to impose extensive regulatory burdens on Russian nongovernmental organizations (NGOs) and removed tax-exempt status from the majority of foreign NGOs and foundations in Russia. The state provides money for some NGO work but can use these funds to shape the evolution of civil society. The government did little to counter the rising number of racially motivated attacks carried out by extremist and nationalist groups. *State actions have constrained the potential growth of independent efforts to protect political rights and influence state policy; thus Russia's rating for civil society worsens from 5.50 to 5.75.*

Independent Media. The state maintains extensive control over television, radio, and important newspapers, allowing free speech in only a handful of exceptions. Journalists face a climate of violence, with the assassination of Magomed Yevloyev, founder of Ingushetiya.ru, being the most prominent case in 2008. The Internet remains relatively unfettered, though government-sponsored bloggers use sophisticated techniques to disrupt critical online discussions and to spread the Kremlin point of view. *Owing to the state's continued domination of public and independent media and marginalization of critical discussions, Russia's rating for independent media remains unchanged at 6.25.*

Local Democratic Governance. The federal executive continues to appoint Russia's governors, allowing those who can maintain stability in their regions wide-ranging discretion and removing those who cannot. The country's system of local government remains in a state of legislative limbo, and there are no plans to effectively address the local level's chronic budgetary shortages or its lack of independence from regional and federal governments. Lawlessness reigns in large parts of the North Caucasus. *In an era of centralization, citizens have few chances to participate even in local decision making; thus Russia's rating for local democratic governance remains unchanged at 5.75.*

Judicial Framework and Independence. Although President Medvedev has singled out the judiciary for special attention, Russia's courts still serve the interests of the country's ruling elite. Many citizens have lost faith in Russian courts and appeal to the European Court of Human Rights (ECHR) to obtain justice. At the same time, Russia refuses to ratify Protocol 14 of the ECHR, preventing the streamlining of the Court's work. Lack of independence poses a major problem in the Russian judiciary, along with the baseless detention of citizens before sentencing, lengthy delays in court procedures, lack of public information regarding court cases, and inhumane conditions, including overcrowding (leading to the spread of illnesses such as tuberculosis) and torture. In 2008, authorities sought greater limits to trial by jury. *Owing to the court system's inability to assert greater independence and the government's inactivity in addressing ongoing concerns, which together have undermined the public's trust in Russian courts, Russia's rating for judicial framework and independence worsens from 5.25 to 5.50.*

Corruption. Corruption remains a major problem in Russia. President Medvedev made the issue one of his top priorities, introducing a package of reforms in 2008. These new laws have little chance of improving the situation since they do not address the fundamental problems of authoritarianism, lack of a free media, and the absence of effective civil society watchdog groups. State efforts to mitigate the global economic crisis will increase opportunities for graft as the government distributes funds to help companies cover their debts. *In the absence of a free press, energetic civil society, and independent judiciary, hopes for reducing the abuse of public office are unlikely to be realized; therefore Russia's rating for corruption worsens from 6.00 to 6.25.*

Outlook for 2009. The global economic crisis and declining oil prices will greatly reduce economic growth and state revenues in Russia. For the first time, these adverse conditions will test Putin's system of government, which he built during an era of oil-fueled prosperity. Russian newspapers such as *Vedomosti* have already begun to discuss the possibility of social unrest. While difficult economic conditions may stimulate needed structural and political reforms, many predict that the current leadership will resort to greater repression to strengthen its hold on power. There is little doubt that there will be less funding for NGOs available from non-state sources, and independent media will have greater difficulty surviving.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50

In its current formation, the Russian political system does not function under democratic standards and lacks meaningful citizen participation. After winning the presidency in an uncompetitive election held in March 2008, Dmitry Medvedev carried out the policies defined by former president Vladimir Putin, who de facto continues to rule the country as prime minister, though technically he is subordinate to the president. Although the Constitution places considerable power in the hands of the president, the Russian political system remains personalistic, with Putin in control of key military, security, police, and economic ministries. The current system bears little relationship to the Constitution, which stipulates that the military, security, and police ministries and the Ministry of Foreign Affairs are directly subordinate to the president. The former president's preferences also continue to dominate major domestic and foreign policies, while neither the legislature nor the judiciary has sufficient independence to challenge the executive branch.

The current leadership took steps during the year to strengthen executive power. In his November 5 annual address to the Russian Parliament, Medvedev called for an unprecedented amendment to the Constitution to extend the presidential term from four to six years starting with the next electoral cycle and to extend parliamentary terms from four to five years. The national Parliament and regional legislature ratified the proposal in a matter of weeks, with little public discussion, and the amendment went into effect at the end of 2008. There was speculation in Russia that the constitutional reform would open the door for Putin to return to the presidency for another 12 years.

While there are no signs that the current regime faces existential threats in the short term, the Russian political system is poorly equipped to address the global economic crisis. Putin and Medvedev depend on steadily improving living standards in the country to maintain the stability of the political system and their legitimacy within it. While Russia has built up cash reserves of more than US$600 billion, this cushion will last no more than two years in the face of an international economic slowdown.[1] The Russian economy depends heavily on the price of oil, which at US$50 a barrel toward the end of 2008 was at historically high levels but below the US$70/barrel benchmark beneath which the Russian budget and trade balance drop into deficit.[2]

Observers note that Putin remained popular through the end of the year, but this support did not necessarily extend to the rest of the authorities, who were often viewed critically. Given the absence of democratically functioning institutions and the government's tight control over the media, Putin's real level of popularity is

difficult to assess. Moreover, the current system does not allow citizens to freely choose their leaders. To maintain popular support, incumbents have blamed many of Russia's problems on the United States and have sought to scare domestic and foreign audiences with the claim that alternatives to their leadership would be even more undemocratic and nationalistic.

The Russian state has increased its role in the economy, particularly the energy sector, the country's most lucrative economic asset. Putin's key lieutenants control the boards of the most important companies: First Deputy Prime Minister Viktor Zubkov is chairman of Gazprom, while Deputy Prime Minister Igor Sechin is chairman of Rosneft. The evolving system is one of state capitalism, in which the government forgoes privately managed markets in order to increase political control. Likewise, the state is creating new state corporations that allow it to give money to small groups of individuals with little public oversight. The growing state dominance of the economy creates fertile ground for increasing corruption, which is now a defining feature of Russia's political-economic system.

Russia's use of political coercion at home has facilitated an aggressive approach toward the outside world. The government has systematically forced foreign energy companies working in Russia to hand over a larger share of proceeds from their development projects, arguing that the original deals were unfair. In August 2008, following a surprise Georgian offensive seeking to recapture the Russian-backed separatist region of South Ossetia, Russia invaded Georgian territory, occupying large parts of the country, and unilaterally recognized the Abkhaz and South Ossetian secessionist regions.

Ultimately, the key to Putin's dominance is the political passivity of the Russian population. In 2008, only 7 percent of those polled thought that Russians had insufficient political rights, according to the Levada Center, Russia's most respected independent polling agency. On the other hand, only 8 percent believed they had any influence on political processes in Russia, while 87 percent stated they had no influence. One-third of the population follows political news carefully, but only 5 percent stated that they had worked on an electoral campaign in 2008, and only 3 percent stated that they attend party meetings or have participated in public demonstrations. The Russian population's view of democracy differs from standard definitions in the West since the population associates the term with a high standard of living.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	5.75

Russia has thus far failed to demonstrate a commitment to universal and equal suffrage with regular, free, and fair elections conducted by secret ballot. After Putin served his constitutionally mandated two terms as president, he named Dmitry

Medvedev as his successor and used all available state resources to ensure that his choice was duly affirmed. On March 2, 2008, Medvedev won 70.28 percent of the votes with a turnout of nearly 70 percent of registered voters.

To secure Medvedev's victory, the authorities allowed only three other candidates on the ballot: Communist Party leader Gennady Zyuganov, Liberal Democratic Party leader Vladimir Zhirinovsky, and Democratic Party of Russia leader Andrei Bogdanov. They blocked such independent candidates as chess champion Garry Kasparov and former prime minister Mikhail Kasyanov from the ballot. Television coverage heavily favored Medvedev, though he refused to participate in televised debates with his opponents.

The Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (ODIHR) refused to monitor the elections because the Russian Central Electoral Commission imposed what the ODIHR considered to be unacceptable working conditions: Russian authorities allowed the observers access less than two weeks before the vote. ODIHR refused to observe Russia's December 2007 parliamentary elections for similar reasons. Local observers from the organization Golos, which receives Western funding, claimed that they were denied access to some polling places. They also reported signs that some voters were coerced to participate in the process.

The regional elections held on March 2 and October 12 encountered similar problems. Only the four parties represented in the State Duma could compete at the regional level, with Putin's United Russia party clearly dominant. All parties are either pro-government or represent a weak opposition. The United Russia leadership typically chooses candidates in a top-down manner, favoring those who have little connection to local constituencies, and regional legislatures are filled with party loyalists who rubber-stamp policies from Moscow. The authorities disqualified unwanted parties by declaring that many of the signatures collected to secure a place on the ballot were invalid. Efforts to heavily suppress the opposition made it unnecessary to manipulate vote totals. However, in the case of the Archangelsk mayoral elections, where Larisa Bazanova won a small majority on the basis of a protest vote, the authorities conducted a recount that put her opponent, the acting mayor, in office.

In his November 5 address to the Parliament, Medvedev proposed eliminating monetary deposits used by some parties to secure a place on the ballot. This move would hit small liberal parties that buy registration with the support of business groups. It also would strengthen electoral committees, which determine the validity of signatures that candidates collect for registration. In a slight concession to smaller parties, Medvedev suggested reducing the number of signatures needed to get on the ballot. Medvedev also proposed that parties that win at least 5 percent in the next State Duma election or that have factions in more than a third of regional parliaments be excused from having to collect signatures at all. Currently, only the four parties in the State Duma that won 7 percent of the vote in the last election have this privilege. The president also proposed additional complex procedures for appointing members of the upper house, thus avoiding direct elections.

In addition to changes in the electoral legislation during the year, the Kremlin further purged Russia's political spectrum of alternative parties, leaving United Russia to dominate over a handful of powerless nominal parties that provide only a show of competition. The fate of the Union of Right Forces (SPS), a liberal party that failed to win representation in the two previous parliamentary elections, was emblematic. On October 2, the SPS political council voted to disband the current party, give up its oppositional character, and merge with other small parties into a pro-Kremlin "liberal" party. By the middle of October, there were 14 registered parties in Russia, down from 35 two years earlier. According to Leonid Gozman, the former SPS ideology secretary who joined the new party's leadership, "it is impossible to create a party without cooperating with the authorities under the existing totalitarian regime."[3]

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50

Current observers have little systematic data describing the breadth and depth of civic activity in Russia, including charitable institutions, nonprofit agencies, and nongovernmental organizations (NGOs). Beyond impressionistic anecdotes, there is also no way of knowing whether this activity is increasing, decreasing, or staying the same. One report suggests that Russian citizens are much less active than their Western counterparts: Only 7 percent of Russians are actively involved in the work of noncommercial organizations, compared with 43 percent in France and 35 percent in the United States, according to a study by the High School of Economics and the Social Agreement Institute.[4]

On the other hand, observers point to the fact that many people are involved in the work of unregistered groups that address problems of public life such as urban planning. In cities across Russia, groups have blocked the destruction of historic cityscapes by commercial construction companies by preemptively obtaining the rights to demolish existing buildings or green spaces. Additionally, independent newspapers and motivated individuals throughout the regions have organized a wide range of charitable activities to address concrete social needs.

The number of visible protests in Russia grew in 2008. In December, hundreds of Vladivostok residents staged a rally against a tariff hike on imported cars that Putin proposed on December 5. While the Russian government sought to protect the domestic automobile industry, most residents in eastern Russia drive Japanese cars. Russia's main television channels did not cover the event.

The state makes life difficult for most prominent human rights NGOs, indicating that their activities are unwelcome. In the most chilling case of repression, on December 4 a group of masked men armed with truncheons from the Office of

the Procurator raided the St. Petersburg branch of the Memorial Organization and confiscated its computers. The authorities alleged that the group was linked to the publication of extremist material in a local newspaper. In 2006, Russia adopted a law that broadly expands its ability to regulate and monitor the activities of nonprofit organizations. The government has also used legislation against "extremism" to weaken critical voices in Russia and undermine independent activism. Given the overall context in which the law is implemented, it is designed to constrain NGO activity in areas that state bureaucrats define as inappropriate. In the past, Putin met with human rights NGOs on International Human Rights Day, but he abandoned the practice more recently, and Medvedev had not picked it up by the end of the year. The authorities have also pressured a variety of non-Russian Orthodox religious groups. Nevertheless, in some cases official Russia recognizes the authority of NGOs—for example, the head of the Soldiers' Mothers Committee is a member of the Societal Council of the Ministry of Defense.

The Kremlin has cracked down on foreign funding for NGOs. Such funding plays a large role because human rights groups and others critical of state policy have few domestic sources, particularly since the Kremlin arrested Yukos head and philanthropist Mikhail Khodorkovsky in 2003, strongly signaling to other tycoons not to engage in independent civil activities. On July 2, 2008, Putin issued a decree that removed the tax-exempt status from 89 of the 101 foreign NGOs and foundations working in Russia, targeting those active in the sphere of human rights and the environment, leaving only 12 foreign organizations that work tax-free.[5] At the time, Putin said that the government would issue a second list by the end of the year with other organizations that could operate on a tax-free basis. However, the second list did not materialize before the end of 2008. The organizations that lost their tax privileges will have to pay a 24 percent tax on all grants made in Russia after January 1, 2009. This move is another in a continuing effort to push out foreign groups and limit their potential influence on Russian society. Among the organizations affected are the International Red Cross, World Wildlife Fund, Ford Foundation, and Eurasia Foundation.

While curtailing foreign funding, the state has been increasing its own distribution of funding to NGOs, including a limited number of groups that have been critical of government policies. Grants from the Public Chamber, a state body established to coordinate relations with non-governmental organizations, disbursed 1.5 billion rubles (then approximately $57.5 million) among 1,120 NGOs in October 2008, including the Moscow Helsinki Group, Glasnost Protection Foundation, and regional branches of the Soldiers' Mothers Committee and Memorial. The state can use its funds to shape the evolution of civil society, generally offering greater support to nonpolitical organizations or groups that have state approval; in 2008, the Public Chamber emphasized groups working to combat violence against children and those helping the handicapped.

Independent trade unions in Russia face great difficulties. The Putin-era labor code sought to stifle independent unions and made it difficult for unions to strike legally. However, strikes have increased across Russia more recently, and

in the context of the global economic slowdown, this activity seems to be gaining strength in a variety of industries, including the automobile and food sectors, and among producers of domestic appliances. Russians working for multinational companies with operations in Russia often gain practical experience in trade union methodologies and then spread this knowledge to Russian companies. As a result, grassroots organizations such as Edinstvo are gaining power. The largest trade union is the Federation of Independent Trade Unions, which brings together 90 percent of union membership and maintains close relations with United Russia and the Kremlin.

The Russian education system suffers from a lack of funding. Corruption is rampant, as many students are either willing or forced to pay bribes. However, the country is trying to bring its system up to international standards by joining the Bologna process. It has introduced a single state exam in the hopes of reducing corruption in the university admissions process. In the past, students seeking to matriculate had to pass oral exams scored by professors at their university of choice, a process that was open to abuse.

In addition, a number of private universities offer studies that go beyond curriculums approved by the government. One of these, St. Petersburg's European University, which is independent of the Ministry of Education and a recipient of Western grants, ran into trouble on February 8, 2008, when the authorities closed the university for alleged fire code violations. Professors and students held careful public demonstrations protesting the closure, and the rector worked quietly through inside channels to resume classes while condoning the public actions. Ultimately, the authorities reversed their original decision, and the university resumed operations on March 21. The university may have attracted the authorities' attention with its Inter-Regional Electoral Network of Assistance program, which sought to train regional election observers with European Union funding. Another theory put forward is that investors bribed officials in order to acquire the university property. Many Russian academics outside the university signed petitions protesting the closure, risking their own careers. The activists were also able to mobilize international support to keep the university functioning.

Local observers fear that racially motivated attacks by neo-Nazi skinheads and other extremist groups, particularly against people who appear to be from the Caucasus or Central Asia, are on the rise. Such attacks led to no fewer than 87 murders and 378 injuries in 2008, according to Sova, a group that tracks ultranationalist activity in the country. The group notes that the number of convictions is decreasing while the number of crimes is increasing. The authorities also tend to focus more on small offenses rather than taking measures against the radical groups themselves. In December 2008, the previously unknown Militant Organization of Russian Nationalists beheaded a Tajik in Moscow, calling on officials to stop allowing such immigrants into the country and threatening additional killings. It was the first racially motivated killing in Russia linked to a political demand.[6]

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25

Media freedoms in Russia are strictly limited despite constitutional guarantees. Reporters Without Borders ranked Russia 141 out of 173 countries in its 2008 Press Freedom Index, citing continued violence and harassment against journalists. Five journalists were assassinated, 2 disappeared, and 69 were injured in assaults during the year, according to the Glasnost Defense Foundation. The state controls the country's chief national television networks, either directly or through Kremlin-friendly corporations, and places strict limits on coverage. While outspoken radio stations like Ekho Moskvy and newspapers such as *Novaya Gazeta* continue to exist, they are the rare exceptions. The circulation of independent newspapers is approximately 700,000 in a country with a population of over 140 million.[7]

The state severely limited coverage of the 2008 war with Georgia. The Russian media presented only the official interpretation of events during the August war, and after fighting had concluded, Putin called a meeting of top media executives in order to berate Ekho Moskvy editor Alexei Venediktov for the radio station's coverage, citing what he described as errors.[8] The meeting made clear that the media should not report anything that the government might find objectionable. Prosecutors are investigating whether the station broadcast extremist speech. While Russia does not have a system of overt censorship, under the current system editors must calculate the risks of publishing material without first seeking the authorities' guidelines on what is acceptable.

Coverage of Russia's economic problems is likewise designed to prevent the population from gaining a full picture of the country's situation. The state-controlled and -affiliated media have covered the financial crisis in the rest of the world in detail, including measures that foreign governments have taken to address the problems. However, they have often failed to report the severe impact on Russia, where the stock market was one of the worst hit worldwide and the slumping price of oil dramatically affected Russia's earnings. The Kremlin instructed the media to avoid phrases such as "crisis" and "collapse" in relation to Russia. Likewise, state television did not examine the 19 percent drop in the Russian stock market on October 6, 2008.

Operators of Internet sites covering the volatile North Caucasus encountered violence during 2008. On August 31, police picked up Magomed Yevloyev, founder of Ingushetiya.ru, a news source strongly opposed to then governor of Ingushetia Murat Zyazikov. Minutes later, he was discovered dumped near a hospital with a fatal bullet wound. Although police claimed that Yevloyev was killed when he reached for an officer's gun, most observers describe the case as murder. The authorities declared that the site was "extremist" and closed it. It was reopened as Ingushetia.org with servers in the United States but was at times inaccessible to local residents.

The Internet represents the most viable area for freedom of speech in Russia. Twenty-six percent of the population had access in 2007, up from about 8 percent in 2002. In Moscow, Internet usage was 57 percent, while in the average region, it was 23 percent.[9] There are a variety of Russian-language news sources online with diverse points of view, including *Ezhednevny Zhurnal* (http://www.ej.ru) and gazeta.ru. Russia has 2.6 percent of international blogs, but the country's avid bloggers account for 11 percent of blog entries worldwide.[10]

While politicians frequently call for greater controls over Web content, such checks have not yet been implemented. One bill cracking down on "extremist" Internet sites proposed by United Russia was pulled from the Duma in December 2008. Still, there are significant controls in place: One government decree requires telecom companies and Internet service providers to install equipment at their own expense, which allows the Federal Security Service unrestricted monitoring of all communications, phone calls, text messages, and e-mail without the knowledge of provider or user. In July, a Syktyvkar court sentenced blogger Savva Terentyev to a one-year suspended term of imprisonment for a February 2007 post in which he called for setting fire to city police officers in public squares. Terentyev argued that his statement was private since it was a comment posted in another blog, but prosecutors convinced the judge that it was an extremist act targeted at law enforcement officials. Such cases are typically isolated actions carried out by regional officials. Nevertheless, observers saw this first criminal case against a blogger as an attempt to limit free speech on the Internet.

The government takes the blogosphere seriously and finances an extensive organization to exert control over it. The state uses the Internet to consolidate its power and promote its message among Web audiences. Kremlin affiliates disrupt discussions in opposition forums using a variety of techniques to prevent some issues from reaching important audiences.[11] This sophisticated form of manipulation avoids overt censorship, such as occurs in China, making it possible for Russian authorities to claim that they respect freedom of expression. In the regions, the right to speak freely depends on the policies of local leaders; limits are particularly strong in the North Caucasus but less pronounced in the Urals.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75

In recent years, regional and local governments in Russia have lost power as Putin and his allies continued to concentrate resources and authority at the federal level. Putin canceled direct gubernatorial elections in 2004, and now the Russian president appoints governors directly. Moscow's policy toward the regions has not changed under Medvedev. In June 2008, there was some discussion about restoring gubernatorial elections, and a November Levada Center poll showed that 61 percent

of the population supported the idea. But instead, Medvedev suggested tinkering with the system, allowing parties that mustered the most votes in local elections to present gubernatorial candidates to the president, who would retain the right to make the ultimate decision. Since United Russia is controlled from the top and effectively manages the overwhelming majority of regional legislatures, this change will have little practical influence.

The situation in the North Caucasus remains unstable. On October 30, Medvedev removed Ingushetia regional president Murat Zyazikov, a former Federal Security Service general, and replaced him with paratroop commander Yunus-Bek Yevkurov. Putin had appointed Zyazikov in 2002, but the former president was unable to ensure stability in the region. More than 50 security officers were killed in Ingushetia in 2008, while the government claimed to kill nearly as many members of armed groups. The local opposition blamed Zyazikov's use of violence against the population and widespread corruption for the ongoing unrest. The region also suffers from 75 percent unemployment and extensive poverty.

Chechnya is run by Ramzan Kadyrov, who has restored some order to the region following more than a decade of fighting and has rebuilt parts of Grozny. Kadyrov's power is based on the Kadyrovtsy, an armed force that was recently integrated into the Interior Ministry forces but remains loyal to Kadyrov personally. The Kremlin would have difficulty removing Kadyrov from office without provoking conflict in the region. Key Kadyrov opponents have been killed in mysterious circumstances, including Ruslan Yamadayev, who died in a drive-by shooting in Moscow in September. An April 2008 report from the Parliamentary Assembly of the Council of Europe expressed concern about the ongoing practice of secret detentions, torture, and extrajudicial killings in Chechnya.

Putin-era politics have significantly reduced the accountability of regional leaders, even in relatively progressive cities like St. Petersburg. There, Governor Valentina Matvienko has been in office for more than five years. The city's legislative assembly has not criticized her work since the Yabloko party was disqualified on a technicality from the 2007 elections, which would have given the party some seats had it been allowed to compete. Now Yabloko resorts to street protests to make its points in a city where the political discourse has more recently been characterized by a lack of free speech and political homogeneity.

Under existing rules, some mayors are directly elected, while others are appointed by popularly elected councils. Russia approved extensive local government reform in 2003 but postponed implementation until January 1, 2009. Toward the end of 2008, the government again postponed the reforms for an additional two years. Overall, 65 of 83 regions have implemented the law voluntarily, while 18 have not, including Chechnya and Ingushetia, where there is no local government. A key problem in the process is defining what property municipalities will control. The reforms are unlikely to improve the situation since they centralize power, with mayors typically losing out to powerful governors, and continue to deprive local officials of sufficient financial resources to handle their responsibilities. Also, local governments have little ability to raise money on their own. Dmitry Kozak, one of

Putin's key aides, was the primary author of the original reforms in 2002, but his reassignment from minister of regional development to overseeing preparations for the 2014 Sochi Olympics suggests that this topic will receive little federal attention in the future.

In his parliamentary address in November, Medvedev stated that he would continue to amend the legislation addressing local government, in particular by giving local councils the ability to remove mayors. This move would weaken the only directly elected executive branch officials in Russia besides the president. The government is also working to introduce elements of proportional representation in local elections, which would give united Russia an additional advantage and extend power vertically downward, potentially enhancing the ability of central officials to remove mayors.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25

While Russian laws theoretically protect basic political, civil, and human rights, the court system in practice serves the political interests of the country's leadership in key areas. President Medvedev described this issue as "legal nihilism" and promised a strong effort to make the courts more independent of political influence, though that will be difficult in the context of the country's broader authoritarianism. The World Economic Forum's 2008–2009 *Global Competitiveness Report* ranks Russia 109 out of 134 countries for judicial independence.

During 2008, there was a continued move by authorities to limit jury trials, which are more likely to return a "not guilty" verdict and are thus unpopular with prosecutors. In December, Medvedev signed a law that made cases connected with treason, revolt, sabotage, espionage, terrorism, and mass disturbances ineligible for jury trials. Prosecutors claimed that in some regions most citizens were connected by clan ties and would not convict defendants. Critics, however, argued that prosecutors often failed to present enough evidence for a conviction and that the lack of jury oversight will remove one of the few potential checks on security service abuses. In these cases, a collective of three judges, rather than a jury, will decide the defendant's fate. At the end of the year, the government proposed amendments to the penal code making it easier to convict a person of treason and espionage against the state, potentially including citizens who merely speak with a foreign journalist. (Medvedev withdrew the draft bill in January 2009.)

Many Russians have lost faith in the domestic court system and appeal to the European Court of Human Rights (ECHR), which acts as a check on abuses by the Russian judiciary. The Council of Europe reported that there were 27,246 cases pending before the ECHR against Russia on December 31, 2008, making up 28 percent of all cases before the Court. The ECHR ruled against Russia in 233 of 244

judgments in 2008. While Russia pays the fines levied against it, it rarely makes policy changes to prevent further abuses. Russia continues to be the only one of 47 Council of Europe members that refuses to ratify Protocol 14 to the ECHR, which would reform and streamline the Court's work, preventing it from coming into force.

Lack of independence is a major problem in the Russian judiciary since judges are beholden to officials for promotions and other benefits. For example, in May 2008, Yelena Valyavina, deputy chairwoman of the Supreme Arbitration Court, testified that presidential administration official Valery Boyev systematically pressured judges, including her, regarding the privatization of a company in Tolyatti. Russian judges are not appointed for life, which would make the procedure for removing them more difficult. Often judges are selected less on their qualifications than for their submissiveness.

Beyond the lack of independent judges, Russia's court system faces other key problems. First, only half of Russian court decisions are actually implemented, and creditors typically receive only 20 percent of what they are owed, according to the Court Bailiff Service. State agencies are often the most flagrant defaulters on court-ordered payments, delaying payment of pensions, child benefits, and Chernobyl compensation payments. Half of the ECHR rulings against Russia deal with the failure to comply with court decisions, according to Anatoly Kovler, a Russian judge at the ECHR. A second failing is the baseless detention of citizens before sentencing. These kinds of violations represent a quarter of the cases lost by the Russian state at the ECHR. Experts on the Russian legal system claim that Russia is working to address this problem, but much work remains to be done.

A third issue is lengthy delays in court procedures. In his November address to the Parliament, Medvedev announced that he would introduce a bill setting a maximum time limit for examining civil cases and increase accountability for those who delay legal proceedings. He also suggested establishing compensation for citizens whose cases are not heard in a timely manner. A fourth problem is the lack of public information about many court cases. Judges often close trials to the public to avoid scrutiny. The most common reason given is the presence of classified documents, but the vagueness of legislation defining secrecy leaves such claims open to abuse.

Russia's prison system is notoriously overcrowded, with many inmates suffering from illnesses such as tuberculosis. At the end of the year, there were 887,500 people in correctional facilities, including 734,300 in colonies and 144,700 under arrest in pre-trial detention centers.[12] Over 2.5 million people pass through the system each year. Former prisoners allege the existence of torture prisons, and judges frequently condone the use of torture as a way of soliciting evidence from suspects, making it possible for police to use such methods without fear of being held accountable. Typically, only prominent cases receive international attention: For example, on December 22 the ECHR ruled that the continued detention of Vasily Aleksanyan, former head of the Yukos legal department who is ill with AIDS and cancer, was "unacceptable."

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	[illegible]

Upon coming to office, President Medvedev announced that one of his priorities would be to combat corruption, while Putin admitted that he had failed to address this problem during his eight years as president. In 2008, Transparency International ranked Russia 147 out of 180 countries, with an absolute score of 2.1 on a scale where 1 signifies most corrupt and 10 least corrupt. This is the lowest such score for Russia in the last eight years.

Medvedev signed into law a new package of anticorruption measures on December 25, which includes definitions of corruption and conflict of interest, a first for Russian legislation. There is also a new requirement that public officials and their spouses and minor children (but not grown children, parents, or siblings) must publish their incomes. Most declarations will not be required until 2010, when officials make an account of their 2009 income. Additionally, former public officials are prohibited for a period of two years from working for companies with which they did business as an official. The ban would be the first application of conflict-of-interest laws to Russian labor legislation. Another feature is the broader use of property confiscation procedures. The declared intent of the overall legislative package is to cut ties between the state and business, ending the current practice in which state officials use their position to secure lucrative rewards from the private sector.

Yet the current campaign against corruption contains the same worrisome features as previous ones. The laws stiffen penalties for those offering a bribe, not those willing to accept them. The idea of a two-year break between public service and business activities does not fit Russian conditions, as state officials often run businesses while still in public office. There are also many ways to conceal income, and corrupt bureaucrats will have little difficulty skirting the obligations of the new law. Additionally, Medvedev's proposals do not directly reduce the excessive functions of state agencies, trim unnecessary officials, or simplify and clarify inefficient administrative procedures. Critics also worry that law enforcement agencies will abuse their new powers to confiscate property, the reason this provision was originally removed from Russian legislation. Moreover, the law does not mention classified budgets. The state loses up to 30 percent of what it spends on security and military forces as a result of kickbacks and middleman services, according to the Public Chamber's Aleksandr Kanshin.

A 2008 report by the St. Petersburg–based Institute for Information Freedom Development argues that despite new legislative efforts, current Russian laws do not provide the legal means and mechanisms for citizens to access information about the activities of official agencies. Without access to information, the battle against corruption will be nominal. Likewise, without an aggressive opposition,

open media, free and fair elections, and a legislature that monitors the executive branch, it will be difficult to enforce Medvedev's anticorruption proposals.

Efforts to help Russia address the global financial crisis are likely to create new opportunities for corruption since they expand the state's already large role in the economy. Until recently, the government relied on Western financial institutions to lend money to its own companies because of the corruption within Russian capital markets. Under crisis conditions, there are no mechanisms to ensure that the Russian government will disburse money to companies in an effective way.

Since corruption is deeply ingrained in Russian life, businesspeople and ordinary citizens have little objection to paying bribes. Media outlets lack sufficient independence and protection to investigate corrupt practices effectively. While there are extensive discussions of corruption in the press, they are focused largely on accusations by one group against another to gain political advantage. Calls to action by State Duma Security Committee deputy chairman Mikhail Grishankov and other officials have become more emphatic, particularly as the growing organized crime complex appears resistant to law enforcement efforts, having co-opted some of these agencies into Russia's larger problem of corruption.

▮ AUTHOR: ROBERT W. ORTTUNG

Robert W. Orttung is a senior fellow at the Jefferson Institute and a visiting scholar at the Swiss Federal Institute of Technology's Center for Security Studies.

---

1 Vladimir Popov, "After 10 Years of Growth, the Russian Economy May Be Losing Steam," Russian Analytical Digest, October 17, 2008.

2 Simon Romero, Michael Slackman, and Clifford J. Levy, "3 Oil-Rich Countries Face a Reckoning," *New York Times*, October 20, 2008.

3 Ekho Moskvy, October 7, 2008.

4 Editorial, "Pravo tretyego" [Right of the Thrid], *Vedomosti*, December 26, 2007.

5 Svetla Marinova, "Russia: No Country for Charitable Souls," *Eurasianet.org*, August 1, 2008, http://www.eurasianet.org/departments/insight/articles/eav080108.shtml.

6 Philip P. Pan, "In Russia, a Grisly Message Marks Rise in Hate Crimes," *Washington Post*, December 14, 2008.

7 Vladimir Kara-Murza Jr., presentation at the National Endowment for Democracy, October 29, 2008.

8 Philip P. Pan, "In Wake of Georgian War, Russian Media Feel Heat," *Washington Post*, September 15, 2008.

9 Floriana Fossato and John Lloyd with Alexander Verkhovsky, *The Web that Failed: How Opposition Politics and Independent Initiatives are Failing on the Internet in Russia* (Oxford: Reuters Institute for the Study of Journalism, 2008) 11.

[10] Sergei Kuznetsov presentation at Russia On-line conference, Columbia University, October 17, 2008.

[11] For more information on these topics, see Freedom House, *Freedom on the Net*, www.freedomhouse.org/uploads/specialreports/NetFreedom2009/FreedomOnTheNet_FullReport.pdf, p. 88.

[12] "Russia to Conduct Census of Prisoners First Time in 10 Years," ITAR-TASS, February 3, 2009.

Serbia

by Slobodan Markovich

Capital: Belgrade
Population: 7.4 million
GNI/capita: US$9,830

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	Yugoslavia				Serbia					
	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.50	4.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25	3.25
Civil Society	5.25	4.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media	5.75	4.50	3.50	3.25	3.50	3.25	3.25	3.50	3.75	3.75
Governance*	5.50	5.25	4.25	4.25	4.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.00	4.00	3.75	4.00	4.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	5.75	5.50	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.50
Corruption	6.25	6.25	5.25	5.00	5.00	5.00	4.75	4.50	4.50	4.50
Democracy Score	5.67	5.04	4.00	3.88	3.83	3.75	3.71	3.68	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.*

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

Executive Summary

The year 2008 represented a serious test for Serbian democracy with pro-democratic parties narrowly winning the presidential and parliamentary elections. By the last quarter of the year, the opposition, consisting mostly of nationalistic parties, fragmented to a surprisingly high degree. Previous political division between pro and anti-Milošević parties has disappeared since what had been left of Milošević's party joined the democratic block. The main opponent of reforms after 2000, the Serbian Radical Party, split. Its splinter, the Serbian Progressive Party, has advocated a surprisingly pro-European agenda. The party of former prime minister Koštunica, the Democratic Party of Serbia (DSS), refused to enter into negotiations with the new coalition at all levels and eliminated the last traces of hope for a democratic coalition. A "pro-European" coalition of political parties was formed in August and now includes a coalition partner from the Milošević era.

The pro-western president, Boris Tadić was re-elected in February with the smallest margin in recent Serbian parliamentary history. This victory triggered a series of unexpected electoral victories for the Democratic Party despite the explosive atmosphere created after the proclamation of Kosovo's independence.

The independence of Kosovo was a key political issue for Serbia in 2008, and the government remained determined to oppose it through instruments of international law. A compromise between Serbia and the EU on the European Union Rule of Law (EULEX) Mission was achieved at the end of November 2008.

The economy remained relatively stable. However, signs of decline became visible in the last quarter of 2008, amid fears that the effects of the global financial crisis might seriously affect Serbia in the first half of 2009.

National Democratic Governance. Kosovo's proclamation of independence in February and elections at all levels were key events for Serbia in 2008. In spite of some difficult moments for pro-European parties, most succeeded in winning elections at all levels in Serbia and found a *modus operandi* with the European Union regarding Kosovo. The main opposition, the ultra-nationalist Serbian Radical Party (SRS), split in September. And on October 10, a new party, the Serbian Progressive Party (SNS), was registered with a more moderate program. *As the year ended with the surprising consolidation of the pro-European parties, marginalization of the DSS, split of the SRS, and a stabile political system, Serbia's rating holds steady at 4.00.*

Electoral Process. Free and fair elections were held at all levels in 2008. In January and February, two rounds of presidential elections were held with a narrow victory for pro-Western candidate Boris Tadić. On May 21, parliamentary and local elections were held. *Because of the expected implementation of by-laws and the*

antiquated voter registration system, the slight progress made in the electoral process is not enough to raise Serbia's rating from 3.25.

Civil Society. The Law on Associations, which regulates the legal position of domestic and foreign associations, was not enacted as expected by the end of 2008. Cooperation between NGOs and the state has advanced and the NGO community is increasingly seen as a viable partner. *Due to the lack of enactment of the new Law on Associations, Serbia's rating for civil society remains at 2.75.*

Independent Media. The domination of TV stations over print media continued in 2008, and tabloids did not cease their coverage of sensitive issues in an irresponsible way. The election of a new editor-in-chief of *Politika* received media attention because of significant government involvement. *Serbia's independent media rating stagnates at 3.75.*

Local Democratic Governance. In 2008, the Statute of Vojvodina was accepted by the regional assembly, but the Parliament of Serbia did not confirm it by the end of 2008. The government has taken steps to address the more than four million citizens who have no midlevel representation between their municipalities and the central government, and the problematic voting procedure for local councilors, which requires voters to vote for political parties instead of individuals. *As important reforms addressing these issues were initiated or announced in 2008, but were not implemented, Serbia's rating for local democratic governance remains at 3.75.*

Judicial Framework and Independence. In 2008, a comprehensive set of judicial laws addressing the organization of courts, the election of judges, the formation of the High Judicial Council, the powers of the public prosecutor, and the administrative power and jurisdiction of courts was implemented. Yet, lengthy court procedures and a substantial backlog of cases continues to hinder the judicial process in Serbia. *The inability to measure the effectiveness of these reforms before 2010 leaves Serbia's rating for judicial framework and independence at 4.50.*

Corruption. Widespread corruption is a key problem in Serbia as identified by EU monitors. The Law on Confiscation of Property Originating from Criminal Act and the Law on the Anti-Corruption Agency were adopted to curb widespread corruption. While *one-third of state officials do not submit details on their assets, despite being legally required to so, and access to information on government bodies as required by the Law on Free Access to Information is hindered by improper classification and problematic access procedures, Serbia's rating remains 4.50.*

Outlook for 2009. The unexpected stability of the Serbian government at the end of 2008 is likely to continue in 2009 if not affected by conflict with Kosovo, the declining economy, or the insufficient pace of association with the EU and the International Criminal Tribunal for the former Yugoslavia. Relations with Kosovo

will remain a key political concern. The division of Kosovo in the UNMIK and EULEX controlled areas is likely to bring short-term stability, but not a permanent solution. After years of very high GDP growth, Serbia will see an economic recession in 2009, and it is unlikely that the various social benefits promised by the new government will be met as a consequence of unfavorable economic trends.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				n/a	4.00	4.00	3.75	4.00	4.00

Serbia entered 2008 with a coalition government headed by Prime Minister Vojislav Koštunica, leader of the Democratic Party of Serbia (DSS). His closest ally in the government was Velimir Ilić, minister of infrastructure from the New Serbia (NS) political party. Both center-right parties were especially focused on and opposed to Kosovo's proclamation of independence in 2008. Another center-right party in the government, G17plus, kept their focus on economic reforms under the leadership of the minister of economy, Mlađan Dinkić. The largest number of ministries was held by the centrist party, the Democratic Party (DS), led by Serbia's president Boris Tadić. Following the parliamentary elections in May the DS began to identify as a centre-left party and to emphasize its membership in the Socialist International.

Government efforts to create contingency plans for reacting to Kosovo's declaration of independence dominated politics at the beginning of 2008. Yet, two rounds of presidential elections took place on January 20 and February 3. President Boris Tadić and the Democratic Party rushed to organize presidential elections as it feared that a pro-democratic president would not be reelected following Kosovo's proclamation of independence. But, by the end of 2007, Prime Minister Koštunica was already in tense relations with President Tadic and the Democratic Party over his views on Kosovo and their support for the EU. Koštunica assumed Tadić could not win elections after the proclamation of Kosovo's independence and aimed to postpone the elections in anticipation of Kosovo's announcement.

The nationalistic and pro-Russian presidential candidate Tomislav Nikolić from the Serbian Radical Party (SRS), won the first round of the 2008 presidential elections. But Tadić won the overall elections with a narrow margin in the second round thanks to support from voters in Vojvodina and Belgrade.

There was discontent over Kosovo's declaration of independence on February 17, 2008. The government initiated its action plan by recalling ambassadors and banning state dignitaries from meeting with diplomats from the US and other countries that had recognized Kosovo's independence. The prime minister organized a rally in Belgrade on February 21 intending to demonstrate Serbia's resistance to Kosovo's proclamation. The rally drew a huge crowd and eventually violence erupted. 150 people were injured (including both policemen and protestors) and one man was killed when a group of protesters began to riot and set fire to the US Embassy. Rioters broke into and looted local shops, and destroyed public and private property. The attack on the US embassy was condemned by the United States and the UN Security Council. President Tadić also publicly denounced these events,

which further alienated him and the prime minister, as the PM's party officials were in charge of the Ministry of Interior and the Security Information Agency and were therefore responsible for the failure to protect the US Embassy.

Following the rally, the ruling coalition reached a low point and ministers ceased communications with one another. On February 28, the minister of economy Mlađan Dinkić expressed concerns that Serbia "might sink into collective madness as in 1990s when Slobodan Milosević ordered court trial against Bill Clinton." The prime minister, who had organized and continued to support the demonstrations, used his constitutional right on March 8 to call for early parliamentary elections. The parliamentary elections were scheduled on May 11, 2008 to coincide with regional and local elections.

Prime Minister Koštunica had assumed that dissatisfaction with Kosovo's proclamation of independence would aid his party, which openly promoted nationalism and voiced disapproval over European and US policy in Kosovo. Yet, the prime minister and the Serbian Radical Party's overwhelming focus on nationalist issues did not prove a successful campaign strategy compared to the coalition "For European Serbia," which focused on European integration and economic development.

There was a general belief among leading pollsters that the coalition "For European Serbia," headed by the president's Democratic Party and G17plus, would not win more than 30 percent of the votes. However, the signing of the Stabilization and Association Agreement (SAA) between Serbia and the EU on April 29, 2008 increased the popularity of the coalition. But, ratification and implementation of the SAA were automatically put on hold until the new government can prove fully cooperative with the International Criminal Tribunal for the former Yugoslavia (ICTY). The minister of economy's announcement that the Italian automobile manufacturer, FIAT would come to Serbia to produce cars, and that a certain amount of shares would be distributed to every Serbian citizen of legal age also turned many voters in favor of the coalition. Confirmation of shareholder status was sent to millions of Serbian citizens and voters days before the elections. The pro-European coalition won 38.4 percent of the popular vote in the parliamentary elections, compared to 29.45 percent won by the Serbian Radical Party.

While the coalition "For European Serbia" won the most seats in Parliament, it did not win enough seats to form its own government. The DS and the Socialist Party of Serbia (SPS) compromised. The ruling coalition was strengthened on October 21, 2008 when the DS and the SPS signed a "Declaration on Reconciliation," stating that their future cooperation would be based on "overcoming disputes from the past."[1] However, other parties from the ruling coalition did not support this declaration. The president of the Democratic Party, President Boris Tadić, nominated Mirko Cvetković, an independent technocrat who had served as finance minister in Koštunica's coalition government for prime minister. To satisfy various coalition members, a large government with 26 ministers had to be formed. In addition to the "For European Serbia" coalition and the coalition around the SPS, the new government received support from the Hungarian coalition and two Bosniak members of Parliament (MPs) from Sandžak.

Radovan Karadžić, who had been indicted by the ICTY for war crimes in the war in Bosnia and Herzegovina, was arrested shortly after the new government took power. The SRS organized a rally against his extradition on July 29, 2008, during which one protester was killed. The SRS blamed the police for the protestor's death. Serbian police later admitted that several policemen had used excessive force and that six officers had been suspended. A day after the rally, Karadžić was extradited to the ICTY.

Parliament ratified the SAA agreement on September 9, 2008, and the government decided in October that the SAA would be implemented beginning January 1, 2009. Yet, by the end of 2008, the situation had not developed much. Encouraged by the European Commission to expand their achievements, Serbian officials reiterated their promise that Ratko Mladić, the ICTY's most wanted indictee for war crimes, genocide and crimes against humanity would be arrested as soon as he was located, provided that he was in Serbia. The new government also promised speedy accession to candidate status.

The new government made steps towards EU integration and continued talks with EU officials. Yet, the refusal of five EU countries (Cyprus, Greece, Romania, Slovakia, and Spain) to recognize Kosovo prompted Belgrade to claim that the EU had not recognized Kosovo's independence, and that the EU had been divided on the issue. The Serbian Ministry of Foreign Affairs essentially held the same line as it had during Koštunica's government on the Kosovo issue, albeit with more conciliatory tones, making the foreign minister very popular in Serbia and reducing the influence of nationalistic parties. At the same time, this made any short-term agreement between Belgrade and Priština impossible.

Simultaneously, the minister of foreign affairs, Vuk Jeremić, intensely lobbied members of the United Nations Assembly to bring the question of the legality of Kosovo's independence before the International Court of Justice—raising opposition from the USA and some EU countries, particularly France and Britain. Serbia's proposal received backing at the UN Assembly on October 8, 2008, and was hailed as a victory in Belgrade.[2] The next day, Montenegro and Macedonia recognized Kosovo's independence and Serbia proclaimed their ambassadors as *personae non gratae*. This legal approach has eased tensions in Serbia regarding Kosovo, since the government has insisted on awaiting the International Court's decision, and has allowed the government to concentrate on previously neglected issues such as the reform of the judiciary and public administration.

In November, President Tadić called on Montenegro and Macedonia to propose new candidates for their ambassadors to Serbia. At the same time, Serbia refused to accept the deployment of the EULEX mission without a United Nations Security Council (UN SC) resolution affirming that EULEX is neutral in terms of Kosovo's legal status and insisted that UNMIK remain in Kosovo Serb areas. The EU accepted Serbia's demands, and on November 26, the UN SC adopted the UN Secretary General's recommendations on the reorganization of the civilian mission in Kosovo. The essence of this deal is that police, custom officers, and judges in Serbian areas of Kosovo would be under UN control, while EULEX

would supervise the rest of Kosovo. Also, international protection of Serbian churches in Kosovo will continue.

In 2008, the Ministry of Defense made several gestures towards NATO membership, including signing the Agreement on Security of Information, despite the 2007 DSS decision that Serbia should remain neutral and not join NATO. The SPS supports NATO scepticism, as does the Serbian Progressive Party and the Serbian Radical Party. Around 60 percent of the population opposed Serbia's NATO membership while around 22 percent approved of it at the end of 2008.[3]

The SRS split in September 2008 as a result of inter-party disagreements that included arguments related to the signing of the SAA and ratifying an amendment proposed by the deputy president of the SRS. On October 10, Tomislav Nikolić registered a new party, the Serbian Progressive Party (SNS), which immediately repudiated the ultra-nationalism and euro-skepticism of the SRS and acknowledged the internationally recognized borders of Croatia and Bosnia and Herzegovina. In the November by-elections held in several municipalities, SNS took around 70 percent of the vote from the SRS. For the first time since 2003, the ultranationalist SRS was confined to roughly 10 percent of the electorate, and for the first time in five years a party not focused on nationalism became the single most popular party in the country (the Democratic Party).

After more than six months of inactivity due to Kosovo and elections, the Serbian Parliament resumed work in July, despite the parliamentary obstruction of the Serbian Radical Party. In spite of this, some 46 laws, many of which are important for Serbia's association with the EU, were enacted by the end of 2008.

GDP growth of 5.4 percent is expected in 2008, but the negative effects of the global economic crisis will only become apparent in 2009 when a serious GDP decrease of around -5 percent is expected. An IMF report summarized Serbia's economic position saying: "Growth is strong, inflation has peaked, and political uncertainties have waned. But overall economic developments suggest that Serbia's economy remains unable to deliver robust growth with low inflation and—at the same time—keep the external current account deficit at sustainable levels."[4]

The Party of United Pensioners (PUPS), a member of the ruling coalition, made an election promise that pensions would on average correspond to 70 percent of salaries, the highest ratio in the region. The government accepted this suggestion and endeavored to construct a scheme of gradual convergence of pensions towards the 70 percent level. The global economic crisis forced the government to halt such plans, and even the 10 percent raise given to pensioners in October was criticized by the IMF. The Government was forced to yield to IMF suggestions in November that both salaries and pensions in 2009 should not exceed their real value from the end of 2008.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				3.50	3.25	3.25	3.25	3.25	3.25

Major elections—presidential, parliamentary, and local—were held in Serbia in 2008. The first round of presidential elections was held on January 20, 2008, with eight candidates. The leader of the Serbian Radical Party, Tomislav Nikolić, took the most votes, but only 40 percent of the overall vote, and therefore a second round of elections took place two weeks later. The prime minister refused to support Boris Tadić, although they belonged to the same ruling coalition. He even threatened to boycott elections and voted just one hour before polling stations were closed. Tadić did, however, receive support from Serbian leaders in Croatia and Bosnia and Herzegovina, and from EU officials. Tadić won the election with 50 percent of the vote while Nikolić took only 48 percent.

There was an exceptionally high voter turnout of 61 percent in the first round and 68 percent in the second round. Since the Serbian register of voters includes many people who no longer live in Serbia, the actual turnout in the second round was more than 80 percent, giving the presidential elections the character of a national referendum. Nikolić accepted his defeat just two hours after the closing, immediately after the leading private institute for monitoring elections, Centre for Free Election and Democracy (CESID), announced Tadić's victory. Nikolić congratulated Tadić—the first instance of the loser congratulating the winner in Serbian presidential election history. Some minor breaches of electoral procedures of non-influential nature were recorded by CESID.

Parliamentary elections were called for on March 13, and scheduled for May 11, 2008. They were held after the proclamation of Kosovo's independence in a very tense atmosphere. International bodies assessed the elections as largely in line with international standards but had some criticisms about how the campaigns were conducted. The OSCE noted instances "when insults were used against political opponents and national minorities, which went beyond acceptable limits for a democratic society."[5]

According to the Constitution of Serbia, minorities can enter parliament with 0.4 percent of the vote. Following the May Parliamentary elections, four MPs from the Hungarian Coalition and two MPs from Bosniak parties were directly elected. Four MPs from the Sandzak Democratic Party and one MP from the Democratic Union of Vojvodina Croats were elected on the list of the coalition "For European Serbia." One Albanian MP from Southern Serbia was elected. In addition to these twelve MPs representing national minority parties, MPs from minority groups were also elected within the major parliamentary parties. A special caucus of national minorites was formed in the Parliament of Serbia with seven members.

Women also gained better representation in Parliament. While 30 percent of the candidates on each party list must be female, there is no requirement to appoint

women as MPs when mandates are distributed. Yet, 52 women became MPs, making up 20.8 percent of Parliament—a significant step forward in comparison with the parliamentary structure between 2003 and 2006 in which only 12 percent of MPs were female.

While parliamentary and local elections are strictly proportional, the regional elections for the Parliament of the Autonomous Province of Vojvodina is mixed; half (60 MPs) are elected on a proportional basis, and another half is elected in two rounds of majority elections. In the second round of majority elections the coalition "For European Vojvodina: Democratic Party, G17plus, Boris Tadić" decisively won and secured the majority of all seats (65 out of 120).

Voter registration reform is needed to address both absent voters and party financing. CESID has suggested adopting a law to define the relation between citizenship and the right to vote since many registered voters in Serbia live abroad and do not participate in elections. CESID has also suggested the establishment of an independent body to control party financing.[6] On October 23, amendments to the law on financing political parties were adopted by the Parliament, empowering the Agency for the Fight against Corruption to oversee financing of political parties.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				2.75	2.75	2.75	2.75	2.75	

The long awaited Law on Associations was proposed in Parliament on July 29, 2008, and accepted at the end of the year. The draft regulates the legal position of domestic and foreign associations and forbids secret and paramilitary associations. The Ministry of Public Administration and Local Self Government and the NGO community cooperated on the draft, which was well received within the NGO community. The Ombudsman of Serbia also supported the draft law stating that "the law comes with 15 years of delay."[7]

NGOs successfully cooperated with state institutions on a number of projects in 2008. In September, Prime Minister Cvetković asserted that "civil society participated in the realization of many projects of the Government of Serbia" and indicated that "the cooperation may be widened."[8] He especially acknowledged successful cooperation in the preparation of the Poverty Reduction Strategy. Furthermore, following the Strategy for Young People from 2007, the Ministry of Youth and Sports worked closely with the NGO community to offer grants to various associations within Serbia through a transparent procedure.

Several prominent NGOs voiced concern during the political campaigns in 2008. One week before the second round of presidential elections, a group of NGOs led by the Helsinki Committee sent an appeal to the incumbent president, Boris Tadić, asking him to address the civil sector, minorities, and voters of the LDP, and to stop giving concessions to forces that "openly advocate against Serbia's EU

integration."[9] On January 23, 2008, an additional 18 NGOs led by the European Movement in Serbia expressed concerns over "an increasing distance between Serbia and the integration processes in our neighborhood." Before parliamentary elections, the European Movement in Serbia organized a GOTV campaign entitled "I choose Europe—I see future."

Significant media attention was given to the Annual Report of the Helsinki Committee for Human Rights, which critically assessed the political situation in Serbia and accused various prominent figures, including university professors, of promoting nationalism and supporting the "anti-Hague lobby." While Serbia remains bitterly divided regarding perceptions of the 1990s and how to reconcile the past with the future, the report represented an effort to analyze the role of Serbian intellectuals in the Wars for Yugoslav Succession in the 1990s. The president of the Helsinki Committee, Sonja Biserko, was publicly attacked and received death threats for the report. The Belgrade Law School responded to the alligations by making a full page, paid response defending their professors in *Politika*.

NGOs actively opposed pro-fascist associations. A group of NGOs demanded that police ban meetings planned for October 11 by nationalistic and pro-fascist groups. The police banned the meetings and allowed NGOs to organize their own rally against fascism, which led to several NGOs intensifying their campaign for a law banning the existence and activities of pro-fascist organizations. The Ministry of Public Administration has stated that they would support such a law, and by the end of 2008 legislators were working on a bill banning these organizations as well as the use of neo-Nazi and fascist symbols.

Members of pro-restitution associations were active in 2008. Since 1990 they have demanded the restitution of private property nationalized in former Yugoslavia between 1945 and 1958. The promise made by former finance minister and current prime minister, Mirko Cvetković that a restitution law would be enacted by October 2007 has not been realized. Under the 2006 Law on Restitution of Property to Churches and Religious Communities such groups can receive property restitution, but the law does not cover restitution of property of private owners.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				3.50	3.25	3.25	3.50	3.75	3.75

Television remains the most influential among media in Serbia. There are eight TV stations that have countrywide frequency: three state-owned public broadcasters (Studio B, Radio Television of Serbia 1 and 2, and Radio Television of Vojvodina), five private TV stations (B92, TV Pink, TV Avala, TV Fox, and TV Košava/Happy TV). TV Fox is a branch of an American television station, but all other stations were domestically owned. In November 2008, the Republic Broadcasting Agency (RBA) permitted German RTL, whose nationwide frequency application was denied

in 2006, to buy 49 percent of TV Avala. Studio B, the local Belgrade state-owned TV station, which will remain state-owned in accordance with the new Statute of Belgrade enacted in 2008 permitting the capital to own media, is also influential.

Tabloids continue to dominate print media, progovernmental *Blic* being the most popular. In terms of circulation, *Blic* is closely followed by *Večernje novosti*. The hard core tabloids have a tendency to publish sensationalist articles with little to no fact basis. Of these, *Kurir* is strongly antigovernment, *Press* is very close to some factions of the Democratic Party, *Pravda* has a strong nationalistic agenda, and *Glas Javnosti*, is a daily owned by the same proprietor as *Kurir*. In the field of quality dailies, the moderately progovernmental *Politika* is without any competition, while the liberal *Danas*, the provincial Novi Sad *Dnevnik* owned by Gemran WAZ, and *Privredni Pregled* (an economic paper) have much smaller circulations. All leading newspapers are private with the exception of *Politika*, whose ownership is evenly divided between German WAZ and the State of Serbia, and *Vecernje Novosti* whose privatization is expected to take place soon. The state-owned, conservative *NIN* remains the leading quality weekly, along with privately-owned, liberal *Vreme* and *Standard*. Privatization plans for *NIN* were announced at the end of 2008.

In 2008, significant attention was paid to the election of *Politika's* new editor-in-chief since it has traditionally been the most influential quality daily. In June, the Government decided by a majority vote to suggest six new members to *Politika's* board. The assembly of the state-controlled *Politika JSC* accepted these changes. Ljiljana Smajlović, *Politika*'s editor-in-chief since 2005, once considered close to Prime Minister Koštunica, called the government's actions "the beginning of media purges."[10] In September, the board of *Politika JSC* initiated, for the first time, an open competition for the position of editor-in-chief of *Politika* daily. Sixteen candidates applied for the position and Dragan Bujošević, former journalist for weekly *NIN* and *Braca Karic TV*, was elected by the assembly as the new editor-in-chief.

NGOs campaigned for the removal of the director of Radio Television of Serbia (RTS) Aleksandar Tijanić as on March 28, before the court proceedings for a suit between Tijanić and NGO activist Biljana Kovačević-Vučo, Tijanić punched an LDP activist. Tijanić claimed that he did so in self-defense, but NGOs demanded his resignation. Subsequent efforts and petitions from NGOs for Tijanić's replacement failed. The president of the Republic Broadcasting Agency (RBA), Nenad Cekić, also made efforts to initiate a public competition for the director's position. Since only the board of RTS is legally entitled to initiate such an action and the board continued to support Tijanić, he remained in office. Tijanić was appointed director of RTS under the government of former Prime Minister Koštunica raising some suspicion that RBA's efforts were politically motivated.

Media coverage of Kosovo's declaration of independence varied. Quality dailies covered the crisis analytically, but with a tendency to either support Serbian official line, such as *Politika* and *Dnevnik*, or to report critically on it, such as *Danas*. Tabloids, particularly *Kurir* and *Pravda*, continue to publish inflammatory and occasionally jingoist texts.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				n/a	3.75	3.75	3.75	3.75	3.75

Decentralization remains a key issue in Serbia. The constitution stipulates the existence of two autonomous provinces, Kosovo and Vojvodina, and outlines that other autonomous provinces may be established. Belgrade has a special status as confirmed by the adoption of the Law on the Capital City in December 2007. The responsibilities of the capital city and the autonomous province of Vojvodina were harmonized with the new constitution. In 2008, the Statute of Belgrade was adopted. Vojvodina's Regional Parliament adopted the Statute of the Autonomous Province of Vojvodina and sent it to the Parliament of Serbia for confirmation and possible amendments. Most opposition parties attacked the proposed statute claiming that it contained provisions contrary to the Constitution of Serbia such as article 26 on the official use of languages, article 28 prescribing the circumstances for a joint committee of Serbia and Vojvodina, and article 45 allowing the Assembly of Vojvodina to initiate a referendum. Opposition parties also opposed the establishment of the Bank for Development of Vojvodina, Academy of Sciences of Vojvodina and the possibility of sending a representative from Vojvodina to Brussels and various regions in Europe. By the end of the year it had become clear that some members of the ruling coalition had numerous reservations regarding the scope of autonomy defined by the statute.

The instability of local self-management, the task of "depolitization", and the lack of professionals are key obstacles to decentralization in Serbia. Four million people live in central Serbia without a level of administration between their municipalities and the central government.

In November 2008, minister of public administration and local self government Milan Marković announced government plans to reduce the number of employees in municipalities from 22,000 to 12,000 over the course of the next four years. He expressed his dissatisfaction with the election of local councilors. The current proportional electoral system at the local level requires citizens to select party lists rather than individuals. This enables political parties to smuggle members from the bottom of party lists into office. For instance, if a political party gains votes for five councilors for a local municipality consisting of 20 councilors it can appoint the last five nominated on a party list rather than the first five. On the other hand, voters are likely to vote for some parties on the basis of the first five proposed councilors. Marković openly condemned proportional elections and advocated the Baden model in which the electoral system remains proportional and citizens vote simultaneously for a party and individuals from party lists, and therefore political parties may not decide themselves who would be elected from party lists after elections.

After years of political domination by the Serbian Radical Party in the municipalities, major political change took place in 2008 with the coalition "For European

Serbia" headed by the Democratic Party administering the vast majority of Serbian municipalities, including the four largest towns, Belgrade, Novi Sad, Kragujevac, and Niš.

The ethnically mixed region of Sandžak, where Chirstian Orthodox Serbs and Muslim Bosniaks have lived together in six municipalities (three with Serb and three with Bosniak majority) has been the playground of fierce competition since 2004. Occassional fights and incidents focused on the control of the largest Bosniak municipalty—Novi Pazar. In 2008, the situation in Sandžak stabilized after two Bosniak parties, the liberal Sandžak Democratic Party and conservative Party of Democratic Action, joined the ruling coalition in Belgrade with one minister each in the government. However, efforts to bring reconciliation between these two parties failed in 2008 and left political tensions on the local level, especially in the regional center of Serbian Bosniaks, Novi Pazar, in place.

The long awaited transfer of local property owned by the state to the municipalities will soon become a reality with the draft Law on Public Property. Large areas of land and private property were nationalized in the former Yugoslavia. Associations for the protection of private property oppose this transfer, believing it would violate their rights as municipalities may sell the property.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				4.25	4.25	4.25	4.25	4.50	

President Tadić severely criticized the judiciary on October 29, 2008, calling it unacceptable that "there [were] 4,300 criminal cases under the statute of limitations, with court processes taking up to 20 years, while there [were] some led against court officials." He also criticized "a lenient penal policy" for drug trafficking.[11]

Key reforms are needed in the judiciary in Serbia. The Ministry of Justice has initiated a set of reforms through six laws submitted to the Parliament on October 31. On December 22, 2008, Parliament enacted these laws: the Law of the Organization of Courts, the Law on Judges, the Law on High Judiciary Council, the Law on the State Council of Prosecutors, the Law of Public Prosecutor, the Law on Seats and Areas of Courts and the Offices of Public Prosecutors. These laws comprise the most comprehensive judiciary reform in Serbia in the last several decades.

The election of judges has been severely criticized by leading judicial officials. President of the Supreme Court, Vida Petrović-Škero, stated on November 16 that "the re-election of judges, or general election of all judges, is unconstitutional" and that it hinders the lustration of judges. She also protested that certain changes proposed in the set of new judicial laws have not been conducted in the legally prescribed manner and with the consultation of judges.[12] Similar concerns have been voiced by the Association of Judges of Serbia. However, the new constitution

of Serbia from 2006 states in article 146a: "A judge shall have a permanent tenure." An exception to this rule is provided for new judges, who will be elected for a period of three years, and who can only be re-elected on a permanent basis after this period. Judicial reform will likely mean the replacement of certain judges, due to corruption and their demonstrated inefficiency.

At the end of December 2007, the Constitutional Court of Serbia, a fifteen-person body, became operative with the election of the president of the court. However, by the end of 2008 the remaining five members of the Court were not yet appointed; two councils and the Supreme Court of Cassation, bodies that are constitutionally empowered to take part in the election of the remaining five judges, were only formally established on December 22, when the Law of the Organization of Courts was enacted.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yugoslavia				5.00	5.00	4.75	4.50	4.50	4.50

Both the EU and the Council of Europe (CoE) have expressed their concerns about the level of corruption in Serbia. The CoE Monitoring Commission delegation identified corruption as a key problem facing Serbia. The EU 2008 Progress Report for Serbia acknowledges that "some progress" has been made in this field, such as the Law on Anti-Corruption Agency adopted in October 2008, but concludes that, "corruption continues to be widespread and to pose a serious problem in Serbia." Minister of Justice Snežana Malović acknowledged the existence of corruption in the Serbian judiciary, but claimed that besides judges and prosecutors, police were also responsible.[13]

Throughout the year a number of examples demonstrating a rather high level of corruption in the Serbian judiciary, police, and public health system appeared, as well as high profile efforts to purge corruption. In March 2008, the public prosecutor in Zrenjanin was accused and detained for receiving bribes. Ongoing court proceedings against former judges and prosecutors have continued, including those against the former state prosecutor, Milorad Cvijović and suspended judge of the Commercial Court, Milojka Zeković. Parliament permitted the detention and arrest of Željko Munjiza, a judge for the Commercial Court in Belgrade, who was charged with committing a criminal act in court proceedings together with barrister Nemanja Jolovic. They were fined 64 million dinars (around €800.000) due to Judge Munjiza's ordering of an illegal payment from the insolvent estate of the company, "BIM Slavija." On October 7, Parliament dismissed Judge Ljubomir Vučković of the Superior Court, who had previously been sentenced for receiving bribes. In May, in collaboration with the Office of the Special Prosecutor, Serbian police arrested a group of twelve lawyers, medical doctors, and police officers charged with obtaining financial means in illegal ways.

Parliament adopted a series of important laws on October 23, including: the Law on Confiscation of Property originating from a Criminal Act, the Law on Anti-Corruption Agency, and amendments to the Law on Financing Political Parties. Their effects will only be visible in the years to come. Specialized departments attached to the offices of the district prosecutors have been introduced to make anti-corruption efforts more efficient, and the deputy prosecutor is now in charge of coordinating these efforts. Prior to these amendments, political parties could avoid reporting on expenditures from the state budget. One third of state officials did not submit details on their assets to the Commission for Conflict of Interests, although all state officials are legally obliged to do so. The Commission was also limited as it had no authority to enforce its decisions if it found a state official to be in a conflict of interest; the commission could only warn the official personally, and then publicly. The new law on Anti-Corruption Agency is more specific in this sense (articles 51–55) but will only be implemented from January 1, 2010.

In February, the Commissioner for Free Access to Information presented, via the internet, the agency's data on 10,847 state and other bodies as required by the Law on Free Access to Information. Yet, some improper procedures in the classification of information have hindered access to certain categories of information that should be made public.

On May 16, "Transparency Serbia" suggested that parliamentary parties should contribute to the fight against corruption by promising that MPs and state officials from their ranks would not be in a position to use immunity if they violate anti-corruption laws. As of yet, their suggestion has not been acted upon.

▮ AUTHOR: SLOBODAN MARKOVICH

Slobodan Markovich is Assistant Professor at the Faculty of Political Science, Belgrade and Advisor at the Belgrade Fund for Political Excellence.

---

1 The full text of the declaration is available at: http://www.b92.net/eng/news/politics-article.php?yyyy=2008&mm=10&dd=18&nav_id=54319.

2 "UN vote hailed in Belgrade as 'victory'", B 92 News, October 8, 2008.

3 According to survey carried out by Belgrade pollster, Politikum in October 2008.

4 "Serbia—Fall 2008 IMF Staff Visit, Aide Mémoire," September 24, 2008.

5 "International Election Observation Mission, Republic of Serbia—Early Parliamentary Elections, May 11, 2008", http://www.osce.org/documents/odihr/2008/05/31058_en.pdf.

6 Preporuke za izmenu izbornog zakonodavstva u Srbiji [Recommendations for changes of electoral laws in Serbia] (Belgrade: CESID, 2008), pp. 44, 54–55.

7 TANJUG daily bulletin, May 16, 2008.

8 TANJUG daily bulletin, September 26, 2008.

9 "Apel Tadiću da se obrati civilnom sektoru, manjinama i LDP" [Appeal to Tadic to addrecc NGO sector, minorities and LDP], TANJUG daily bulletin, January 28, 2008.

10 "Skidanje kolumnista tek početak smena?" [Replacing of Columnists only the Beginning of Removals?], *Glas javnosti*, June 15, 2008.

11 "President calls for judicial reform," B92 news, October 29, 2008. http://www.b92.net/eng/news/politics-article.php?yyyy=2008&mm=10&dd=29&nav_id=54598.

12 TANJUG daily bulletin, November 16, 2008.

13 TANJUG daily bulletin, October 5, 2008.

Slovakia

by Grigorij Mesežnikov, Miroslav Kollár, and Michal Vašečka

Capital: Bratislava
Population: 5.4 million
GNI/capita: US$19,220

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	2.50	2.25	1.75	1.50	1.50	1.25	1.25	1.50	1.50	1.50
Civil Society	2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75
Independent Media	2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75
Governance*	3.00	2.75	2.25	2.25	2.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.50	2.75
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.25	2.50
Judicial Framework and Independence	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50	2.75
Corruption	3.75	3.75	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25
Democracy Score	2.71	2.50	2.17	2.08	2.08	2.00	1.96	2.14	2.29	2.46

** 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

Nineteen 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 at that time. The 1998 parliamentary elections brought to power a broad coalition of democratic political forces that promptly remedied deformations caused by the previous authoritarian administration. Thanks to extensive political and socioeconomic reforms, Slovakia managed to catch up in the European integration process and joined the European Union and NATO in 2004. The taxation system's reform, changes in labor law, recovery of the banking sector, and decentralization of public administration made the country attractive to foreign investors, boosted its gross domestic product, and substantially reduced the unemployment rate.

Frequent political conflicts and corruption scandals, however, have reduced voter support for reform-oriented democratic forces. The 2006 parliamentary elections brought to power a coalition government comprising parties that had criticized the liberal reforms and used populist methods of appealing to voters—Smer–Social Democracy (Smer-SD), self-declared social democrats, the Slovak National Party (SNS), radical nationalists, and the People's Party–Movement for a Democratic Slovakia (ĽS-HZDS). The inherited economic development created comfortable conditions for the new government led by Prime Minister Robert Fico, chairman of Smer-SD. In 2008, Fico's cabinet was not forced to adopt any austerity measures—the ruling coalition enjoyed a comfortable parliamentary majority, and the Fico administration de facto halted the process of liberal reforms. During the year, the following trends could be observed: broadened state interventionism in the economy and social policy, clientelism in filling government and public posts, and an increased ethnocentric element in domestic politics.

National Democratic Governance. In 2008, the political system in Slovakia remained stable, and government institutions performed their duties relatively effectively. At the same time, problematic trends inherited from 2007 developed. The ruling coalition continued to use its majority in Parliament to negate legislative initiatives by opposition deputies. Parliament passed declarative documents in an attempt to usurp powers that did not belong to it, and party clientelism became the modus operandi of the ruling coalition (supported by Prime Minister Robert Fico). Retroactive efforts to intervene in previously agreed rules undermined the principle of legal safety, particularly in relations between government and owners of privatized enterprises. *Owing to disturbing nonconsensual elements in Parliament's performance, confrontation between the ruling coalition and opposition, and challenges*

to the established system of checks and balances, Slovakia's rating for national democratic governance worsens from 2.50 to 2.75.

Electoral Process. In 2008, Slovakia did not hold any nationwide elections and no principal changes were made to the currently valid electoral legislation, which provides adequate conditions for fair political competition. The only legislative change was a technical amendment to the Law on Elections to the European Parliament. In one regional Parliament, the ruling coalition attempted to change the borders of constituencies in order to achieve political profit; furthermore, this case of gerrymandering was aimed against political representatives of ethnic Hungarians. The seats in the national Parliament are divided among six (three ruling and three opposition) political parties. The power ratio between the ruling coalition and the opposition in Parliament remained unchanged in 2008. The situation of two opposition parties Slovak Democratic and Christian Union—Democratic Party (SDKÚ-DS) and Christian Democratic Movement (KDH) became complicated after several deputies deserted their parliamentary caucuses; however, they have not joined the ruling coalition and operate in the assembly as independent deputies. *The country's rating for electoral process in 2007 remains unchanged at 1.50.*

Civil Society. In 2008, Slovakia's civil society remained vibrant. The non-governmental organization (NGO) sector has a well-developed infrastructure, training, and research base. The legal and regulatory environment is free of excessive state pressures, and taxation is favorable. Yet the Fico administration is less open toward NGOs than its predecessor, and the government is not receptive to policy advocacy groups and civic initiatives. The processes of re-etatization of various activities in the public sphere continued, while civic initiatives mobilized against certain governmental institutions and powerful financial groups. *Owing to the Fico administration's evident distrust of civil society, frequent verbal attacks by ruling politicians, and the absence of legislation improving the long-term sustainability of civil society structures, Slovakia's rating for civil society worsens from 1.50 to 1.75.*

Independent Media. In 2008, the ruling political elite, courts, and regulatory organs continued to pressure Slovak media and journalists. Verbal degradation of journalism as a profession and the recently adopted Press Act may in the long term negatively affect media independence. The government strengthened its influence over public service media along with legislative proposals seeking to increase their financial dependence on government, which reduced space for their desired and law-envisaged role within society. In 2008, officials articulated attitudes and positions on the media that created space for increasing the ruling political elite's influence over media content and performance. *Owing to politically motivated legislation, restriction of the space for freedom of speech, government pressure on public service media, and frequent verbal attacks by Prime Minister Fico on independent journalists, the country's rating for independent media worsens from 2.50 to 2.75.*

Local Democratic Governance. Thanks to public administration reform carried out between 2001 and 2005, Slovakia became a decentralized state with a relatively effective system of regional and local self-governance. The positive effects of decentralization continued to show throughout 2008. At the same time, the government furthered its centralist public administration concepts and strengthened positions of executive power and select economic groups at the expense of self-governments and their functions. Parliament did not approve any legislative initiatives to deepen decentralization or strengthen self-governance democracy. On the contrary, the associations of regional and local self-governance frequently clashed with the government over legislative bills concerning their performance. *Owing to persistent centralist trends to limit the development of local democracy, the country's rating for local democratic governance worsens from 2.25 to 2.50.*

Judicial Framework and Independence. In 2008, Parliament passed laws improving the protection of certain human rights, including amendments to the Antidiscrimination Act and Law on Free Access to Information. Yet the cabinet's measures in other areas ignored the rights of particular population groups (that is, ownership rights of people inhabiting areas intended for investment projects). The new Press Act poses significant risks to freedom of speech and the media. Measures by the justice minister provoked serious concern, and there were suspicions that the Constitutional Court's adjudication on certain cases was affected by political influences. In 2008, interethnic relations further deteriorated, exacerbated by a cabinet measure to replace Hungarian geographic names with Slovak equivalents in the textbooks of ethnic Hungarian pupils. Ruling coalition leaders made racist public statements, while the overall number of racially motivated crimes increased. *Owing to negative developments in interethnic relations, Slovakia's rating for judicial framework and independence worsens from 2.50 to 2.75.*

Corruption. Corruption continues to rank among the most pressing social problems in Slovakia. While anticorruption measures adopted by the previous administration created generally favorable institutional conditions to combat corruption, the intensity of the government's anticorruption campaign declined perceptibly in 2008. Several corruption and clientelism scandals broke out, and the cabinet was selective in calling involved officials to account. NGOs monitoring corruption and transparency of public life reproached the incumbent administration for its nonsystemic approach and increasingly prevalent clientelism. The prime minister repeatedly attacked such groups, questioning the moral integrity of their representatives and accusing them of furthering the political interests of the opposition. *Owing to the passivity of the current administration in fighting corruption, the absence of important legislative initiatives, and the persistence of open clientelism, Slovakia's rating for corruption remains at 3.25.*

Outlook for 2009. The ruling coalition of Smer-SD–SNS–ĽS-HZDS is very likely to preserve its strong position in 2009, continue to weaken opposition parties,

and prepare the ground for ruling parties in the next parliamentary elections scheduled for 2010. In March–April 2009, Slovakia will hold direct presidential elections, elections to the European Parliament, and regional elections. Presidential candidates with realistic chances for election include the incumbent president Ivan Gašparovič, supported by ruling parties Smer-SD and SNS, and Iveta Radičová, a joint opposition candidate who has been endorsed by SDKÚ-DS, KDH, and the Hungarian Coalition (SMK). The implications of adopting the single European currency scheduled for January 2009, combined with the global financial crisis, may affect the public's political sympathies and electoral behavior.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.25	2.50

The Slovak Republic is a stable democracy with a generally effective system of governmental checks and balances. The cabinet reports to and has the right to recall the legislative assembly. 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.

The Slovak Constitution guarantees the right to free retrieval, collection, and dissemination of information. Unfortunately, practical implementation of the 2000 Law on Free Access to Information often encounters resistance from the bureaucratic apparatus, and in 2008 (according to a FOCUS poll), 30 percent of respondents did not know of the law's existence. On the other hand, the ongoing process of making public administration services available online has created more favorable conditions for citizens.

More than 90 percent of Slovakia's gross domestic product is produced by the private sector. Since 1998, the government's drive toward liberalization, in policy and practice, has been the chief development trend within Slovakia's economy. However, the incumbent administration of Prime Minister Robert Fico has strengthened the executive's role in the economy by cementing government regulatory mechanisms. Through the Office for Regulation of Network Industries (ÚRSO), which sets utility and fuel prices, the Fico administration has brought pressure to bear on foreign co-owners of Slovak energy enterprises. Prime Minister Fico overtly threatened German and French co-owners of the multi-national energy company SPP with nationalization of the gas supplier if they opposed his administration's regulation policies.

Since the collapse of the Communist regime in 1989, there have been no violent attempts to usurp political power in Slovakia, 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), self-declared social democrats, the Slovak National Party (SNS), radical nationalists,

and the People's Party–Movement for a Democratic Slovakia (ĽS-HZDS). The two minor parties—ĽS-HZDS and SNS—were directly responsible for the earlier authoritarian deformations. The ruling coalition currently controls 84 out of 150 seats in the Parliament, which gives it a comfortable majority.

In 2008, the ruling coalition continued to concentrate political power and frequently provoked conflicts by rejecting virtually all legislative initiatives from the opposition. The government's efforts to pass a new Press Act seeking to curb freedom of the press stalemated the ratification of the European Union (EU) Lisbon Treaty in Parliament in the first half of 2008. In February, Parliament passed a resolution to take over powers belonging to law enforcement organs, which, according to opposition leaders as well as several legal experts, violated the principle of division of power. The cabinet openly pursued clientelist practices, which Prime Minister Fico argued were part and parcel of politics. In August, he declared that privileging projects proposed by persons close to ruling parties was acceptable and that similar practices were allegedly in place everywhere in the world. This approach may catalyze further expansion of clientelism, thus undermining established democratic mechanisms.

The National Council (Parliament) is a sovereign body. It has sufficient resources and capacities for the creation and enactment of bills, as well as adequate control powers. Parliamentarians frequently interpellate cabinet members and exercise oversight of state and public institutions. However, in 2008 the ruling coalition attempted to block an opposition proposal to carry out a deputy inspection in certain government institutions. Deputies for the dominant ruling party, Smer-SD, deliberately reduced the chances for opposition deputies to interpellate the prime minister by massively submitting identical interpellation questions. Most parliamentary deliberations are open to the public and media, and bills and assembly votes are posted on the Parliament's Web site.

The deterioration of public participation in decision making was a disturbing trend in 2008. Although having acceded to the Aarhus Convention on Access to Information, Participation in Decision Making, and Access to Justice in Environmental Matters, Slovakia was criticized at a conference of member states in June in Riga, Latvia, for its legislative amendments curbing the participation of civic associations in decision making. The European Commission launched proceedings against the Slovak Republic for violating European legislation in this area.

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. The Parliament elects the NKÚ chairman and vice chairmen for seven-year terms. Though funded by the state budget, the NKÚ is free from political influence. Reform of the armed forces over the past decade has introduced civilian controls in line with NATO, which Slovakia joined in 2004.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.50	2.25	1.75	1.50	1.50	1.25	1.25	1.50	1.50	

The authority of the Slovak government is based on freely exercised universal suffrage. Since the collapse of the Communist regime in 1989, Slovakia has held six parliamentary elections (1990, 1992, 1994, 1998, 2002, and 2006), five municipal elections (1990, 1994, 1998, 2002, and 2006), two regional elections (2001 and 2005), two presidential elections (1999 and 2004), and one election to the European Parliament (2004). International and domestic election-monitoring organizations declared all of these elections free and fair. The legislative framework provides for free and democratic competition, equal campaigning, fair voting, and the transparent scrutiny of votes.

In Slovakia, business groups strive to benefit from their representatives' close relations with officials. The Slovak Confederation of Trade Unions (KOZ) tries to influence government policies in social and economic areas through its privileged relations with the dominant ruling party, Smer-SD. The Catholic Church tends to support conservative parties, but the leftist-nationalist administration of Prime Minister Fico attempts to neutralize this affinity by increasing state budget subsidies to churches.

Parliamentary elections are based on a proportional system, and the minimum quorum for individual parties to qualify for the assembly is 5 percent of the popular vote (for two- or three- party-coalitions it is 7 percent). The electoral rules also include a system of preferential votes. A candidate who receives more than 3 percent of a party's preferential votes is treated preferentially in the allocation of mandates. Elections to the European Parliament use a proportional system. Elections to local and regional self-governments use a modified majority electoral model. Slovakia's president, regional governors, and mayors are directly elected using a majority model (with two rounds of voting in the case of the president and regional governors).

In 2005, the 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 (roughly US$20,000), which is refunded to all parties receiving at least 3 percent of the popular vote; other party deposits are forfeited to the state budget. In 2008, a total of 40 political parties reregistered with the Ministry of the Interior. The Supreme Court is entitled to dissolve political parties that violate the Constitution, constitutional laws, or international treaties. Motions to dissolve a political party must be filed by the attorney general. Currently, five Slovak parties are represented in the European Parliament.

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 (the 54.7 percent turnout in 2006 was the lowest since

1990). In 2004, the presidential elections recorded a turnout of 47.9 percent (first round) and 43.5 percent (second round). Municipal and regional elections typically show lower turnout than national elections. Membership in political parties is relatively low at approximately 100,000 out of 4.2 million eligible voters.[1]

Ethnic minorities encounter no institutional obstacles to participating in political processes. About 15 percent of Slovak citizens belong to various ethnic minorities. Ethnic Hungarians form the largest minority at 10 percent of the total population.[2] Traditionally, ethnic Hungarians have a high rate of political mobilization; as a result, this minority is represented effectively, mainly through the Hungarian Coalition Party (SMK). Following the parliamentary elections in 2006, the SMK found itself in the opposition, and many of its representatives were removed from state administration posts by the new ruling coalition. In July 2008, the Nitra regional assembly changed the borders of its constituencies, a harshly criticized act of gerrymandering with an implicit goal to increase the number of Slovak deputies and reduce the number of ethnic Hungarians in the assembly.

By contrast, the Roma minority is not sufficiently represented owing to the ethnic group's low social status and limited access to education, a virtual absence of political leaders, and the inability of mainstream political parties to cooperate with Romani organizations. No Romani political parties have gained a foothold in executive or legislative organs at the national or regional level. The only registered party representing Romani interests—the Romani Initiative of Slovakia—struggles for credibility, even among Roma.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75

Since the parliamentary elections of 2006, the previously cooperative relations between governmental institutions and nongovernmental organizations (NGOs) have disappeared, and this atmosphere of mutual distrust has extended into the administration of Prime Minister Fico. Happily, most of the threats toward the NGO sector did not materialize, and civil society initiatives protecting public interests against the state and corporate sector have started to mobilize and interconnect their activities. During 2008, Slovakia's civil society continued its path toward "Europeanization," though it is influenced more by an American "Tocquevillian" understanding of civil society than by the continental European version.

Slovak civil society continues to be dynamic and vibrant. In 2008, the Ministry of the Interior listed 34,064 NGOs, of which the overwhelming majority (90.1 percent) were civil associations (societies, clubs, associations, movements, trade unions, international NGOs, and various sports clubs). The public image of civil society organizations remains positive, although NGOs are not always accorded equal status with state institutions. For instance, the Law on Social Services adopted

in October 2008 violates the right of handicapped citizens to freely select their social services provider, privileging state over private providers.

Ethnic minorities are represented primarily by cultural and civic organizations. While the Hungarian minority is well represented at all levels, Roma are almost 20 times underrepresented in comparison. Organizations for women do not encounter major obstacles, although their public image is often influenced by stereotypes. Religious groups play the most significant and visible role in charitable activities, including Roman and Greek Catholic, Lutheran, Orthodox, Reformist, Jehovah's Witness, Pentecostal, and Jewish groups. Openly extremist and racist organizations are illegal but operate increasingly on the Internet. The neo-Nazi-oriented civic association Slovenská Pospolitosť (Slovak Community) was dissolved in November 2008.

Slovakia's legal and regulatory environment for civil society is free of excessive state pressure or bureaucratic limitations, and NGO registration is easy. The basic legislative framework for NGOs is provided by the Constitution, which guarantees freedom of expression (Article 29), freedom of assembly (Article 28), and freedom of association (Articles 29 and 37). Legal entities and private persons may establish nonprofit organizations, and the Ministry of the Interior acts as both the registry and supervising institution. NGOs are exempt from paying taxes on income and gifts. In 2008, taxpayers were allowed to donate 2 percent of their income tax for charitable purposes (Law on Income Taxes No. 561/2001). Restrictions to this provision in 2007 for some categories of NGOs (later reversed under massive public pressure) revealed the level of government distrust and its desire to limit the activities of entrepreneurial organizations.

Slovakia's civic sector has a well-developed infrastructure and basis for training and research. Numerous NGOs provide training for other actors in the third sector. The Internet portal ChangeNet.sk provides information services and a platform for exchange among NGOs. The 2008 campaign Public Bodies Should Serve Citizens united various civic initiatives to challenge governmental bodies and corporate entities. Cooperation with the government was uneasy in 2008, but the Council of the Government for Nongovernmental Organizations proved helpful in communicating issues important to civil society, such as stopping the proposed bill on civic associations and securing a presence for NGO representatives on the monitoring councils for EU structural funds.

Western assistance to NGOs has been instrumental in developing civil society in Slovakia, but EU funds have also brought new challenges. The system of reimbursement on completion of projects, which directly endangered NGOs, has been moderated in recent years. Nevertheless, the opinion among many NGOs is that the European Commission, in spite of significant amounts of money available, does not possess a sustainable model for supporting civil society activities. In 2008, there were various problems connected with the redistribution of euro funds, and some NGOs worked to bring in more funds from local businesses, although results were modest. Corporate social responsibility is relatively low in the Slovak business community.

Prime Minister Fico's cabinet has been unreceptive to policy advocacy groups. Slovak think tanks and watchdog groups are perceived by the ruling coalition as a threat to the stability of the government and are increasingly subject to verbal attacks by public officials. By contrast, NGOs received significant and predominantly positive coverage from public and private media in 2008. Blogs and information portals established by NGOs played an important role in mobilizing the public for pro bono activities.

The majority of workers organized within trade unions are members of KOZ, but membership numbers are shrinking year by year. Trade unions are perceived by the public not as an integral part of civil society, but rather as part of the political establishment. In 2008, KOZ prolonged its political alliance with the main ruling party, Smer-SD, and was directly involved in party politics.

The country's education system has been free from direct political influence. However, recent statements by Prime Minister Fico on the necessity to strengthen "patriotism" among younger Slovaks have caused concern. Additional practical steps by Education Minister Ján Mikolaj (SNS) demonstrated the ability and preparedness of the administration to introduce politicizing ethnocentric elements into the school system.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.25	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.50	2.75

Freedom of speech in Slovakia is protected by the Constitution. In 2008, Parliament passed a new Press Act; despite protests by domestic and international organizations the new law features provisions that strengthened the right of publicity and introduced the right to response. While the former measure improved the capacity of wronged parties to enforce correction of published mistruths or allegations, the latter measure binds media to publish reactions to already published information regardless of its truthfulness, which creates excessive space for political and economic elites to intervene, and encourages "self-regulation" by journalists. Initial implementation indicates that the new law was used especially by the ruling political elite, and abuse of the right to response could be observed in the regional press.

Slovak journalists are protected from victimization by powerful state or nonstate actors, and the country's legal system is free of provisions punishing them for "irresponsible" journalism. Nevertheless, government officials verbally struck out at the media with intensifying attacks in 2008, coming to a peak with Prime Minister Fico publicly calling journalists "prostitutes" and "idiots." Such verbal degradation of journalism and legislative threats may negatively affect media independence in the long run. Additionally, there is an increasing number of decisions by the courts,

the Council for Broadcasting and Retransmission, and other regulatory organs that may be interpreted as limiting the freedom of the press. One court ruling, for example, found a private radio station guilty of violating the law by paraphrasing a politician's statement in its news broadcast, arguing the radio station was responsible for the statement's content.

Journalists and newsrooms are partially free of interference from the government or private owners; however, the ruling elite's desire to influence media content has grown stronger. While the dependence of Slovak Television (STV) and Slovak Radio (SRo) on the government did not see any formal changes during the year, the ruling coalition confirmed its ambition to tighten the leash on both public service broadcasters by pushing through its candidates onto the control organs of both institutions in the 2008 by-election. In November, the cabinet proposed to remove a chairman of the Telecommunications Office (TU) for poorly managing the public tender to choose the digital broadcasting operator. In response, the TU chairman accused national private television broadcasters of selecting a convenient model of transition to digital broadcasting in return for a promise not to "cause problems" before the 2010 elections.

According to a survey by the Institute for Public Affairs (IVO)[3], TV news programs remain the main source of information for two-thirds of Slovakia's population. However, the popularity of the Internet as a credible medium has grown year by year with the rapid development of new communication channels. As of the end of 2008, 12 percent of Slovaks considered the Internet their principal information source, more credible than print media (11 percent) or radio (9 percent), which had dominated news reporting for decades.

Slovak media are privately operated with the exception of the public service broadcasters STV and SRo, which are controlled by councils whose members are appointed by Parliament and the state-run TASR press agency. The presence of TASR distorts the country's news agency market, as generous state subsidies amount to 50 percent of the agency's returns and allow it to offer services cheaper than competitors. As for private TV stations, their efforts to gain a competitive edge in the country's transition to digital broadcasting may be reflected in their lenient reporting on the ruling coalition.

Despite the adoption in 2008 of a new Law on Fees for Television and Radio Broadcasting, both public service broadcasters continued to face long-term underfinancing. The cabinet also adopted an administrative decision to reduce public broadcasters' share of advertising revenues, which will increase their financial dependence on the government and further deteriorate their ability to perform their law-stipulated mission.

The Slovak Syndicate of Journalists (SSN), the country's largest professional organization, initially endorsed the submitted draft of the controversial Press Act in 2008, but later joined the camp of overt opponents; following the enactment of the legislation, the SSN considered challenging its constitutionality. It was a notable surprise, therefore, when the SSN chairwoman was one of the first officials to exercise the right to response in compliance with the law.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.25	2.00	2.00	2.25	2.50

The Slovak Constitution and applicable laws provide an adequate framework for self-governance at regional and local levels, with a dual system of public administration—state administration (organs of executive power) and self-governments (elected bodies). There are three levels of elected bodies: central (Parliament), regional (regional assemblies), and local (municipal councils). Public administration is based on the principle of "subsidiarity," or keeping public administration functions with smaller units when no major advantage exists for transferring them to larger ones. Thanks to fiscal decentralization, the gross income of self-governance organs has grown in recent years. Municipalities independently allocate about 72 percent of their total revenues.

The establishment of state and self-governance institutions is subject to laws passed by the Parliament, yet local self-governments may initiate pro bono nonstate organizations that focus on aiding local development. To communicate their priorities to government institutions, self-governments use groups such as the Association of Slovak Towns and Villages, Union of Slovak Towns, Association of Regional Capitals K–8, and Association of Self-Governing Regions SK8.

Although government institutions and self-governance organs usually cooperate, in 2008 the central government organs, regional, and local self-governments differed on tackling certain issues. An amendment to the Construction Act passed in May created a furor by allowing developers to circumvent valid municipal plans, thus creating a breeding ground for conflicts between self-governments and businessmen. Associations of self-governance organs called the amendment harmful to the development of self-governance democracy. Under pressure from self-governance organs, President Ivan Gašparovič refused to sign the amendment and referred it back to Parliament, where it failed to pass a repeat vote. Overall, the rhetoric of government officials in 2008 was virtually free of decentralization motives and the promotion of self-governance and local democracy; on the contrary, officials frequently presented statements about strengthening the role of government and its institutions.

The Government Council for Public Administration is an advisory body with representatives of central and local state administration organs, regional and local self-governments, associations of towns and villages, regional assemblies, and academic experts. Among the 25 council members, 16 represent central government organs; the remaining members represent academic institutions, regional self-governments, local and municipal self-governance associations, trade unions, and Parliament. 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 implemented measures and assesses the potential impact of proposed legislation.

The Constitution and relevant laws allow citizens to exercise their right to suffrage at the local level. Representatives of self-governments (deputies of municipal councils and regional assemblies, mayors, and regional governors) are elected in direct and democratic competitions, which are open to political party candidates as well as independent candidates. Elections to local and regional self-governments are held every four years and are open to independent observers. Candidates represent a broad spectrum of opinions, and political parties play an important role.

The level of public participation in local politics is similar to that in national politics; in the case of women and ethnic minorities (especially Roma), the rate of participation is higher locally than at the national level. In recent years, Slovak media have paid close attention to issues of local democracy and self-governance. The most active in this respect are regional and local media outlets. This increased media attention reflects the greater social relevance and political importance that self-governance organs gained in the public administration reform, particularly in their ability to allocate EU funds to regional and local development.

Regional and local self-governments do not have the power to pass laws, but they can pass bylaws and regulations that apply exclusively to them. Self-governance bodies may turn to the courts to enforce their decisions. Should the state administration interfere with local matters, self-governments may appeal to the Constitutional Court. The law allows self-governments to form associations with other domestic and foreign self-governance institutions in order to assert their interests and tackle local problems. Self-governance organs, especially regions and larger municipalities, frequently cooperate with partners from neighboring countries and abroad. The internal control of self-governments is entrusted to chief controllers, who are appointed for six-year terms. Externally, the NKÚ controls all funds expended by self-government organs and supervises the financial management of legal entities they establish. Meetings of self-governance bodies are open to the public.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50	[illegible]

The Slovak Constitution, Bill of Fundamental Rights and Freedoms, and other laws provide a framework for the protection of human rights. The exercise of political rights is regulated by the Law on Political Parties and various election laws. The Constitutional Court hears complaints regarding violations of human rights and also issues verdicts. An extensive 2001 amendment of the Constitution introduced a public defender of rights.

As a member of the Council of Europe, Slovakia has ratified all important international human rights documents. Citizens may turn to the European Court of Human Rights (ECHR) if Slovak judicial institutions are unable to

take action or provide a remedy. In 2008, the ECHR issued a number of rulings in favor of Slovak citizens. Most frequently, these cases involved drawn-out proceedings that violated citizens' constitutional right to a lawsuit without unnecessary delays.

In 2008, Parliament passed an amendment to the Antidiscrimination Act, including so-called equalization (affirmative action) measures to encourage disadvantaged population groups in employment, education, culture, and health care spheres. These measures will be applied particularly with respect to Roma, an ethnic group with low social status, inadequate standard of living, high unemployment, and limited access to education. The amendment also introduced a ban on sexual harassment and simplified court cases involving suspected discrimination. In June, Parliament passed an amendment to the Law on Free Access to Information for weak-sighted and sightless citizens.

The Constitutional Court is an independent and unrestricted element of the Slovak judicial system, and its verdicts are legally binding. The right to appeal to the Court regarding the unconstitutionality of laws and government regulations rests with parliamentary deputies (at least 30 are required to launch an appeal), the president, the cabinet, courts of justice, the attorney general, and the ombudsman for human rights; in certain cases, self-governments also enjoy this right. Citizens are free to turn to the Constitutional Court if they believe their constitutional rights have been violated by a state organ.

In 2008, there were no attempts to use direct administrative pressure on the Constitutional Court to influence its deliberations or verdicts. However, there were suspicions that some justices showed political bias toward particular motions. Throughout the year, the Constitutional Court was unable to adopt a formal decision concerning the controversial 2007 law overseeing highway construction, which infringed on citizens' ownership rights and came to be known as the Expropriation Act. The Court's reluctance to adjudicate may be explained by the personal ties between Constitutional Court vice chairman and judge-reporter Milan Ľalík and Justice Minister Štefan Harabin. Former colleagues from the Supreme Court, both men have become notorious for their friendly relations and concurrent views.

The Constitution guarantees equality before the law regardless of sex, race, skin color, language, religion, political preference, nationality or ethnicity, property status, or other categories. However, women and other groups (for instance, the Roma) are inadequately represented in public posts. In July 2008, the United Nations Committee on the Elimination of Discrimination Against Women noted that Slovakia had made progress in the field but that women in the country were still burdened by limited access to legal protection against discrimination, lingering gender stereotypes, limited access to sexual and reproductive health services, and in some cases violence and forced prostitution. In November, the Institute for Romany Public Policy and the Milan Šimečka Foundation concluded that the government failed to pursue coherent policies in tackling problems related to the status of Roma. According to DecadeWatch, Slovakia is the slowest of all post-Communist countries to integrate the Romani population into society.

Slovak-Hungarian relations continued to deteriorate in 2008, with frequent anti-Hungarian statements made by SNS representatives. NGOs initiated petitions to calm the rising tide of nationalism, and opposition leaders and independent media chastised Justice Minister Štefan Harabin and ĽS-HZDS chairman Vladimír Mečiar for anti-Semitic statements addressed to a colleague. A decision by Education Minister Ján Mikolaj to replace Hungarian geographic names with Slovak equivalents in textbooks for ethnic Hungarian pupils provoked fierce opposition. Ethnic Hungarian schools refused to distribute or use the textbooks.

In 2008, Slovakia saw a rise in racially motivated violence against Roma, Jews, and foreigners. According to police statistics, racially motivated crimes numbered 144 in 2008, doubling the previous year's figure. In the capital, Bratislava, and other municipalities, neo-Nazi and neo-Fascist groups organized demonstrations to promulgate racial intolerance. The Citizen and Democracy Foundation and other NGOs criticized the Ministry of the Interior for being slow to combat extremism and racially motivated crime. In November, the cabinet submitted an amendment to the criminal statute with stricter punishments for extremist and racist activities; however, NGOs claimed the amendment's vague formulations could be abused for political purposes and that the cabinet's motives were propagandistic in the context of recent developments in Slovak-Hungarian interstate relations.

Slovakia's Constitution guarantees the presumption of innocence, and the state is obliged to provide a defender to every person facing a criminal prosecution if the accused cannot afford one. Investigation of criminal offenses in Slovakia is conducted under a prosecutor's supervision. An accused person may be detained and arrested only if a judge has issued a written warrant. International conventions and other legal acts banning torture and maltreatment form an integral part of Slovakia's legal system. No cases of torture or other maltreatment of prisoners or detainees were reported in Slovakia in 2008.

Slovakia has a three-level judicial system—the Supreme Court, 8 regional courts, and 45 district courts—administered jointly by the president, Parliament, Ministry of Justice, Judicial Council, and Supreme Court. The president appoints judges acting on proposals from the Judicial Council, which is the principal organ of self-governance within the judiciary. The Ministry of Justice appoints the chairmen and vice chairmen of particular courts.

International monitors confirm that the Slovak judiciary is independent to a satisfactory degree. However, public opinion is negatively affected by the courts' inefficiency, an overwhelming backlog of cases, and a common belief that the judiciary is plagued by corruption. An amendment to the Law on Courts of Justice passed in November 2008 strengthened the position of the executive in court administration, and Justice Minister Štefan Harabin overtly tried to discipline judges who publicly criticized Slovakia's judiciary or the justice minister's performance. Harabin's credibility was seriously undermined when he used anti-Semitic statements against a deputy who had signed a proposal for his removal and threatened to imprison him.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.75	3.75	3.25	3.25	3.25	3.00	3.00	3.25	3.25	3.25

Corruption ranks among the most pressing social problems in Slovakia. Between 2002 and 2006, the government adopted an anticorruption policy and established the Special Court and Office of the Special Attorney. It adopted a constitutional Law on Conflict of Interest, extended the supervisory powers of the NKÚ, and increased transparency of the public procurement process. Other measures included improving the corporate register and judicial management, strengthening supervision over regional and local self-governance organs, and increasing the number of exposed corruption cases.

The Law on Conflict of Interest bans the president, cabinet members, Constitutional Court justices, and other top officials from pursuing any business activities, receiving pay for brokering deals between the government and private entities, or receiving income generated by a side job that exceeds the minimum wage. Other bills have sought to introduce the principle of zero tolerance for corruption among notaries and marshals, compulsory disclosure for customs officers, protection of whistle-blowers in the workplace and witnesses in court cases, and the post of controller in self-governance bodies. All Slovak institutions financed from public funds are subject to the supervisory authority of the NKÚ.

Yet after Prime Minister Fico took office in 2006, a significant decline was noted in the government's anticorruption activities. Over the past two years, the Fico administration has not adopted an anticorruption program or created administrative structures to combat corruption. The Department for Protection of EU Financial Interests and Combating Corruption at the Slovak Office of the Government has not published any reports on its activities or achievements, nor has it elaborated any documents related to combating corruption. The views presented by government officials as well as practical measures of the cabinet and the ruling coalition indicate that the incumbent administration has practically abandoned any systematic approach to combating corruption. At best, it appears to tackle only the consequences of corruption.

Since 2006, party clientelism has become the modus operandi of the ruling coalition, exemplified by numerous corruption scandals at national, regional, and local levels. In 2008, Justice Minister Štefan Harabin continued his crusade to undermine the legitimacy of the Special Court, and in February, ruling party deputies asked the Constitutional Court to proclaim the Special Court unconstitutional and to abolish it. Transparency International Slovakia (TIS), which since 1998 has participated in drafting all strategy documents and measures to eliminate corruption, announced in September 2008 that it would terminate its cooperation with the government, citing the cabinet's lukewarm approach to combating corruption and Prime Minister Fico's repeated defense of political clientelism and attacks on anticorruption NGOs.

In May 2008, Parliament ratified Slovakia's accession to the Council of Europe's Money Laundering Convention of 2005. In the same month, the assembly passed an amendment to the Public Procurement Act that reduced the financial limit of so-called above limit orders. The amendment also abolished the requirement to provide references for bidders of government contracts as one of the criteria for bid evaluation. On the one hand, this may reduce the importance of clientelist ties, but on the other, it may create the space for bidders without sufficient capacities or expertise. In a move that provoked a protest from the European Commission, the Ministry of Transport, Post and Telecommunications selected an adviser for the highway construction program without a public tender on a contract worth almost 400 million koruna Sk (US$17.5 million). According to TIS, over 69 percent of public funds earmarked to purchase goods, services, and construction rights were allocated in nontransparent ways in 2007. In 2008, government contracts were frequently awarded to businesses whose statutory representatives or owners were connected to ruling parties.

Several corruption scandals drew public outcry in 2008. In January, Defense Minister František Kašický resigned after the media reported that lavishly overpriced public tenders for cleaning jobs had been organized with firms close to Smer-SD, the ruling party. In August, Agriculture Minister Zdenka Kramplová was removed on a motion filed by the ĽS-HZDS, apparently for a public tender whose outcome was unsatisfactory for ĽS-HZDS leaders. Prime Minister Fico did not initiate the removal of either minister; however, he took greater initiative in a case involving Environment Minister Jaroslav Izák (SNS), filing a motion to remove him for allotting subsidies to persons close to the party, as well as relatives of high ministry officials. The prime minister was much more lenient with his own party's nominees during the year, such as Finance Minister Ján Počiatek (Smer-SD), who was involved in an insider information scandal related to the announcement of the Slovak crown/euro fixed exchange rate.

A number of NGOs are active in fighting corruption and promoting transparency in public life, including TIS, the Alliance for Transparency and Corruption Combat, the Alliance to Stop Conflicts of Interest, and Fair Play Alliance. Although these organizations were free to pursue their monitoring activities, government statements in 2008 created a hostile atmosphere. Prime Minister Fico charged that such groups are connected to the political opposition, biased against his government, and financed from abroad. A survey released by IVO in November reported that 42 percent of respondents believed corruption, party clientelism, and nepotism in public life had worsened since the administration of Prime Minister Fico took power in 2006.

▮ AUTHORS: GRIGORIJ MESEŽNIKOV, MIROSLAV KOLLÁR AND MICHAL VAŠEČKA

Grigorij Mesežnikov is president of the Institute for Public Affairs (IVO) in Bratislava. He is the author and editor of numerous publications on Slovakia's political development and party system, including IVO's annual Global Report on the State of Society in Slovakia. *Miroslav Kollár is a senior analyst at IVO and a coeditor of the* Global Report on the State of Society in Slovakia. *Michal Vašečka serves as an assistant professor at the Faculty of Social Studies of Masaryk University in Brno. He is the author of numerous works on civil society and ethnic minorities.*

---

1 "Opozícia prišla vlani o vyše 3000 členov" [The Opposition Parties Lost in Recent Year More Than 3000 of their Members], *SME.sk*, August 6, 2008, http://www.sme.sk/c/4008702/opozicia-prisla-vlani-o-vyse-3000-clenov.html.

2 See "Sčítanie obyvateľov, domov a bytov 2001" [Population and Housing Census 2001], http://www.statistics.sk/webdata/slov/scitanie/namj.htm.

3 Miroslav Kollár and Marián Velšic, *Názory na televíziu verejnej služby II* [Opinions on public service television II.] (Bratislava, Institute for Public Affairs, 2008), http://www.ivo.sk/5326/sk/studie/nazory-na-televiziu-verejnej-sluzby-na-slovensku-ii-.

Slovenia

by Damjan Lajh

Capital: Ljubljana
Population: 2.0 million
GNI/capita: US$26,230

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Civil Society	1.75	1.75	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00
Independent Media	1.75	1.75	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25
Governance*	2.25	2.50	2.25	2.25	2.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.00	2.00	2.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	1.50	1.50	1.50	1.50	1.50
Judicial Framework and Independence	1.50	1.50	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75
Corruption	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50
Democracy Score	1.88	1.88	1.83	1.79	1.75	1.68	1.75	1.82	1.86	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 is a relatively young state, having proclaimed its independence in 1991. In the period from the end of the 1980s to the start of the 1990s, Slovenia underwent many parallel transformations – it changed its economic and political system, and became an independent state on June 25, 1991. Slovenia joined the United Nations in 1992 as an internationally recognized state, 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 December 2007 Slovenia entered the Schengen zone. Between January and 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.

National Democratic Governance. In the first half of 2008, Slovenia held the Presidency of the Council of the European Union, marking a symbolic peak in the country's social and political transformation that began in the 1980s. A dispute between the president and government over the appointment of ambassadors was resolved by year's end. The Social Democrats won national parliamentary elections in September. *Slovenia's rating for national democratic governance remains unchanged at 2.00.*

Electoral Process. Social Democrats led by Borut Pahor won the national parliamentary elections in September, taking power from the central-right government of Janez Janša, who had managed the state for the previous four years and steered the Council of the EU for six months in the first half of 2008. Zares–New Politics became the third strongest party in the National Assembly. The electoral campaign, while free and fair, was marked with the so-called Patria corruption affair. *Slovenia's rating for electoral process remains unchanged at 1.50.*

Civil Society. With almost 21,000 non-governmental organizations, civil society in Slovenia is vibrant, but most NGOs are not involved in public affairs. A new agreement was signed between the Slovenian government and Slovenian non-governmental organizations to encourage efficient, interactive and transparent cooperation during the Slovenian Presidency to the Council of the EU. *Despite this agreement on cooperation, the majority of civil society remains outside the realm of pubic affairs, therefore, Slovenia's rating for civil society remains at 2.00.*

Independent Media. Media independence remained a point of controversy between the center-right government of Janez Janša and the center-left opposition

during 2008. At the outset of the Slovenian presidency of the EU council in January, the European Federation of Journalists accused the Slovenian government of trying to spin its way out of controversial claims of interfering with press freedom at home. Prime Minister Borut Pahor announced a change in the Public Media Act to ensure greater autonomy for journalists and editors, and to prevent the concentration of media ownership. *Slovenia's rating for independent media holds steady at 2.25.*

Local Democratic Governance. At the end of January 2008, the National Assembly rejected the Act Establishing Provinces, which suggested dividing Slovenia into 14 provinces. A consultative referendum on the issue of establishing provinces was conducted on June 22, 2008, but the legitimacy of the referendum was questioned due to poor turnout. While politicians and experts agree on the decentralization of Slovenia, the main issues remain the number and size of the proposed provinces. *Slovenia's rating for local democratic governance remains unchanged at 1.50.*

Judicial Framework and Independence. Despite strong opposition, a new penal code was adopted on November 1, 2008, introducing lifelong imprisonment, the reinstatement of a register of persons who have committed criminal sexual offences against juveniles, protection of workers' rights, and granting judges the power to sentence convicts to humanitarian or community-oriented work. Judges, dissatisfied with the new code signed a Collective Agreement for the Public Sector, and started a work-to-rule strike. *As a result of the adoption of the new penal code despite strong opposition and the veto of the national council, Slovenia's rating for judicial framework and independence worsens from 1.50 to 1.75.*

Corruption. In 2008, unproven claims surfaced that Slovenian officials had been bribed by the Finnish company Patria to help finalize the purchase of armored personnel carriers for the Slovenian army. The affair reached its peak during the electoral campaign, just three weeks before elections. Being connected with the affair at the time, Prime Minister Janez Janša brought charges against a journalist from Finnish National Television and several Slovenian contributors to the broadcast that broke the story. In 2008, the Commission for the Prevention of Corruption fought serious financial problems, which resulted in the National Assembly approving the lowest budget in the Commission's history. *The scandal surrounding the Patria affair lowers Slovenia's rating for corruption from 2.25 to 2.50.*

Outlook for 2009. During 2009, the media and its ownership will remain a point of controversy between the center-left government and the center-right opposition. The Slovenian government will be challenged with adopting appropriate measures to minimize the impact of the global economic crisis in Slovenia, including the rising rate of unemployment. Slovenian tycoons will be under great pressure to pay back enormous bank debts. The agreement between the government and judges about the salary system should be reached. Elections to the European Parliament in 2009 will be an evaluation of the government's work in its first eight months.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	2.00	2.00	2.00	2.00	2.00

According to the Constitution, Slovenia is a democratic republic based on the rule of law (Article 2 of the Constitution). 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 Slovenian Parliament consists of the National Assembly and National Council. Owing to the rather limited powers of the National Council, the Parliament is referred to as a "one-and-a-half-chamber system,"[1] and there are many discussions about the future necessity of the National Council. The National Assembly has 90 members, among which 2 seats are fixed for representatives from the Italian and Hungarian national minorities. In general, the National Assembly is effective but overburdened, and there have been proposals to increase the number of members to 120 to ease the workload of individual deputies and to decrease the number of working bodies in which individual deputies are members. At the same time, abolishment of the National Council continues to be debated, primarily as the council is not seen as a real chamber of the Parliament, and in functioning, it blocks decisions previously reached by the National Assembly.

Parliamentary documents and sessions are available to the public via the National Assembly's Web site, which also posts transcripts of parliamentary debates. All parliamentary sessions, except those of the Commission for Supervision of the Intelligence and Security Services, are open to the public. Additionally, the parliamentary events and general information about government activities are available on Channel 3 of Slovenian national television. According to legislation, the military, civil security services, and police are subject to the democratic supervision of a special parliamentary commission.

As part of the executive, the president of the republic has limited decision-making powers. The president's role is thus largely ceremonial, while the prime minister steers the ship of state. In the second half of 2008, the issue of nominating new ambassadors caused a dispute between the president and the government. In accordance with Article 17 of the Foreign Affairs Act, ambassadors are appointed and recalled by the president of the republic at the proposal of the government

as prepared by the Foreign Ministry. At the beginning of June, the government relieved several ambassadors whose mandates had expired or who would assume new offices. The dispute over the nominations emerged when President Danilo Türk announced that he would not endorse the appointment of new ambassadors prior to the September national parliamentary elections. The Foreign Ministry argued that there was no connection between the selection of ambassadors and the preelection period, as ambassadors represent not parties or coalitions, but the country. Prime Minister Janez Janša intervened and asserted that all candidates were career diplomats and that their appointments were not political. President Türk withheld the appointments until the beginning of November, saying he had not received enough data to determine whether the candidates had met the legally defined conditions for appointment. In the end, the president accepted only some of the nominees.

Slovenia took over the Presidency of the Council of the European Union (EU) in the first half of 2008, but the Slovenian government had already begun organizational preparations to hold the presidency in early January 2005. Many argued that holding the position represented a symbolic peak in the country's social and political transformation; Slovenian foreign minister Dimitrij Rupel compared the "achievements in the foreign policy area with the period of Slovenia's democratization and independence, only now Slovenia has changed its role: less than two decades ago it was the subject of the 'Spring,' whereas now it is directing and coordinating it."[2]

During the presidency, Slovenia decided on five main priority areas: 1) the future of the EU and the timely entering into force of the Lisbon Treaty; 2) the successful launching of the new Lisbon Strategy cycle; 3) climate and energy issues; 4) the strengthening of the European perspective on the Western Balkans; and 5) intercultural dialogue. It must be emphasized that although Slovenia did have its own national program, it harmonized it to a large extent with two other interrelated agendas: the "inherited Council of the EU agenda and the common 18-month program of the so-called presiding trio—Germany, Portugal, and Slovenia." In accordance with the budget memorandum, Slovenia allocated €62 million (US$88 million) for holding the EU presidency.

On January 25, 2008, excerpts of a discussion between Slovenian and American diplomats appeared in the Slovenian newspaper *Dnevnik*. The article entitled "Slovenia Receives a Secret List of Demands for Its EU Council Presidency from the U.S." contained parts of the discussion providing information, statements, and assessments of diplomats that were intended not for the public, but as a basis for directing political decisions made by Slovenia. Although with some exceptions this diplomatic awkwardness did not attract significant attention abroad, it did spark controversial debates in Slovenia.

In national parliamentary elections conducted in September 2008, the Social Democrats took over the government that had managed the state for the previous four years and that had steered the Council of the EU for six months. Borut Pahor's Social Democrats gained one seat more than Janez Janša's Slovenian Democratic Party in the National Assembly. Pahor was asked by President Türk to form a new

government coalition. On November 7, 2008, the National Assembly endorsed Pahor as the leader of the next government, making him the sixth prime minister of independent Slovenia.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008
2.00	1.75	1.75	1.50	1.50	1.50	1.50	1.50	1.50

The will of the people in Slovenia is expressed by regular, free, and fair elections conducted by secret ballot. The electoral system is multiparty based, where political parties have equal campaigning opportunities, and the public's choice is free from domination by specific interest groups.

National parliamentary elections were held in 2008. Deputies to the National Assembly are elected on the basis of proportional representation with a 4 percent threshold. Two hundred signatures are required to establish a political party, and few barriers hinder political organization, registration, and participation in elections; nonparliamentary parties and independent candidates must obtain 50 signatures from eight electoral districts to participate in elections. 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, as they are supervised by the Constitutional Court.

In 2008, a gender quota for the composition of candidate lists was introduced for the first time in national parliamentary elections. In 2004, a gender quota was already introduced for European Parliament elections; and in 2006, it was introduced for local elections. The formally defined gender quota is 35 percent, but during the 2008 elections it was defined as 25 percent.

Practically all parliamentary parties, except the Slovenian National Party, have cooperated in some form with the government. The majority of Slovenian parties have faced splits and mergers, but the party system has achieved a high level of consolidation and stability through party competition without major electoral engineering. Following the 2004 elections, seven parties managed to enter the parliamentary threshold, but at the end of the term, nine deputy groups existed in the National Assembly as a result of splits within the Liberal Democracy of Slovenia and the Slovenian National Party. Continually declining voter turnout indicates that the public has been politically less engaged in recent years than during the late 1980s. In National Assembly elections, voter turnout declined from 85.8 percent in 1992 to 60.6 percent in 2004, yet at the last general elections in September 2008, turnout increased slightly to 63.1 percent.

Domestic observers declared the 2008 Slovenian elections free and fair and have not called for international election monitoring. Seventeen political parties competed in the elections, and 7 passed the 4 percent threshold to the National

Assembly. The Social Democrats' victory meant the center-right government led by Janez Janša from 2004 to 2008 was replaced by a center-left government. Of the parties that did not cross the 4 percent threshold, only two received more than 1 percent of the vote; the New Slovenia–Christian People's Party (NSi), which had formed the previous government, received 3.40 percent, and Lipa received 1.81 percent. All other parties received less than 0.60 percent of the votes.

A large part of the electoral campaign was marked by the "Patria corruption affair," in which Slovenian officials were allegedly bribed by a Finnish company to finalize the purchase of armored personnel carriers for the Slovenian army. Additionally, topics related to neighboring Croatia were not at the forefront of campaign activities, as they had been in the 2004 electoral campaign. In the pre-election period, only one preelectoral coalition was formed—that of the Slovenian People's Party and the Youth Party of Slovenia. At the end of the electoral campaign, the ideologically linked center-left parties (the Social Democrats, Zares–New Politics, and Liberal Democracy of Slovenia) formed a so-called triplet—an informal coalition—and recorded a joint advertisement. Just prior to the election, the "triplet" received public support from two eminent persons: Milan Kučan, former president of the republic, and Zoran Janković, seated mayor of the capital, Ljubljana. Despite winning the elections, the grouping could not form a government alone.

Following the elections, Zares–New Politics became the third strongest party in the National Assembly. Surprisingly, the formerly second largest government party, NSi, did not pass the 4 percent threshold for the National Assembly. As a result, Andrej Bajuk, minister of finance and president of NSi, resigned as party president, and member of the European Parliament, Ljudmila Novak took his place. The Slovenian National Party, led by Zmago Jelinčič, took fewer votes than expected considering preelection public opinion polls and Jelinčič's impressive showing in the 2007 presidential election. A split within the party in the beginning of 2008 when three party deputies left Jelinčič and established a new party, Lipa, likely contributed to their weak showing. Nonetheless, the Slovenian National Party managed to pass the 4 percent threshold, while the newly established Lipa was left outside of the National Assembly (with 1.81 percent of the votes). In mid-November, a new coalition was formed between the Social Democrats, Zares, the Liberal Democracy of Slovenia, and the Democratic Party of Pensioners of Slovenia.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.50	1.50	1.50	1.75	1.75	2.00	2.00	[illegible]

In Slovenia, the right to assembly and association is guaranteed in Article 42 of the Constitution, which states that the right of peaceful assembly and public meeting is guaranteed and everyone has the right to freedom of association. Legal restrictions

of these rights are permissible when required for national security or public safety and against the spread of infectious diseases.

The development of Slovenian civil society remains vibrant. Of the almost 21,000 nongovernmental organizations (NGOs) in Slovenia, the majority are organized as local-level associations in sports, culture and art, and fire brigades or as foundations or private institutes. Advocacy and service provision organizations are active primarily at the national level. Slovenian civil society is fighting a personnel deficit, and most NGOs are not involved in public affairs.

The Center for Information Service, Cooperation, and Development of NGOs (CNVOS) was established in 2001 to empower NGOs to participate in public affairs through publications and an informational Web site. In 2005, the government established an interministerial working body to facilitate cooperation with NGOs, yet cooperation remains poor, and the expectation that NGOs would become more engaged in public affairs following Slovenia's membership in the EU remains unmet.

In September 2007, CNVOS and the Office of Government Communication signed an agreement defining relations between the two offices, which experts hope will stimulate better relations between the government and NGOs in the future. The first test of these relations was the Slovenian Presidency of the Council of the EU in the first half of 2008. The Slovenian government and (primarily) Slovenian 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.[3] The agreement defined two ways of involving NGOs in the Slovenian EU presidency: information and consultation. To this end, the Web portal Predsedovanje.si established an electronic means of notifying NGOs of activities and events organized during the presidency, but also allowed NGOs to become engaged through e-participation tools; an online forum was established, including moderated e-discussions and e-consultations as well as a system of e-petitions, e-surveys, and e-actions. As a result, the viewpoints of NGOs were forwarded to the relevant ministries and other public administration bodies. However, these e-participation tools did not bring radical changes in cooperation between the government and civil society.

As of 2008, there were 43 religious communities registered in Slovenia, according to the Office of Religious Communities. In the past, much attention had been dedicated to the Islamic community's ongoing endeavor to build a religious and cultural center in Ljubljana. Construction of the center will likely begin in 2009 with funds collected by members of the Islamic community.

Minority rights discussions on the "erased" and the Roma population were put on the back burner in 2008, and were almost completely overlooked during the national parliamentary elections campaign. However, just two days prior to the elections, the Constitutional Court published decision No. U-I-380/06 establishing comparatively high and undisputed constitutional protection of the right of national minorities to use their language in public life as an "official" rather than a "foreign" language.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.75	1.75	1.75	1.75	1.75	1.50	1.75	2.00	2.25	2.25

According to the Ministry of Culture, there are 915 printed media in Slovenia, including 7 dailies, 43 weeklies, and 57 biweeklies. Excluding the national radio station and the 3 largest commercial stations, there are 62 radio stations and 36 private TV stations in Slovenia.

Between 2005 and 2007, problems arose in relation to controversial media regulation developments and takeovers of several daily newspapers and public service radio and television stations, as well as the national press agency. Governing bodies, managers, editors, and reporters in these media outlets were in many instances replaced by individuals loyal to the ruling political parties. The issue of media independence reached its peak in October 2007, when 570 journalists signed a petition of protest. Soon after, at the outset of the Slovenian presidency of the Council of the EU in January 2008, the European Federation of Journalists and the European regional group of the International Federation of Journalists accused the Slovenian government of not addressing controversial claims that it is interfering in press freedom at home. The European Federation of Journalists declared that political interference with media in Slovenia had cast a shadow over Slovenia's presidency, claiming that the government attempted to focus public attention on foreign media to divert attention from its domestic troubles.

The government has consistently argued that it does not control the media, does not have ownership shares in media companies, and does not impose censorship. According to the Government Communication Office, between August and October 2007, as many as 1,580 negative articles were written about the government and its work, while only 689 such articles appeared during the Rop government (August 2003–October 2003). The government also claimed that it did not directly own shares of printed media and only indirectly owned small shares in *Večer, Dnevnik,* and *Primorske Novice.* With the exception of the public broadcaster RTV Slovenia, the Slovenian government does not have shares in any radio station. Similarly, with the exception of the public broadcaster RTV Slovenia, the government does not own shares in digital media.

The appearance of free-of-cost journals has marked the Slovenian media space in the past few years. Prior to the elections, the establishment of the journals *Slovenski Tednik* and *Ekspres* received significant attention as it was claimed that they had been established by center-right leaders. The president of the Slovene Association of Journalists, Grega Repovž, has been especially critical of the journals, saying they demonstrate a developing trend of media as a publicity tool in the hands of politicians.

Media independence certainly remained a point of controversy between the center-right government of Janez Janša and the center-left opposition during 2008. Throughout the election campaigns, Prime Minister Borut Pahor consistently argued

that without free media there is no free society. The Social Democrats prepared an alternative government program on media policy to ensure greater autonomy for journalists and editors in relation to owners, and to prevent the concentration of media ownership and consequential influences on media. These new measures suggest that when media concentration has reached a set limit, owners must sell some of their shares.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	1.50	1.50	1.50	1.50	[illegible]

Slovenian municipalities are self-governing local communities formed pursuant to the Law on Local Self-Government, adopted in 1994, and following a referendum on the establishment of municipalities. The Law on Local Self-Government sets criteria for defining municipalities, including the minimum infrastructural capacities of the area of a municipality, which may not have fewer than 5,000 residents. Yet of the 147 municipalities initially formed, more than one-third had fewer than 5,000 residents, while approximately one-fifth of the municipalities retained the territorial boundaries of the former communes and consequently exceeded the residential limits.[4] Since then, a majority of the "larger" municipalities separated into smaller municipalities, and to date the total number of municipalities has grown to 210, while the number of municipalities with fewer than 5,000 residents has also increased. As a result, the vast majority of municipalities in Slovenia are quite small, with very limited financial and political power and inadequate staffing.

In accordance with Slovenian legislation, the territory of a municipality comprises a settlement or several settlements bound together by the common needs and interests of the residents. The competences of a municipality consist of local affairs that may be regulated by the municipality autonomously and affect only the residents of the municipality. With the prior consent of the municipality or wider self-governing local community, the state may by law vest specific duties within the state jurisdiction in the municipality if the state provides financial resources for this purpose, whereas state authorities supervise the proper and competent performance of work relating to matters vested in the local community bodies by the state. In principle, a municipality is financed from its own resources. Municipalities unable to provide completely for the performance of their duties owing 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. The country's administrative regionalization was not completed in 2008, and provinces as administrative-political entities were not yet established. The introduction of political-administrative provinces should close the gap between small municipalities and the state, which

is excessively centralized. Currently, the gap between the more developed urban region of central Ljubljana and the rest of Slovenia is growing. Such is the case for three-quarters of the country's territory, though it was one of the few countries (if not the only one) in the Socialist bloc to base its development on polycentrism.

In November 2007, the government proposed the Act Establishing Provinces, which suggested dividing Slovenia into 14 provinces, but the National Assembly rejected the proposed act in January 2008. Fifty deputies voted for the proposal and 27 against; thus the act failed to reach the two-thirds majority needed to pass. An agreement could not be reached on the number of proposed provinces; coalition parties indicated that the proposed number was viable and supported by a majority of mayors, but oppositional political parties and many political experts argued that the proposed number of provinces was too large. After the act was rejected again on June 22, a consultative referendum on the issue of establishing provinces was conducted at the proposal of the government, despite efforts by oppositional deputies to stop it from going forward. Residents of each "province" were asked whether they agreed on the establishment of a new territorial province for their region. They were also provided with a list of all municipalities that were to form individual provinces. Only two provinces rejected the establishment of a new province in the referendum.[5] The legitimacy of the referendum came under question owing to the lack of communication about, and cultural slant of, the referendum procedure. The turnout was extremely poor—less than 11 percent.[6] Slovenian political and public experts agree on the need for decentralization, but the main problem remains the question of the number and size of provinces.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.50	1.50	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.75

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 public court, while the Constitutional Court has the special function and judicial role of protecting fundamental rights and liberties. Judges are independent and may not belong to any political party. They are elected by the National Assembly on the proposal of the Judicial Council. The National Assembly elects five persons on the proposal of the president of the republic from among university professors of law, attorneys, and other lawyers, whereas judges holding permanent judicial office elect six members from among themselves. The Constitutional Court is composed of nine judges, elected on the proposal of the president of the republic by the National Assembly. The president of the Constitutional Court is elected by judges from among their own ranks for a term of three years. Despite reform efforts, the judicial system remains overburdened, with long delays in trials.

On November 1, 2008, Slovenia enforced a new penal code that modified more than half of the articles of the previous code and introduced many novelties. Unquestionably, the most important change was the introduction of lifelong imprisonment intended for acts of genocide, crimes against humanity, war crimes, and for two or more convictions of criminal offenses of premeditated murder. Also, the new code reinstated a special register of persons who have committed criminal sexual offenses against juveniles. Data from this register will be available to all institutions and associations involved in teaching, education, and auspices of children and youth. The protection of workers' rights are emphasized by the new penal code: attempts to interfere with female employees' reproductive rights will be considered a criminal offense, and harassment in the workplace will now be sanctioned with up to three years' imprisonment. The new code also enables judges to forgo prison-based sentences for convicts who can instead carry out humanitarian or community-oriented work.

The new penal code has been heavily criticized by the opposition. The arguments of many legal experts were not taken into consideration prior to the adoption of the new code, which was also delayed briefly by a veto from the National Council. Despite obstruction by the opposition, the National Assembly successfully adopted the new code with 49 votes in favor. Critics of the new code argue that the previous code was more than sufficient. The Government Office for Legislation stated that in every comparable legal system it would be quite extraordinary to put in motion an amendment for a new penal code after only 13 years with the previous. However, most of the criticism focused on the introduction of life imprisonment sentences, which replaced the previous code's highest sentence of 30 years' imprisonment. Minister of Justice Lovro Šturm argued that Slovenia is obliged to accept lifetime imprisonment owing to the provisions of the ratified Rome Agreement, but legal experts proved that such an argument was incorrect, as provisions derived from Article 80 of the Rome Agreement do not require implementation of a life sentence.

After six years of negotiations between public sector unions and the government representatives on the Collective Agreement for the Public Sector, in June 2008 an agreement was finally reached. However, many civil servants, especially judges, have expressed their discontent. The question of judicial salaries was generally held to be a constitutional question, concerning Article 2 (separation of powers) and Article 125 (independence of judges) of the Constitution. According to the decision of the Constitutional Court, constitutionally defined independence of judges ensures them material independence as well. Judges launched a three-day warning strike demanding a wage increase and a status comparable to that of deputies in the National Assembly and government ministers. Minister for Public Administration Gregor Virant, who served as the government's main negotiator, asserted that the protest would not extort a solution that would gain the judges any privilege. According to Virant, judges were adequately placed on the salary grade and indisputably a part of the public sector, as they received their salaries from public funds and provided public services. Since their demands had not been met,

the judges launched a "work-to-rule strike," which they vowed to continue until changes are made to the salary system. Roughly, one-third of the pending lawsuits remain unresolved, while others were postponed.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50

Slovenia adopted the Law on Prevention of Corruption at the end of 2003. In summer 2004, the first Slovenian anticorruption strategy, the Resolution on the Prevention of Corruption in the Republic of Slovenia, was adopted. This strategy included 172 measures to eliminate the conditions for the appearance and spread of corruption in the areas of politics, state administration, investigative, prosecutorial, and judicial bodies, business, NGOs, the media, and the general public. In October 2004, the Commission for the Prevention of Corruption began operations. 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 main tasks are mostly preventive, to ensure that officials do not abuse their public office for private business gain. Although the commission continuously fights problems such as the threat of its abolishment, it remains an effective enforcer of the Law on Prevention of Corruption and a confident watchdog of public employees. According to the president of the commission, Drago Kos, the National Assembly approved the lowest budget in the commission's history in 2008, causing serious financial problems, including shortfalls in the salaries of its members as well as other material costs.

In 2008, the biggest corruption affair in Slovenia's history broke—unproven claims of bribery of Slovenian officials by the Finnish company Patria to help finalize the purchase of armored personnel carriers for the Slovenian army. This political controversy reached its peak during the electoral campaign, just three weeks prior to the elections, when Finnish national television, YLE, published an investigation on corruption implicating several Slovenian civil servants, including Slovenian prime minister Janez Janša. YLE, in a broadcast entitled *The Truth About Patria,* reported that Patria paid a total of €21 million (US$29.87 million) in bribes in Slovenia. According to the journalist, the recipients included several civil servants within Slovenia's Ministry of Defense, politicians, and "J," allegedly the Slovenian prime minister, Janez Janša, indicating that the Finnish state–owned Patria bribed the prime minister of Slovenia.

The Slovenian government and Prime Minister Janša rejected all accusations. The Slovenian government responded that the Finnish journalist accused Janša in the broadcast without producing any evidence. In his defense, the Finnish journalist noted that the documents were verified from multiple reliable sources and that

the documents were intended for publication upon completion of the police investigation. The Slovenian government claimed that the decision to buy armored personnel carriers was made under the former government. Janša's government, more precisely the new minister of defense, Karl Erjavec, issued an international tender for the procurement of military equipment. Between two bids, the Finnish company Patria was deemed more cost-effective and was selected for the €278 million (US$395.40 million) contract. An anticorruption clause was incorporated in the contract that would enable the annulment of the agreement should any claims of corruption be proven. The Slovenian government communications office asked the director of Finnish television to air a follow-up broadcast including viewpoints from other people involved to effectively negate the claims made in the original broadcast, but this request was declined. The Slovenian Foreign Ministry, in an unusual gesture, sent two diplomatic notes to the Finnish government, calling on the country to enable the disclosure of documents relative to the investigation in order to shed light on the issue. The Finnish government has maintained a neutral stance, and Finnish foreign minister Alexander Stubb answered that the government will not intervene in the freedom of the press.

The Finnish police have launched a serious investigation into the case, and two Patria employees have been arrested for questioning; only one of the employees was released by the end of the year when the investigation stalled. Recently, Slovenian police also began an internal investigation as to why a notification from the Austrian police and Interpol service of suspected money laundering and suspicious transactions in relation to the Patria case went ignored for more than a year.

In the meantime, Janša's government claimed it was not a coincidence that this broadcast was shown just a few weeks prior to the national parliamentary elections, asserting that the broadcast aimed to damage the electoral result of the government coalition, especially Janša's Slovenian Democratic Party. Although this affair marked the first part of the electoral campaign, there is no proof that the affair actually had any influence on the election results. Janez Janša also brought charges against the journalist of YLE and several Slovenian contributors to the broadcast, among them Drago Kos, president of the Slovenian anticorruption commission.

Transparency International's 2008 Corruption Perceptions Index ranked Slovenia 26th out of 180 countries surveyed. The index gives Slovenia a score of 6.7 on a 1–10 scale, where 10 is the best possible score (perceived as least corrupt), classifying it as comparatively less corrupt than Czech Republic, Hungary, Slovakia, and Poland.

▮ AUTHOR: DAMJAN LAJH

Damjan Lajh is assistant professor at the Faculty of Social Sciences and a researcher in the Center of Political Science Research at the University of Ljubljana, Slovenia. He is the author or coauthor of five scholarly books and many articles in edited volumes and scientific journals.

1 Drago Zajc, *Razvoj parlamentarizma: funkcije sodobnih parlamentov* [Development of Parliamentarism: Functions of Contemporary Parliaments] (Ljubljana, Faculty of Social Sciences, 2004).

2 *Press Conference with Foreign Minister Dimitrij Rupel summing up the first half of the Slovenian EU Presidency*, Ministry of Foreign Affairs, Ljubljana, April 2, 2008, http://www.mzz.gov.si/nc/en/tools/news/cns/news/article/3247/24265/, accessed April 28, 2008.

3 Dogovor med Uradom vlade za komuniciranje in portalom www.predsedovanje.si o komuniciranju pred in med predsedovanjem Slovenije EU, http://www.predsedovanje.si/files/dogovor_predsedovanje-ukom.pdf, accessed April 14, 2008.

4 Janez Šmidovnik, "Local Government and State Administration," in: Danica Fink-Hafner and John R. Robbins (eds.), *Making a New Nation: The Formation of Slovenia* (Darthmouth, Aldershot, Brookfield USA, Singapore, Sydney, 1997), pp. 182–90.

5 For referendum results see Electoral Commission, http://www.dvk.gov.si/RefPokrajine2008I/index4.html, accessed October 5, 2008.

6 Electoral Commission, http://www.dvk.gov.si/RefPokrajine2008I/index1.html, accessed October 5, 2008.

Tajikistan

by Raissa Muhutdinova

Capital: Dushanbe
Population: 6.7 million
GNI/capita: US$1,710

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	5.50	5.25	5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50
Civil Society	5.25	5.00	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75
Independent Media	5.75	5.50	5.75	5.75	5.75	6.00	6.25	6.25	6.00	6.00
Governance*	6.25	6.00	6.00	6.00	5.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.25	6.25	6.25	6.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	6.00	6.00
Judicial Framework and Independence	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.25
Corruption	6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25
Democracy Score	5.75	5.58	5.63	5.63	5.71	5.79	5.93	5.96	6.07	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

In 2008, both the government and the population of Tajikistan continued to rely on external sources of support. While the government depended on the global commodities market (particularly cotton and aluminum exports), aid from international financial institutions, humanitarian assistance from Western states, and direct investment in infrastructure (by Russia, China, and Iran), the population relied increasingly on remittances sent home by over a million Tajik migrants working in Russia and Kazakhstan. The drug trade also continued to act as a source of sustenance for many. By the end of 2008, the global economic crisis led to a precipitous fall in the number of migrants working abroad and a corresponding sharp decline in foreign remittances. Tajikistan also experienced the coldest winter in decades, during which the government was unable to provide the majority of the population in outlying areas with heat and sufficient electricity.

President Emomali Rahmon, in power since 1992, remained generally popular but was criticized by some observers for using ethnic (Tajik) and religious (Hanafi Sunni Islam) rhetoric as nation-building tools. The government was also criticized in 2008 for spending over US$125 million on attorney fees to settle a case involving the state-owned Tajik Aluminum Company (Talco). The next major test for democracy in Tajikistan is the February 2010 parliamentary elections, which opposition political parties, nongovernmental organizations (NGOs), and some international diplomatic missions are viewing as a litmus test for the country's political progress.

Local and international civil society organizations were required to reregister with the Justice Ministry in 2008; some encountered problems or were denied registration, and the work of several well-established international humanitarian NGOs was suspended. Despite ongoing barriers, the media saw some openings, with several new outlets allowed to function. No outlets were closed, and journalists exercised less self-censorship. Progress in local governance remained stalled, while citizens' land and labor rights were routinely violated. Likewise, the justice system saw no progress as executive pressure on the courts and overall corruption appeared to increase despite the presence of the new government-funded Anticorruption Agency.

National Democratic Governance. President Rahmon remained generally popular during 2008 but continued his idiosyncratic form of nation-building using ethnic and religious rhetoric, emphasizing the Tajikness of the nation and dedicating 2009 as the year of Emomi Azam (Great Leader) in reference to the historic figure of Abu Hanifa, who was of supposed Persian/Tajik heritage and founded the Hanafi branch of Sunni Islam. These dual nation-building tools, by purpose or by default,

discriminate against ethnic minorities such as ethnic Uzbeks and non-Hanafis (such as Ismaili Muslims and non-Muslim minorities). The year also saw increased convictions of alleged radical Islamists in what human rights advocates have labeled a flawed judicial process. *Given the president's use of particular ethnic and religious rhetoric as nation-building tools and the government's continued difficulties in providing basic services to the population, the rating for national democratic governance remains unchanged at 6.25.*

Electoral Process. In the lead-up to the next nationwide test of democracy, the February 2010 parliamentary elections, Tajikistan's political parties (assisted by the International Foundation for Election Systems) proposed a series of necessary electoral law reforms in the summer of 2008, including a reduction in the electoral threshold for party list candidates, inclusion of opposition party representatives in election commissions at all levels, and elimination of the exorbitant fees for registering candidates. By the end of the year, however, the Parliament had given no indication that it would consider changes to the existing election laws. *Given the government's reluctance to consider positive changes to its election laws and, in general, to opening up the political spectrum, the rating for electoral process remains unchanged at 6.50.*

Civil Society. Tajik authorities continued to exert control over the activities of civil society, including both NGOs and religious groups. By April 2008, as a result of a 2007 law requiring the reregistration of all civil society groups, the total number of registered local NGOs dropped by 55 percent to 1,390 (though the real figure of active NGOs is likely much smaller); and the number of international organizations fell by 20 percent to 116. In May, the government denied registration to the U.S.-based National Democratic Institute, which subsequently closed its office in Tajikistan. The activities of three other NGOs—U.S.-based Mercy Corps and Care International and the German faith-based development organization Orphans, Refugees, and Aid International—were also suspended, albeit temporarily. The authorities clamped down on religious groups, reaffirming bans on the Jehovah's Witnesses and Hizb ut-Tahrir, and seeking a ban on the Salafi Islamic movement. A strict new draft Law on Freedom of Conscience and Religious Associations was also completed and presented to Parliament for review. *Given the increased measures to control the activities of nongovernmental development and religious organizations throughout 2008, the rating for civil society worsens from 5.50 to 5.75.*

Independent Media. In 2008, the government continued to tolerate independent media, which at times reported critically on government activities with no major or systematic repercussions. Several new print- and Internet-based outlets were given permission to operate, though no new independent radio or television stations were allowed to do so despite a backlog of applications. Reporters Without Borders rated Tajikistan in 2008 as having the freest media among all post-Communist states of Central Asia, ranking it 106 out of 173 countries surveyed worldwide,

an improvement over 2007. *Although a general trend in loosening controls over the media could be observed, no major steps were taken by the government to liberalize the media or encourage reporting on critical matters; thus the rating for independent media remains unchanged at 6.00.*

Local Democratic Governance. In Tajikistan, attempts at democratic practice are confined mostly to the national level, where the president and the Parliament are elected. At regional and local levels (i.e. province, district, town and village), where most officials are virtually appointed, the semblance and reality of democracy are nonexistent. Nearly three-quarters of Tajikistan's population live in rural areas and rely on agriculture-related employment. For years, the country has undergone a problem-riddled and corrupt land reform process, and while nearly all farmland has been privatized, for the average farmer, the process has been on paper only, especially in cotton-growing regions. The central and local governments call the commodity "white gold," but the cotton industry accounts for an accumulating debt of over US$500 million and has caused much poverty for local communities. Despite declining yields and negative social and economic impacts at the local level, the central government, through local cronies, enforces a de facto rule in favor of cotton cultivation. *Given the lack of democratic rule at the local level, lack of progress in equitable land reform, and continued exploitation of the rural population (especially in cotton-growing areas) by mostly unelected local leaders, the rating for local democratic governance remains unchanged at 6.00.*

Judicial Framework and Independence. According to the Tajik NGO Bureau of Human Rights and Rule of Law, torture and abuse were routinely practiced by Tajikistan's law enforcement agencies during 2008. Another local group, the Human Rights Center, reports that one in five defendants claimed to have been abused by interrogators to confess to crimes they may not have committed. Judges are appointed largely by the president and remain under the direct and indirect influence of the executive. Corruption in the judiciary is widespread and, based on anecdotal evidence, has increased. The penitentiary system has undergone an incomplete reform and has remained closed to independent inspectors, such as the International Committee of the Red Cross. Although the law on establishing a human rights ombudsman was passed in March 2008, no progress was made in its implementation. *Owing to allegations of torture, abuse, and widespread corruption in law enforcement sectors, the heavy influence of the executive branch on the judiciary, and the continued resistance of the government to allow independent inspectors into detention facilities, the rating for judicial framework and independence worsens from 6.00 to 6.25.*

Corruption. Aside from its pervasive nature among most public services, corruption is also part of the main system of goods and commodities transported and exported out of Tajikistan—namely, the trafficking of Afghanistan-originated drugs and

the domestic production and export of cotton and aluminum. Despite the fact that the cotton sector has been losing money and thousands of rural households have become poorer while being forced to grow it, its production is still identified by authorities as "strategic." Aluminum production by state-owned Talco is also problematic, with some claiming that hundreds of millions of dollars in profits never reach government coffers. *Owing to the continued serious nature of corruption, which affects nearly all aspects of domestic life, as well as the minimal impact of the government's anticorruption efforts, the rating for corruption remains unchanged at 6.25.*

Outlook for 2008. Tajikistan (both its government and its population) will be forced to radically tighten its belt as sources of regular support continue to at least partially dry up—namely, the plummeting cotton and aluminum markets and significantly decreased remittances from the shrinking numbers of Tajik migrant workers in Russia, estimated at 36 percent of Tajikistan's gross domestic product in 2008. Furthermore, the population and the media appear to be less timid in expressing its dissatisfaction over the government's endemic corruption and violations of economic and human rights, including a near lack of justice in the courts, illegal evictions, and a closed and abusive prison system. Much may depend on an external push from the international community and its financial assistance and investment. Though key powers are interested in seeing a secure and strong Tajikistan that would serve as a barrier to the export of drugs and terrorism, much of it emanating from Afghanistan, some experts argue that the best methods for fighting drug trafficking and religious extremism in Tajikistan are increased social, economic, and political freedoms, including respect for the individual and group rights of ethnic and religious minorities, detainees, and the population at large.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.00	6.25	6.25	6.25	[illegible]

President Emomali Rahmon, in power since 1992, has largely maintained the support of the population, who credit him with ending the 1992–1997 civil war, which took nearly 50,000 lives and forced half a million people to flee the country or become internally displaced. President Rahmon has been viewed as capable in providing security and allowing for economic development (the average annual gross domestic product grew by nearly 8 percent during 2004–2008).[1] Despite his seeming popularity, however, Rahmon has not fully tested the democratic process, and his administration has maneuvered to sideline genuine opposition figures, especially prior to and during the 2006 presidential election.

The president has also used his popularity to promote an idiosyncratic nation-building model, blending ethnic overtones with religion. For example, 2006 and 2007 were celebrated as the years of Aryan Civilization, and Tajik Language, while 2009 has been stated as the year of Emomi Azam (Great Leader), referring to Abu Hanifa (A.D. 699–765), who was of supposed Tajik/Persian heritage and known as the founder of the Hanafi branch of Sunni Islam. The president's dual emphasis on the Tajikness of the population (in reality, no more than 70 percent) and the Hanafi religious identity of the majority has risked socially and politically marginalizing non-ethnic Tajiks (including over a million ethnic Uzbeks), non-Hanafi Muslims (including over 200,000 Ismaili Muslims), and non-Muslim minorities. Some, such as the outspoken Social Democratic Party (SDP) leader, Rahmatullo Zoyirov, have criticized the president for violating Tajikistan's concept of secular statehood as guaranteed by the Constitution.

Tajikistan experienced significantly higher episodes of instability in 2008. In January, there were two explosions in the capital, Dushanbe, resulting in property damage. In February, Colonel Oleg Zakharchenko, commander of Tajikistan's special police forces, was shot and killed in the eastern town of Gharm during an encounter with men associated with Colonel Mirzokhoja Ahmadov, the regional chief for combating organized crime. Though the incident remains unresolved, the government initially blamed the killing on Ahmadov and his aids, while some viewed it as a botched operation, part of a larger effort to eliminate former United Tajik Opposition (UTO) guerrilla fighters like Ahmadov, who were assimilated into the government security forces after the civil war.

In June, one of the largest demonstrations in recent Tajik history took place in the capital of the autonomous mountainous Badakhshan province. Demonstrators

protested when the government sent several hundred troops to the region, for the government having granted parts of eastern Badakhshan's territory to China, and for remaking the boundaries of the province's western border by giving away several villages to another province, all without the approval of the supposed "autonomous" region's Parliament. The situation was stabilized with negotiations between the ex-UTO leaders and the minister of the interior. Despite the deal, however, the prosecutor general opened criminal proceedings against four ex-UTO commanders in July.

In 2008, a total of 28 members of Hizb ut-Tahrir (Freedom Party) were convicted, and unknown numbers of Islamic Movement of Uzbekistan (IMU) suspects were sentenced to long prison terms. It has been argued that the government's efforts to combat extremism may be counterproductive; according to a recent U.S. State Department report on terrorism, factors such as poverty and the Tajik government's aggressive policies toward some Islamic religious practices have encouraged recruitment in extremist groups. To date, Tajik jails house several hundred detainees who are convicted Hizb ut-Tahrir and IMU members, but also ex-UTO fighters who refused to lay down their arms after the 1997 peace accord. Many have complained of unfair trials, torture, and harsh prison conditions.

Tajikistan suffered one of the severest winters in decades in 2008. During the entire season, large parts of the country were provided with only a few hours of electricity per day, while alternative sources such as coal and natural gas were rare. The government failed to provide potable water for a large portion of the country as well; given arrears owed to Uzbekistan, it also failed to provide a regular supply of natural gas to urban neighborhoods where gas lines have been in existence since the Soviet era.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.50	5.25	5.25	5.25	5.75	6.00	6.25	6.50	6.50	6.50

In February 2010, Tajikistan will hold elections for its national, provincial, and district parliaments. If past is prologue, there is little hope the electoral process will comply with democratic values. In 2000, a joint UN and Organization for Security and Cooperation in Europe (OSCE) observation team described that year's election as the "first multiparty election in the history of Tajikistan," as it was Tajikistan's first parliamentary election after the signing of the 1997 peace accord and involved parties that were previously banned. Despite its historic significance, there were numerous shortcomings, including violence resulting in 11 deaths (including one candidate) and overall problems with transparency, accountability, fairness, and secrecy. Not surprisingly, observers from the Commonwealth of Independent States fully endorsed the 2005 parliamentary and 2006 presidential elections. The

OSCE, however, was critical in its assessments, concluding that the 2005 election "failed to meet many key OSCE commitments and other international standards on democratic elections."[2] In the 2006 presidential election, the ruling People's Democratic Party (PDP) exercised unfair and disproportionate advantage over opposition parties. The opposition, in turn, either did not field candidates for the election (such as the Islamic Revival Party [IRP] and Communist Party [CP]) or boycotted it altogether (the Democratic Party and SDP).

Tajikistan has a bicameral Parliament composed of the *Majlisi Namoyandagon* (lower house) and *Majlisi Milli* (upper house). The 63 members of the lower house are elected for five-year terms, 22 via a proportional party list from a countrywide constituency with a 5 percent electoral threshold. The remaining 41 seats are filled via election under a majoritarian system from single-mandate constituencies requiring an absolute majority. A substantial portion of the upper house is either directly or indirectly appointed by the president, thus violating the concept of separation of powers. Tajikistan has a three-tiered system of election commissions, with the Central Election Commission (CEC, appointed by the president and approved by the lower house), 41 district election commissions (with some commissions consisting of more than one district), and close to 3,000 polling station commissions. Opposition parties have often claimed that most election commissions are composed of pro-government appointees.

In the 2005 parliamentary elections, PDP won 75 percent of the votes, consequently controlling 52 seats in the lower house. Only two other parties won: CP with 4 seats and IRP with 2. The remaining 5 seats were filled by independent candidates, most likely closet PDP members. A similar victory occurred in the 2006 presidential election, where incumbent president Emomali Rahmon was reelected for the third time with 79 percent of the votes (his closest rival received just over 6 percent), with a reported voter turnout exceeding 90 percent. Critics claim that the presence of eight political parties in Tajikistan is merely a facade of pluralism, since at least three are de facto pro-government parties.

In the last presidential elections, the 5 percent threshold was criticized as unrealistic for any but the ruling party, and experts questioned the CEC's claim that each of the five candidates was able to collect the required 160,000 signatures. Furthermore, there was no real campaigning, with Rahmon avoiding the remaining pack of four, who conducted a few symbolic debates. The OSCE, which deployed 135 observers in 2005, claimed that multiple voting (or family voting) was common. Additionally, an anonymous international worker observing an April 2007 bi-election in the southern Khatlon province estimated that multiple voting constituted as much as 25 percent of votes and resulted from pressure by authorities on precinct heads to produce a high and favorable turnout.

During summer 2008, an International Foundation for Election Systems project, funded by the United States, brought together representatives of Tajikistan's eight political parties and the CEC as a working group, which subsequently produced recommendations for amendments to the electoral laws of the provincial and national parliaments. The recommendations suggested including representatives from political parties in all election commissions, allowing wider access to national

election observers, lifting the prohibition on citizens who have been away from Tajikistan for over five years to run for office, reducing the electoral threshold for party list candidates from 5 to 3 percent, and increasing the size of the lower house from 63 to 100 members. By year's end, however, there was no indication that the working group's recommendations would be considered by the Parliament.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2008
5.25	5.00	5.00	5.00	5.00	4.75	5.00	5.00	5.50	5.75

Traditional modes of civil society have always been a part of Central Asia, with some components reinforced and others suppressed by Communist rule. Historically, the *masjid* (mosque), *choikhona* (teahouse), and *bazaar* (market) have been places of community discussion. Furthermore, voluntary cooperation has been a part of life in both Muslim and Communist Tajikistan, often referred to as *hashar* (assembling). Prior to Tajikistan's independence, and encouraged by Gorbachev's glasnost, informal modern civil society entities and discussion groups such as *Ru ba Ru* (Face-to-Face) and *Ehyo* (Renewal), with fewer than 100 members each from among the urban intelligentsia, were also formed.

The Tajik political scientist Parviz Mullojonov claims that one reason for the escalation of violence during Tajikistan's civil war was the "anemic state" of the country's civil society and its unpreparedness to take up an "intermediary peace-making role."[3] One could also argue that the role of civil society is not necessarily always positive, and in the case of the events leading to Tajikistan's civil war, religious- and ethnic-based informal entities often inflamed, rather than put out, preexisting or newly formed tensions among factions and regions. Still, well into the Tajik civil war and after, civil society eventually played constructive roles in assisting in the peace process. The 1996 Public Accord Agreement was signed by nearly all political parties and many nongovernmental organizations (NGOs), and after the signing of the 1997 Moscow Peace Accord, the government and international entities involved in assisting the repatriation of an estimated 70,000 Tajik refugees from Afghanistan relied on the *mahalla* (neighborhood) councils and their influence in the local community to reduce remaining tensions between repatriated citizens and locals.

The unrest in March 2005 in neighboring Kyrgyzstan, which led to regime change and the bloody incidence in Uzbekistan's Andijon a few months later prompted Tajik authorities to take a serious look at civil society groups, the most active of which are funded by foreign donors. The government attempted to regulate local and international organizations, whose activities were not always found to be in the state's interests. In 2005, the pro-government weekly *Jumhuriyat*, for example, labeled seminars sponsored by the U.S.-funded American Bar Association as "dangerous" for their alleged promotion of Western values.[4]

In February 2007, the government passed a new Law on Civil Society Organizations that gave it relatively free hand in potentially controlling all forms of gatherings and entities and, among other things, required all existing NGOs to reregister with the Ministry of Justice. In 2006, the authorities denied registration to Freedom House, and according to Human Rights Watch, the government is using its "burdensome registration requirements to unduly interfere" with the activities of civil society. As of April 2008, 1,390 NGOs were registered with the Ministry of Justice, although no more than several hundred are active, while registered foreign NGOs numbered 116 (20 percent less than in 2007). The reregistration process has not been trouble-free, and it is suspected that the authorities have asked some local and foreign NGOs for illegal fees in exchange for registration.

In May 2008, the Ministry of Justice suspended the activities of Orphans, Refugees, and Aid (ORA) International, a German-based Christian relief organization active in Tajikistan since 2002. The government based its decision on ORA's alleged violation of the obscure Article 56 of the Constitution wherein no representative offices and branches of foreign entities are to have legal status. The decision was also based on the government's allegations that ORA had engaged in proselytizing. Also in May, the government denied registration to the Washington-based National Democratic Institute, active in Tajikistan since 2002 in building the capacity of civil society and political parties. The Ministry of Justice also refused to renew the registration of two other U.S.-based humanitarian NGOs, Care International and Mercy Corps, accusing them of improper reporting of their activities.

In September 2008, a Dushanbe military court continued the ban on activities by the Jehovah's Witnesses and denied registration to two other Christian missionary groups. Muslim groups were also scrutinized by the authorities. In March, the Supreme Court confirmed an earlier ruling banning Hizb ut-Tahrir as an Islamist extremist organization. In June, the mayor of Khujand expressed concern over the spread of the Salafi Islamic movement (aka Salafiya), which many consider a fundamentalist version of Sunni Islam, while in October, the Khatlon prosecutor general asked for a ban on the Salafiya. The government's new draft Law on Freedom of Conscience and Religious Associations, expected to become law in 2009, restricts the activities of religious groups, allows for government inspection of religious gatherings and organization records, forbids foreigners from leading religious groups, creates formidable obstacles in registering new religious groups and heavily restricts proselytizing.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.75	5.50	5.75	5.75	5.75	6.00	6.25	6.25	6.00	[illegible]

According to the Ministry of Culture, as of February 2008 there were 129 newspapers and 49 journals registered with the government, though most do not publish

regularly and no daily newspaper is produced in the country. By all accounts, the post-Communist generation in Tajikistan is less well read yet more technologically dependent, as television, radio, cell phone and the Internet play increasingly more important roles than print media.

There are approximately 30 radio and television stations in Tajikistan, most privately owned. Aside from several state-run radio and television stations, including 2 nationwide channels and the recently established 24-hour news channel, *Jahonnamo* (Worldview), there are 18 independent radio and television stations, mostly in Dushanbe and the northern Sughd province. In the heavily populated southern Khatlon province, there are only 2 independent TV stations: *Mavji Ozod* (Free Wave) and *Independent TV* of Qurghonteppa (aka TV-5). Tajikistan was the last ex-Communist state to link to the Internet. There are currently an estimated 12 Internet service providers in the country, although access to the Internet is more expensive compared with access in Western states.

Tajikistan's media laws generally meet international standards. Article 30 of the Constitution gives individuals and entities the right to seek, receive, and disseminate information. The Law on the Right to Access to Information, passed in April 2008, requires government entities to provide relevant information in response to inquiries within 30 days. Article 27 of the Law on the Media allows journalists to appeal to legal bodies in the instance that authorities refuse to provide information, while Article 162 of the country's criminal code makes it an offense to obstruct the work of journalists. Despite Tajikistan's relatively good laws, implementation is problematic. According to Mukhtor Boqizoda, a prominent journalist, officials often "ignore journalists," and "access to governmental information is limited." Access is more restrictive as one moves out of the capital and into the regions. The leading complaints registered by Tajikistan's National Association of Independent Media (NANSMIT) in the past few years have been the refusal of access to government information, obstruction of the routine activities of journalists, and physical threats.

However, not unlike other former Soviet republics, Tajikistan lists defamation as a criminal offense. Article 135 of the criminal code ("maliciously spreading false information about a person") and Article 136 ("insults that offend personal dignity") carry a punishment of up to two years in jail or a fine of up to US$17,000. Furthermore, Article 137 ("protection of the honor and dignity of the president") can lead to a five-year jail sentence, while insulting a government official in a public manner can carry a fine of US$34,000 or two years in jail. Media rights activists claim that the law is too stringent and used by authorities to intimidate journalists and restrict freedom of speech. A campaign to remove libel from Tajikistan's criminal law statutes was launched in 2008, urging that cases be taken by civil rather than criminal courts.

According to NANSMIT, 2008 involved a "greater level of persecution for critical reporting than previous years," but "arrests and attacks" on journalists were also "rare." In one example, a criminal libel case was launched in August against a well-known journalist, Tursunali Aliev, in connection with a magazine article critical of local government officials. NANSMIT called this "deliberate persecution"

intended to intimidate the media. In another case, Dodojon Atovulloyev, editor of the banned online journal *Cheroghi Ruz* (Light of Day) and founder of the opposition *Vatandor* (Patriot) movement-in-exile, was labeled a "criminal and information terrorist" by the authorities. In September, the prosecutor general launched criminal proceedings against Atovulloyev, who lives in Europe, accusing him of insult and slander of the president and calling for the overthrow of the constitutional order.

In Reporters Without Borders' 2008 Index of Media Freedom, Tajikistan ranked 106 out of 173 states surveyed and holds the seventh best place among the former Soviet republics (after the Baltic States, Ukraine, Moldova, and Armenia). Indeed, Tajikistan has a relatively vibrant (print) media atmosphere. For example, an opinion column published in November 2008 by the editor of the Tajik paper *Facti i Komentariyi* was harshly critical of the government's conduct and of the population for not demanding its rights. Internet journalism also expanded with the November launch of www.pamir-media.tj by several journalists in the Badakhshan province.

According to Ibrahim Usmonov, a professor at the National University of Tajikistan, the print sources not registered by the authorities in recent years were either short-term journals that were purely grant based or publications expressing critical views by independent thinkers or opposition parties.[5] Regarding broadcast media, the government's arguments for refusing registration include the assertion that "commercial radio is an invention of world imperialism"[6] or that funding came from foreign sources. Ironically, in March, President Rahmon himself had expressed dissatisfaction with the state-run radio and television, claiming correctly that many tune in to news from Russian channels instead. Rahmon ordered that "every event that happens every second and every minute should be broadcast on TV and radio...." The president also said, however, that the media should avoid publishing reports that can cause turmoil.[7]

In April 2008, authorities temporarily shut down the relatively objective *Radio Imruz* (*Today*), which, ironically, is owned by Hasan Sadulloyev, the president's wealthy brother-in-law. *Imruz* had, among other things, reported on a protest in Badakhshan over the central government's policies, allegations of unfairness in the electoral process, as well as on Tajikistan's US$47 million mishap with the International Monetary Fund.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	6.00	[illegible]

In Tajikistan, provincial and district governors and city mayors are not elected but appointed. Although some local leaders are highly competent, most are chosen primarily for their loyalty rather than their ability. Many local leaders are incapable

of running an efficient government and make unilateral decisions with little or no input from the population. And though provincial and district assemblies are elected bodies, the process of nominating candidates is highly political, with obstacles put in the way of opposition or non-PDP candidates. Cronyism and corruption at the local level extends to nearly all districts and includes the illegal sale of agricultural lands by local officials for personal profit.

Most of Tajikistan's administrative divisions and key infrastructure reflect the country's Soviet past, as confirmed in the 1994 Constitution. Tajikistan has 22 cities, 47 towns, 354 villages, and 3,570 settlements and is divided into 4 provinces, each subdivided into districts (*nohiya*) numbering 56 in total. The 4 provinces—Khatlon, Sughd, Badakhshan, and Regions of Republican Subordination, which surround the capital, Dushanbe—uphold their own governments and elect, at least on paper, the majority of their regional parliamentarians. The capital city, Dushanbe, is equivalent to an additional province. The president appoints provincial and district heads, and although district council members may veto appointments, they rarely do.

Nearly 75 percent of Tajikistan's population lives in rural areas. Most engage in agricultural work, which constitutes 60 percent of the country's employment and contributes 30 percent of the gross domestic product.[8] Many of the difficulties facing the country's rural economy result from mismanaged land and agricultural reform. According to a joint European Commission and UN study, the key role of land reform to "provide a basis for agricultural growth and rural livelihoods" is unfulfilled in Tajikistan. Although close to two-thirds of agricultural land and enterprises have been privatized into *dehqon* (peasant) farms, much of this is merely on paper, with an estimated 30 percent still operating as collective farms. According to experts, many of the new private collective farms, especially in cotton-growing areas, function like feudal states, where members are not consulted on the crops to be grown, suffer low wages, and sometimes find their land shares creatively stolen.

Some experts would claim that the international community has taken a privatization "cure-all" approach to post-Communist transition. The Tajik authorities, in turn, have played along, adopting a purely formalistic line in what has become a corrupt process. At the same time, the Ministry of Agriculture has been left largely out of the reform process and forced to act as the de facto "ministry of cotton farming."[9] Today, cotton yields in Tajikistan are near mid-1930s levels, and cotton farms and farmers have accumulated an astounding debt to intermediary companies estimated at over US$500 million, while the export of cotton fiber during 2008 reportedly fell by 23 percent.[10] At the same time, Tajikistan is heavily dependent on food imports, including such staples as grain, meat, and eggs. According to a 2008 World Bank survey, 53 percent of the population lives below the poverty line, with one in six households (17 percent) categorized as "extremely poor," consuming only one meal per day.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	[illegible]

In its annual report, Human Rights Watch observed that "lack of access to justice, due process violations, and ill-treatment in custody" were among the "numerous and chronic" human rights issues facing Tajikistan in 2008. Furthermore, the local NGO Bureau of Human Rights and Rule of Law reported abuse and torture by law enforcement officials. Some confessions in detention were reportedly obtained through beatings, electroshock, solitary confinement, and even rape. Many who have been abused are unwilling to file suits against the authorities, as they lack confidence in the objectivity of the courts and also fear repeated abuse. However, in a rare case, in August 2008 two policemen in the Khatlon province were convicted of having ill-treated minors. Corruption in the judicial system in the form of bribery, extortion, and political influence, primarily by the executive branch, is also rampant. During the first nine months of 2008, five judges were reportedly fired from their posts on corruption allegations, with two being charged.

Tajikistan's criminal procedure code, dating back to the Soviet era, is highly problematic, and the notion of "guilty until proven innocent" is commonly held.[11] According to the Human Rights Center, a local legal aid NGO, three-quarters of the accused are held in special cages during trial, many also handcuffed. Furthermore, one in five defendants in criminal cases tells of police interrogators using torture or psychological abuse to extract confessions, but with judges only rarely taking such claims into account.[12] Some victims have appealed to international bodies: In the case of *Rahmatov et al. v. Tajikistan*, the UN Human Rights Committee ruled in April 2008 against Tajikistan for having violated the rights of five individuals, including freedom from torture. There are an estimated 10,000 prisoners in the penal system, with over 10 percent infected by tuberculosis, HIV/AIDS, and other serious maladies. Tajikistan's prison system has been closed to serious objective third-party monitoring, such as by the International Committee of the Red Cross.

During 2008, authorities continued the arbitrary forced evictions of the poor and middle class from Dushanbe to make way for the capital's *genplan* of urban renewal. This prompted several protests, all small-scale and mostly peaceful, but with a disproportionate response by the authorities, who beat and arrested some demonstrators. The land confiscations included an onging case involving a large and highly valuable property owned by the Grace Sunmin Protestant Church as well as Tajikistan's only synagogue, which was bulldozed in April to make way for a new government palace.

Constitutional guarantees of the right to representation by an attorney and the right to fair trial are routinely violated, especially in the case of the poor and those deemed to be a danger to the security of the state. According to the criminal procedure code, security organs may arrest and keep an individual in pretrial detention for up to 72 hours, but the prosecutor may extend the detention for 10 days and in some

cases, by order of the prosecutor general, for up to 15 months without trial. As of the end of 2008, the government had proposed a new draft criminal procedure code, which is expected to be reviewed for approval by Parliament in 2009.

There was some progress in Tajikistan's judicial system in 2008, including passage of the Law on Third-Party Arbitration Courts, which allows independent mediation between two parties. In March, the Constitutional Court's mandate was extended to include the right not only to initiate a review of draft laws, but to consider individual complaints. Also in March, to comply with the 2006 recommendations of the UN Committee Against Torture, the government amended the criminal procedure code to make evidence obtained under torture inadmissible in court. Furthermore, the president signed the Law on the Human Rights Ombudsman, which was drafted by a government working group but with little consultation with Tajikistan's human rights NGOs. The NGOs, in turn, gave their own recommendations on the draft law to the Parliament, but the final law did not incorporate any of the recommendations. Despite the passage of the law, an ombudsman had yet to be appointed by the president by year's end.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25

Transparency International gave Tajikistan a score of 2.0 in its 2008 Corruption Perceptions Index (on a scale of 0–10, with 10 indicating "highly clean"). The 2008 ranking, which is slightly worse than the previous year, tied Tajikistan with Belarus and Central African Republic at 151 out of 180 countries surveyed. A 2006 survey by Tajikistan's state-run Strategic Research Center with support from Sweden and the UN found the perception of corruption to be widespread, with the public identifying courts, local administration, and law enforcement bodies as the most corrupt institutions.

Bribes and extortion are common among civil servants, traffic police, courts, tax and passport officials, and even teachers and doctors. One can, inter alia, purchase passing university grades, gain admission into medical school (requiring illegal fees of up to US$4,000), obtain a driver's license (roughly US$200), and receive a military service waiver (around US$800). Much of the country's corruption centers around legal and illegal goods, involving the trafficking of narcotics and the production and export of cotton and aluminum, the latter two constituting an estimated 84 percent of export earnings.[13]

Since the fall of the Taliban, drug production in Afghanistan (where 93 percent of the world's opium supply originates) and trafficking through neighboring states like Tajikistan have been on the rise. Still, in 2008, the total amount of opium production in Afghanistan saw a reduction of 6 percent for the year, with an estimated production of 7,700 metric tons.[14] Given its nearly 1,400 kilometers (870

miles) of porous border with Afghanistan, Tajikistan has one of the highest rates of drug trafficking and interception in the world. And given its poor economic status, Tajikistan has been labeled as the only country in the region "most dependent on the illicit drug industry," with drug trafficking accounting for roughly 30 percent of its economy.[15]

In the cotton trade, during 2008 intermediary companies continued to benefit from the government's insistence on growing this so-called strategic crop (aka "white gold"), providing agronomic inputs to farmers at extremely high interest credit and acting not unlike loan sharks. Yet raw cotton production in 2008 was thought to be on the whole unprofitable and estimated around 380,000 tons, 10 percent lower than in 2007. Experts argue that land reform in Tajikistan is both slow and corrupt, leading to low productivity. Furthermore, local authorities in the country's irrigated zones prevent the proper implementation of the parliamentary resolution known as "Freedom to Farm", which promises to give farmers the right to sow their crop of choice. In reality, farmers are often threatened with land confiscation or other penalties if they do not sow cotton.

A lucrative but equally problematic sector of the economy is aluminum (with reportedly 419,000 tons produced in 2008). Although aluminum is produced and exported by the state-owned Tajik Aluminum Company (Talco), the industry also features several nontransparent intermediary companies, including CDH, which is registered in the British Virgin Islands. Since 2004, Talco has been involved in two suits with its former contractor, Russian Aluminum, and Talco's former management (two Tajik citizens living in exile in the United Kingdom), from whom Talco sought nearly half a billion dollars. In 2008, the case settled out of court and not in Talco's favor, with legal fees costing the government over US$125 million. Some claim that at least US$500 million in aluminum earnings since 2005 are unaccounted for and were likely diverted to CDH's offshore accounts. Talco management, in turn, argues that the company has doubled the wages of its employees in recent years, invested over US$100 million in plant upgrades, and was audited by a reputable international company.

In January 2007, the government approved the creation of the State Financial Control and Anticorruption Agency, which consolidated nearly all anticorruption functions previously exercised by the State Tax Committee, the Office of the Prosecutor General, and other law enforcement bodies. The former head of the parliamentary Committee on Constitution, Legislation, and Human Rights, Sherkhon Salimov, was assigned as its head, and by mid-2007, the agency had hired a staff of nearly 500. The agency reported that during 2008, it was able to reveal 815 corruption cases, 281 categorized as "serious." It implicated 1,145 government employees, sacked 58 officials, and revealed graft of US$26.5 million in state funds. The agency also claims that the "shadow economy" of nontaxed business transactions is on the rise. As an example, it cited a soft-drink manufacturer that underreported its production by 90 percent to avoid paying taxes. Experts agree that low wages are one cause of the country's rampant corruption; consequently, the head of the Anticorruption Agency called for a pay raise for himself, his staff, and other state agencies such as the Office of the Prosecutor General and the police.

▮ AUTHOR: RAISSA MUHUTDINOVA

Raissa Muhutdinova is an independent consultant. She also has work experience with the United Nations in Tajikistan and Bangladesh.

---

1 *Country Report: Tajikistan* (London: The Economist Intelligence Unit (EIU), December 2008).

2 *Republic of Tajikistan: Parliamentary Elections 27 February and 13 March, 2005—OSCE/ODIHR Election Observation Mission Final Report* (Warsaw: OSCE, May 31, 2005).

3 Parviz Mullojonov, "Civil society and its role in the peace-building process in Tajikistan," In *Materials of the International Conference on the Commemoration of the 10th Anniversary of the General Agreement on the Establishment of Peace and National Accord in Tajikistan, 25–26 June, Dushanbe, Tajikistan,* (Dushanbe: UNTOP, 2007), pp. 78–86.

4 "U.S. Ambassador: Foreign NGOs Respect Tajik Law," *Radio Free Europe/Radio Liberty (FE/RL),* December 2, 2005.

5 Ibrahim Usmonov, "Tojikiston ruznoma nadorad, vali ..." [Tajikistan doesn't have newspapers, but ...], *Djurnalist* (1): 2–4, November 2008.

6 Andrei Richter, *Post-Soviet Perspective on Media and Freedom of Media,* (Moscow: UNESCO, 2007).

7 "Tajik leader urges measures to ensure information security," *Tajik Television First Channel,* March 19, 2008.

8 *The Economic Effects of Land Reform in Tajikistan* (European Commission (EC) and U.N. Food and Agricultural Organization (FAO), July 2008).

9 Don Van Atta, "The failure of land reform in Tajikistan," Draft prepared for presentation at the 13th Annual World Convention of the Association for the Study of Nationalities, Columbia University, April 11, 2008.

10 "Poyonravii istihsoli paxta" [Lowering cotton production], *Jomea* 22 (67): 12, 27, November–December 2008.

11 Roger D. Kangas, "Legal Reform in Central Asia: Battling the influence of History," in D. L. Burghart and T. Sabonis-Helf, eds., *In the Tracks of Tamerlane: Central Asia's Path to the 21st Century* (Washington, D.C.: National Defense University, 2004).

12 Tatyana Khatyukhina, Human Rights Centre, "Observance of the right to fair trial," Presentation at the roundtable: *Tajikistan and the 60th Anniversary of the Universal Declaration of Human Rights* in Dushanbe, December 10, 2008.

13 *Country Report: Tajikistan* (London: The Economist Intelligence Unit (EIU), December 2008).

14 *Afghanistan Opium Survey 2008,* (Kabul: United Nations Office on Drugs and Crime (UNODC) and Government of Afghanistan, November 2008).

15 Letizia Paoli et al., "Tajikistan: The Rise of a Narco-State," *Journal of Drug Issues* 37 (4), Fall 2007.

Turkmenistan

by Annette Bohr

Capital: Ashgabat
Population: 5.0 million
GDP/capita: n/a

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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	6.75	7.00	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00	6.75	6.75
Judicial Framework and Independence	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corruption	6.00	6.25	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75
Democracy Score	6.75	6.83	6.83	6.83	6.88	6.93	6.96	6.96	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

President Gurbanguly Berdimuhamedov ended the second year of his presidency having done little to reform the structure of government created by independent Turkmenistan's first president, Saparmurat Niyazov, although he had adopted a number of measures reversing some of his predecessor's most destructive and isolationist policies in order to curry international legitimacy and attract foreign investment. In 2008, Turkmenistan under Berdimuhamedov retained many of the distinguishing features of the Niyazov era, 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 was no revival of civil society under the new president, some religious communities continued to experience various forms of harassment, and the vast majority of political prisoners remained behind bars. Significantly, the new leadership did not increase budget transparency and persisted in using state revenue to fund a number of vanity construction projects. Although the December elections to a revamped parliament did not herald genuine reform, they were accompanied by great official fanfare and served as Berdimuhamedov's chief vehicle for demonstrating to the international community that the process of democratization in Turkmenistan was proceeding apace.

Nonetheless, certain key reforms undertaken by the new regime to restore the beleaguered social sector, to improve rural infrastructure, and to reform the banking system indicated a clear, albeit partial, break with the former regime. Considerable progress was made in 2008 in phasing out the dual cults of former President Niyazov and his quasi-spiritual guide, the *Ruhnama*. Changes were made to investment law, and a commercial rate was introduced in order to bridge the massive gap between the black market and official exchange rates. Some superficial but symbolically important reforms included the restoration of the circus and the old Gregorian calendar names for the months of the year and the days of the week, and the abolition of the pseudo-representative body—the national-level *Halk Maslakhaty*.

National Democratic Governance. As was the case throughout Niyazov's rule, under Berdimuhamedov 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 Turkmenistan in September 2008, which 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 parliament. In abolishing the Halk Maslakhaty, the government reverted to having only one legislative body rather

than two, although the change did not effect a more equal balance of power among the executive, legislative and judicial branches, since the revamped parliament remains a presidential appendage. The dismantling of Niyazov's personality cult received a considerable impetus during 2008 as the former president's portraits were steadily removed and replaced with those of President Berdimuhamedov in government and public buildings. The gradual process of phasing out the cult of Niyazov's quasi-spiritual guidebook for the nation, the *Ruhnama* (*Book of the Soul*), which had been accorded the *de facto* status of a holy book on a par with the Koran, was also begun in earnest in 2008. *Turkmenistan's rating for national democratic governance remains unchanged at 7.00.*

Electoral Process. In December 2008, Turkmenistan held elections to fill an enlarged, 125-member parliament under the revised constitution. Although the leadership presented the elections as the centerpiece of its political reform program, Berdimuhamedov in fact chose to eliminate the People's Council and hold new elections to a revamped Mejlis rather than undertake any concrete steps towards the introduction of a multi-party system, such as adopting a law on political parties. According to official government reports, 287 candidates ran for 125 seats, the majority of which represented the Democratic Party of Turkmenistan (DTP) and the Galkynysh social movement, while 79 candidates were put forward by citizens' initiative groups. The Central Election Commission registered only officially vetted, 'independent' candidates, and the authorities rejected applications from at least two Turkmen dissidents. In contrast to the presidential elections of February 2007, pre-election campaigning was not broadly advertised and did not generate even a modest debate on issues regarded as taboo under Niyazov, such as the state of healthcare and education. Reports by opposition groups noted low voter turnout, and voting irregularities, such as block or 'family' voting and voting without proof of identity. At the end of 2008, no opposition parties or movements were officially registered in Turkmenistan. *While multi-candidate, the December elections to the revamped parliament 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 rating for electoral process remains unchanged at 7.00.*

Civil Society. In 2008, there was no rebirth of civil society under Berdimuhamedov's rule. Although civil society has never thrived in Turkmenistan, steady repression by government authorities, from 2002 in particular, forced those independent non-governmental organizations (NGOs) that had managed to gain a foothold in the newly independent country either to dissolve, re-designate themselves as commercial enterprises, or merge with pro-government public associations. No new NGOs were registered in Turkmenistan from 2005 until July 2008, at which time the government reported that it had registered 11 new civic organizations. Although 10 of the 11 newly registered groups were reported to be sponsored by the government, the first community-based NGO in the country, the Ak Bugday

Gardener's Association, was also registered. In 2008, Turkmenistan's leadership began to hold a large number of high-profile seminars and workshops in conjunction with international organizations and individual western governments on a variety of democracy and state-building themes, although, as a rule, only vetted ministers, parliamentarians and officials from presidentially controlled institutes were allowed to participate. In the sphere of religious freedom, no fundamental changes have taken place since Berdimuhamedov's ascent to power, and religious activity remains tightly controlled by the state. *Turkmenistan's rating for civil society remains unchanged at 7.00.*

Independent Media. In 2008, Turkmenistan's media organizations continued to uphold the ideological line of the state, which maintains its control over all forms of state-run mass media through the retention of a single information agency (TDH). President Berdimuhamedov formally lifted the ban on the importation and circulation of all 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 generally inaccessible. Internet access increased modestly in 2008, and government-owned Turkmentelecom remained the main provider to the general population. In an important development, in June 2008 Russia's largest mobile phone operator, Mobile TeleSystems, introduced high-speed wireless internet access and WAP services on mobile phones in Turkmenistan, which offered the possibility of a significant expansion of internet access throughout the country and signaled the end to the monopoly held by Turkmentelecom for much of the independence period. Modest improvements in Internet provision were offset by the continued harassment of independent journalists and the inability of foreign journalists to access the country other than for 'showcase' events, such as international gas conferences. *Despite modest improvements in Internet access, a substantive improvement in information liberalization is unlikely without changes in censorship policy and the establishment of a rigorous system for the training of journalists. Turkmenistan's rating for independent media remains unchanged at 7.00.*

Local Democratic Governance. After coming to power, the Berdimuhamedov leadership announced that it would undertake a US$4 billion plan to develop the country's rural infrastructure. At the end of 2008 most of the money allocated for the program had not been used and the majority of planned construction projects remained unimplemented, partly owing to a reported absence of directed management. Of the reforms undertaken by Berdimuhamedov since he assumed the presidency, those intended to rejuvenate the country's decaying educational system have been perhaps the most significant and far-reaching. In June 2008, the Minister of Education reported that universities would widen their intake by 10 percent in order to generate more professional and specialist workers. Eighteen new areas of study were introduced at universities and institutes in 2008. Additionally, over 2,000 students from Turkmenistan were reported to be studying abroad, primarily in Russia, Turkey, Malaysia and China, and another 7,000 were studying

in Kyrgyzstan. While, as of late 2008, the *Ruhnama* had not been eliminated from the educational curriculum, much less time was devoted to its study. *Turkmenistan's rating for local democratic governance remains unchanged at 6.75.*

Judicial Framework and Independence. The Office of the Prosecutor General dominates a legal system in which judges and lawyers play a marginal role. Although formally independent, the court system has no impact on the observance of human rights but rather acts as an important instrument of repression for the regime. Arbitrary arrest and detention remain a widespread practice in Turkmenistan, despite laws prohibiting such actions. Authorities have consistently refused to grant the International Committee of the Red Cross unaccompanied access to prisons. In addition to the mass pardoning of prisoners that takes place annually each October, President Berdimuhamedov pledged to release a number of convicts on certain state holidays. However, of the thousands of prisoners amnestied by President Berdimuhamedov since coming to power, less than two dozen were considered political prisoners by international human rights groups. In prisoner amnesties throughout 2008, only one of the country's many known prisoners of conscience was released. Non-Turkmen ethnic minority leaders continue to complain of discrimination, particularly as regards a lack of professional mobility and the *de facto* ban on all ethnic cultural centers and non-Turkmen media sources (with the exception of two print publications in the Russian language). *Turkmenistan's rating for judicial framework and independence remains unchanged at 7.00.*

Corruption. 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, vanity projects and 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 made by the president and his close circle of advisors. 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. In spite of a continued lack of budget transparency under the new leadership, there does appear to be a certain easing of the fiscal budget under Berdimuhamedov, as evidenced by the allocation of funds towards social programs. In 2008 President Berdimuhamedov retained Niyazov's practice of purging officials at regular intervals rather than embarking on structural reform of the political system. Public reprimands, sackings and six-month probation periods, which created a general atmosphere of paralysis, deterred officials from implementing reform. *Despite limited evidence that more state funds have been directed to social programs, there is still no budget transparency and it remains unclear whether steps have been taken by the new leadership to introduce the off-budget export revenues that were controlled by former president Niyazov into formal accounting mechanisms; consequently Turkmenistan's rating for corruption remains unchanged at 6.75.*

Outlook for 2009. Under its new leadership, Turkmenistan has been in the process of ending its self-imposed isolation by, *inter alia*, gradually improving Internet access and increasing the number of students studying abroad. Progress is very slow, however, and, at present rates of reform, a decade or more will be required to see substantial changes to the political and cultural fabric of society.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00	7.00	7.00

Since his formal election in February 2007, President Gurbanguly Berdimuhamedov has not sought to change significantly either the structure of government or the command-administrative methods of rule employed by former president Saparmurat Niyazov. In similar fashion to Niyazov, 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 Council for Religious Affairs (Gengeş), supreme commander-in-chief of the National Armed Forces, chairman of the Higher Council of Science and Technology, and chairman of both the Democratic Party of Turkmenistan (DPT) and the National Revival Movement of Turkmenistan (Galkynysh). 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 Turkmenistan in September 2008, which 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 parliament. Niyazov had created the *Halk Maslahaty* in 1992 to recall the Turkmen "national tradition" of holding tribal assemblies in order to solve society's most pressing problems. An August 2003 law ascribed to the People's Council a number of legislative powers, including the passing of constitutional laws, thereby officially displacing the Parliament as the country's primary legislative body.

In abolishing the *Halk Maslakhaty*, the government reverted to having only one legislative body rather than two, although the change did not effect a more equal balance of power among the executive, legislative and judicial branches. Despite having been given the formal powers to, *inter alia*, adopt and amend the constitution, take decisions on the holding of referenda and elections, and ratify and cancel international agreements, the expanded parliament remains a presidential appendage. The president retains the ability to rule by decree and appoint the members of government and the Central Election Commission as well as high-ranking judges. The president was also granted 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 retained the changes adopted in the immediate aftermath of Niyazov's death granting greater authority to the State Security Council, a body that includes leading defense and security officials. As such, according to Article 58, it is the Security Council rather than the parliament that is empowered to choose a deputy prime minister to serve as acting president in the event that the president is no longer able to perform his duties.

Turkmenistan is a police state in which the activities of its citizens are carefully monitored by hypertrophied internal security and law enforcement agencies and the president's private militia, whose members receive favorable treatment relative to the rest of the population, such as higher salaries and privileged accommodation. The 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 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. The Presidential Guard, consisting of some 2,000 to 3,000 former security agents whose loyalty has been tested over time, is not subordinated to any security service and carries out a wide range of functions on the personal orders of the president.

Other than the government-sponsored Democratic Party of Turkmenistan and the Galkynysh National Revival Movement, no parties or movements are legally registered in the country. While the revised 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. The constitution proscribes the formation of parties with a religious or nationalist orientation (Article 31). However, since the government has prevented all parties other than the DPT from registering and functioning, this ban is of little relevance.

The dismantling of Niyazov's personality cult received a considerable impetus during 2008 as the former president's portraits were steadily removed from government and public buildings and dozens of his monuments were taken down in towns and villages. In May it was announced that the Neutrality Arch—a hallmark of Niyazov's rule featuring a revolving, gold-plated figure of Turkmenistan's first president at the top—was to be removed from the centre of Ashgabat to the city's outskirts. Many residential areas named after Niyazov and his relatives were being gradually renamed, and the former president's birthday was eliminated from the country's official holiday list. 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, a 500-manat bill. At the same time, portraits of the new president began to replace those of Niyazov inside and outside government buildings, he was widely quoted on television, his speeches were recommended to the public, books about his parents and other relatives were promoted and his portrait was minted on a new coin in honor of his fiftieth birthday.

Also begun in earnest in 2008 was the gradual process of phasing out the cult of Niyazov's quasi-spiritual guidebook for the nation, the *Ruhnama* (*Book of the Soul*), which had been accorded the *de facto* status of a holy book on a par with the Koran. Billboards containing the book's excerpts began to be removed, recitals of the *Ruhnama* on radio and television were phased out, and *Ruhnama* propaganda centers in towns and villages stood empty. By September, the new leadership had abolished the study of the *Ruhnama* as a separate, compulsory subject in universities, although it remained a part of the educational system.

As a replacement for the dual cults of Niyazov and the *Ruhnama*, in January 2008 President Berdimuhamedov announced that a New Era of Revival was to serve as the new national ideology and 'ensure Turkmenistan's rapid advancement to the heights of progress, humanism and creativity'.[1] 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 New Era of Revival,' including a US$70 million monument to the Turkmenistani constitution, a sports complex, a cultural and entertainment centre, a five-star hotel and a US$168 million building for the oil and gas industry.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

In December 2008 Turkmenistan held elections to fill an enlarged, 125-member parliament under a revised constitution. Although the leadership presented the elections as the centerpiece of its political reform program, Berdimuhamedov in fact chose the easier option of eliminating the behemoth People's Council and holding new elections to a revamped Mejlis rather than undertaking any concrete steps towards the introduction of a multi-party system, such as adopting a law on political parties.

According to official government reports, 287 candidates ran for 125 seats, the majority of which represented the DPT and the Galkynysh social movement, while 79 candidates were put forward by citizens' initiative groups. According to the Law on Elections of Deputies to the Mejlis of Turkmenistan, citizen's 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 meeting formalizing the nomination of an independent candidate, all of whom must provide the authorities with their full name, date of birth and place of residence. By way of 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 Turkmen dissidents were rejected by the authorities. In contrast to the presidential elections of February 2007, pre-election campaigning by candidates for the Mejlis was not broadly advertised and did not generate even a modest debate on issues regarded as taboo under Niyazov, such as the state of healthcare and education. 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 participation rate.[2] During Turkmenistan's 16-year history of independent rule, electoral officials have declared near 100 percent voter turnout rates for all elections and referendums. To achieve such spectacularly high participation rates, electoral officials have engaged widely in irregular procedures, such as stuffing ballot boxes and making door-to-door home visits 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.

Although the media gave great fanfare to the presence of foreign observers at the elections, the Organization for Cooperation and Security in Europe's (OSCE) Office of Democratic Institutions and Human Rights sent only a small expert delegation rather than an election-monitoring mission, stating that the country's laws did not provide for genuine competition. The United Nations sent three observers, although they did not formally monitor the elections. The United States refused to send observers, stating that elections in Turkmenistan do not meet international standards. Observers from the CIS, on the other hand, gave glowing reports regarding all aspects of the elections, from the nomination and campaigning processes to vote-counting procedures, noting the "openness and transparency" of the work of the district election commissions.[3] Among national observers of the elections were members of the Institute for Democracy and Human Rights (controlled by the president) as well as members of the DPT and approved social organizations.

All political parties are required by law to register with the Ministry of Justice (renamed the Ministry of Fairness in September 2003), thereby allowing the government to deny official status to groups that are critical of its policies. No opposition parties or movements are officially registered in Turkmenistan. Unrelenting harassment by the authorities has driven the relatively small opposition either underground or into exile. The opposition-in-exile remains weak, poor, and prone to internal division. In 2008, authorities sought to prevent the participation of some Turkmenistani opposition leaders and independent NGOs in OSCE-sponsored conferences abroad by lodging protests with that organization against the inclusion in the lists of participants of "criminals at the international level" who have committed "terrorist" acts in Turkmenistan.[4]

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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. Although civil society has never thrived in Turkmenistan, steady repression by government authorities, from 2002 in particular, forced those independent NGOs that had managed to gain a foothold in the newly independent country to dissolve, re-designate themselves as commercial enterprises, or merge with pro-government public associations. While in 2000 there were approximately 200 to 300 registered and unregistered NGOs in Turkmenistan,[5] by 2005 that number had dwindled to 88, the vast majority of which either supported the government or received direct government support.[6]

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 the 11 newly registered groups were sponsored by the government, the first community-based NGO in the country, the Ak Bugday Gardener's Association, was also registered. The government de-registered 11 NGOs during 2008 as well.[7] The Turkmenistani government remains suspicious of NGOs while continuing to control and monitor their activity. There are no independent trade unions, and the successor to the Soviet-era Federation of Trade Unions remains linked to the government. Other government-organized NGOs include the veterans association, the youth association, the journalists union and the women's union.

In 2008, Turkmenistan's leadership began to hold a large number of high-profile seminars and workshops in conjunction with international organizations and individual western governments on a variety of democracy and state-building themes, such as the rule of law, NGO registration, international accounting standards, and countering the financing of terrorism. However, as a rule, only the same coterie of vetted ministers, parliamentarians and officials from presidentially controlled institutes, e.g. the National Institute for Democracy and Human Rights, were allowed to participate in these events, thereby removing any filter-down effect to independent, grassroots organizations.

In the sphere of religious freedom, no fundamental changes have taken place since Berdimuhamedov's ascent to power, and religious activity remains tightly controlled by the state. As with political parties and 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 register successfully 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 2004–2005. Despite this minimal progress, many

minority religious groups remain unregistered, such as the Catholic, Lutheran, Jehovah's Witness, Armenian Apostolic, Shia Muslim and Jewish communities.

In September 2008, the United Nations Special Rapporteur on Freedom of Religion or Belief was allowed to make her first official visit to Turkmenistan, concluding that the situation has improved since 2007 as regards the freedom of groups to operate in Ashgabat, although "individuals and religious communities still face a number of difficulties."[8] Registration has not brought the promised benefits, as registered and unregistered groups alike continue to experience police raids, detentions, fines, and other forms of harassment. Especially outside Ashgabat, some minority religious groups have been prohibited from meeting, throwing into question the very purpose of the registration process. As the religious freedom watchdog Forum 18 News Service reported, registration can lead to greater state control and does not facilitate finding of a legal venue for worship services, which continues to be a major problem for minority religious groups in particular.[9] 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.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

In 2008, Turkmenistan's media organizations continued to uphold the ideological line of the state, which maintains its control over all forms of state-run mass media through the retention 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 TDH or designated ministry or agency officials.[10]

Despite some improvements 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 the training of journalists.

In addition to 24 newspapers and 15 journals, the 5 state television channels[11] and 4 state radio stations function as mouthpieces for government propaganda. 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—which is widely viewed throughout Ashgabat as well as in other cities—provides the only source of alternative information in Turkmenistan. In 2008, President Berdimuhamedov formally lifted the ban on the importation and circulation of all 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 generally inaccessible. Although Turkmenistan's Ministry of Communications contracted with the Russian Federal Agency for the Press and Mass Communications to receive selected Russian periodicals, the primary recipients of these publications are central government ministries and departments.

Internet access increased modestly in 2008, and government-owned Turkmentelecom remained the main provider to the general population. According to the Internet World Stats directory, Turkmenistan had only an estimated 70,000 internet users as of March 2008,[12] up from 64,800 in August 2007. In an important development, in June 2008 Russia's largest mobile phone operator, Mobile TeleSystems (MTS), introduced high-speed wireless internet access as well as WAP services on mobile phones in Turkmenistan, which offered the possibility of a significant expansion of internet access throughout the country and signaled the end to the Turkmentelecom monopoly on the internet. Mobile telephone use has expanded rapidly in Turkmenistan. As of November 2008, MTS, which provided mobile phone services in over two dozen Turkmenistani cities, reported more than 800,000 subscribers in Turkmenistan,[13] representing a nearly 400 per cent increase over 2007 figures. Leading the mobile market in Turkmenistan, MTS has placed base stations in all areas where the population exceeds 2,000.

Turkmentelecom undertook to connect private citizens to the internet for the first time in years in June 2008, although administrative requirements for getting connected, including a signature from the local police station, continued to hinder access. Additionally, dial-up access rates were expensive for the average citizen, and the government monitored e-mail and internet usage. Not least, Turkmentelecom was not able to keep pace with the demand for home internet connections, as its outdated hardware reportedly allowed only some 20,000 computers to be connected to the internet system at any one time. In order to rectify this situation, in 2008 the government contracted with British and Lithuanian firms to set up high-speed internet connection systems.

In 2008, approximately 15 state-run internet cafes in Ashgabat and regional capitals had been set up. Usage of the cafes is not high, primarily owing to the relatively expensive charges as well as concerns that internet use could be monitored by the authorities. Resource centers sponsored by some Western embassies, international organizations and NGOs offering free internet access to the general public proved much more popular. Most internet Web sites critical of official government policy remained blocked by the authorities, although several major foreign news sites were accessible—a distinct change from the Niyazov era.

Modest improvements in internet provision were offset by the continued harassment of independent journalists and the inability of foreign journalists to access the country other than for 'showcase' events, such as international gas conferences. The government required all foreign journalists to apply for accreditation, although there were no defined criteria for either receiving or withdrawing it. According to the US Department of State, as many as 13 correspondents representing foreign media services operated without accreditation.

The closed nature of society under the new Turkmenistani leadership was highlighted by an unexpectedly fierce two-day battle that broke out in a northern suburb of Ashgabat in September 2008. Official reports on the clashes provided little information, which served to fuel speculation in foreign media sources.[14] State-run media stated tersely that 'criminal groups involved in the illegal drugs trade and armed with firearms and grenades' clashed with police, leading to an unspecified number of casualties, while some Western wire services and Russian media asserted that the violence was instigated by Islamist extremists. One opposition Web site speculated that the violence was the result of infighting between different clans within Turkmenistan's security services, while another claimed that radical oppositionists took forceful action in order to restore the constitutional system in Turkmenistan. Observers noted that reports of violent clashes in a normally tranquil Ashgabat, whatever their cause, brought to the fore the dearth of available information regarding the state of Turkmenistan's internal security and potential sources of instability.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	[illegible]
n/a	n/a	n/a	n/a	n/a	7.00	7.00	7.00	6.75	[illegible]

State power in Turkmenistan's five *velayats* (regions) and in the city of Ashgabat is formally vested in the largely decorative *Halk Maslahaty* (People's Councils), elected in December 2007, following elections for district and city people's councils in December 2006. The country's governors are directly appointed by the president at all levels. In the villages, the 1992 Constitution provided for the replacement of local soviets by councils (*gengeshes*), 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 for three-year terms.

Tribal identities remain strong in Turkmenistan and continue to play an important role in Turkmen society and informal local politics. In Turkmenistan 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 central government tend to go to members of Niyazov's and Berdimuhamedov's own tribe, the Ahal Tekke, although this is at least in part owing to the fact that the capital of 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

8,000-32,000. Under the scheme, these 'overgrown' villages are to be transformed into small towns with adequate infrastructure, including new schools, health care and community centers, fiber-optic communications, gas pipelines, and water supply and sewage systems. Despite the massive funding officially allocated to the project, the leadership has faced a number of daunting obstacles in carrying it out, not least the absence of running water, working sewage systems, electricity and even gas in many rural areas. At the end of 2008 most of the money earmarked for the program had not been used, while the majority of planned construction projects remained unimplemented.

From approximately 2000, Niyazov's government engaged in the systematic dismantling of key areas of the public sector, notably education, health care, and social security, with serious repercussions for the rural population in particular. The reforms undertaken by Berdimuhamedov since 2007 to rejuvenate the country's decaying educational system have been perhaps the most significant and far-reaching. A presidential decree restored the tenth year of compulsory education and extended the period of higher education from two to five years beginning in September 2007. 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 and the university admission system is reported to have been made fairer. Not least, in June 2007 Berdimuhamedov announced the re-opening of the defunct Academy of Sciences, which, before its closure in 1993, had acted as the mainstay of the scientific and academic community. He also decreed the establishment of a new presidential Higher Council on Science and Technology to coordinate the state's scientific and academic policy, and ordered the introduction of post-graduate and doctoral studies in certain higher educational establishments and scientific organizations.

In a move that should help to reverse the effects of the 'brain drain' that took place during the Niyazov years, in June 2008 the Minister of Education reported that universities would widen their intake by 10 percent in order to generate more professional and specialist workers. Additionally, over 2,000 students from Turkmenistan were reported to be studying abroad, primarily in Russia, Turkey, Malaysia and China.[15] Approximately another 7,000 students from Turkmenistan were reported to have gone to Kyrgyzstan to receive a higher education.[16] Also in 2008 the US government opened five interactive multi-media learning centers in Turkmenistan under the auspices of the International Research and Exchanges Board for the purposes of training Turkmenistani educators at all levels to use computer-based technologies and interactive methods in the classroom.[17]

Marking a significant departure form the Niyazov era, eighteen new areas of study were introduced at universities and institutes in 2008, including Italian and Chinese languages and literatures, agro-chemistry and soil science, land reclamation mechanization, circus and variety arts, and international law, economics and journalism. While as of late 2008, the *Ruhnama* had not been eliminated from the educational curriculum, much less time was devoted to its study (1–2 hours a week in grades one through ten as well as in all higher educational establishments).

In addition to the education sector, health care services in Turkmenistan were systematically undermined by Niyazov. By late 2006 most rural district hospitals were reported to have closed, although some hospitals in district and regional centers, which offered some specialist care, continued to operate. Turkmenistani media reported that 'hundreds of millions of dollars' had been allocated in 2008 for the construction and equipping of modern health care clinics with state-of-the-art equipment in both Ashgabat and the regions,[18] although manifest evidence of improvements in the healthcare sector was scant and inconsistent. A notable exception was a hospital in Serdar, located in the western Balkan Province, which was reported to have been renovated and fitted with modern equipment and instruments.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	

Turkmenistan's constitution, which was adopted in May 1992 and amended on several occasions thereafter, guarantees in theory the protection of basic rights and liberties, equality under the law, and the separation of religion and state.

Although formally independent, the court system has no impact on the observance of human rights but rather acts as an important instrument of repression for the regime. Unchanged since the Soviet era, the court system in Turkmenistan 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. Because all military courts were abolished in 1997, criminal offences committed by military personnel are tried in civilian courts under the authority of the Office of the Prosecutor General. 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. Prison riots are a relatively common occurrence, apparently provoked by inhumane conditions, and human rights organizations have reported that inmates are routinely beaten and tortured. Authorities have consistently refused the International Committee of the Red Cross unaccompanied access to prisons. Under an annual amnesty mandated by a 1999 law and presidential decree, the government releases thousands of inmates each year on the eve of the Muslim feast

Gadyr Gijesi (Night of Forgiveness) in October, primarily to relieve overcrowding. The number of persons amnestied since 1999 totals between 250,000 and 275,000. 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 the mass pardoning that takes place annually on Gadyr Gijesi, 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 9). However, of the thousands of prisoners amnestied by President Berdimuhamedov since coming to power in 2007, less than two dozen were considered political prisoners by international human rights groups. The most well-known among the prisoners was Nasrullah ibn Ibadullah, who had served as Turkmenistan's chief religious leader from 1996–2003 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, on Neutrality Day in December.[19]

In January 2004 the exit visa regime, which required citizens of Turkmenistan to obtain visas—often at considerable expense—to travel to foreign states, was abolished, although in its stead the government implemented a number of unofficial measures to prevent free travel, such as drawing up an extensive "blacklist" of citizens prohibited from leaving the country and the arbitrary confiscation of passports. Although the blacklist is alleged to have been reduced in number since Berdimuhamedov came to power, it was still in existence in 2008. The new leadership has enacted meaningful reforms easing internal travel restrictions, which in practice 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 line with other post-Soviet states, with the advent of independence Turkmenistan accorded a *de facto* higher status to its titular population, ethnic Turkmen, and legitimized the adoption of policies and practices that promoted their specific interests. Higher education and 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. These discriminatory practices affected, among other minorities, the non-Turkmen Russian-speaking population, who witnessed a virtual ban on Russian-language publications and education as well as the bulldozing of the historic Pushkin Russian Dramatic Theater and its removal to another location. Berdimuhamedov's rule, however, has brought some reduction in discrimination towards non-Turkmen ethnic minorities, insofar as foreign languages, particularly Russian, have been re-introduced into school curricula and public life. However, minority leaders continue to complain of discrimination, particularly as regards a lack of professional mobility and the

continued unofficial ban on all ethnic cultural centers and non-Turkmen media sources (with the exception of two print publications in the Russian language).

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.25	6.25	6.25	6.25	6.50	6.75	6.75	6.75	6.75

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 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 made by the president and his close circle of advisors. 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.

In Turkmenistan, political elites have traditionally built up local power bases by allocating key posts and opportunities to their loyalists. These informal networks, which have survived the demise of the Soviet system, are frequently referred to as "clans," although they are based on patron-client relationships, often with links to extended families, rather than on actual blood ties. A limited number of patronage networks commanded by 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 Corruption Perceptions Index for 2008, Turkmenistan ranked as one of the most corrupt countries in the world with a score of 1.8 (with 10 "highly clean" and 0 "highly corrupt"), putting it on a par with Uzbekistan, Kyrgyzstan, Cambodia and Zimbabwe. Additionally, the UK Financial Task Force put Turkmenistan on a list of countries that it claimed were at risk of money-laundering and terrorist financing owing to the lack of formal mechanisms to combat them.

President Berdimuhamedov retained Niyazov's practice of purging officials at regular intervals rather than embarking on structural reform of the political system. By the end of 2008, the new President had sacked most of the key figures who had engineered his rise to power, and only a handful of Niyazov appointees continued to hold posts in the Cabinet of Ministers. Some officials were replaced in order to promote change, while others were either too visibly associated with the *ancien regime* or were removed in order to prevent the formation of alternative power

centers. Public reprimands, sackings, and six-month probation periods created a general atmosphere of fear and paralysis and deterred officials from implementing reforms.

During the final years of Niyazov's rule, drastic cuts in pensions, massive redundancies in government jobs, the introduction of fees for medical services, the closure of hospitals, the dismantling of the educational system, and the use of military conscripts as a source of free labor in various sectors of the economy indicated that the state was having difficulty funding its huge public sector, despite official reports of record foreign trade surpluses. Although President Niyazov sought to pin the blame for budget shortfalls on his subordinates by accusing them of mass embezzlement, a more likely explanation was the continued diversion by Niyazov of billions of dollars from gas, oil, and cotton revenues to off-budget accounts under his *de facto* personal control, which were located in European (primarily German) and other bank accounts. 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.[20] In the aftermath of Niyazov's death, the German Deutsche Bank admitted holding accounts for Turkmenistan's Central Bank, although it denied holding any personal accounts for Niyazov.[21] However, according to the European Bank for Reconstruction and Development, the Turkmenistani government accounts managed by Deutsche Bank were under the "discretionary control of the president without proper regulation and transparency."[22] Global Witness has stated that no information has been forthcoming from the new Turkmenistani leadership regarding the vast amounts of export revenues concealed by Niyazov in foreign banks, and it remains unclear whether any of the off-budget funds have been introduced into formal accounting mechanisms, despite repeated queries in both 2007 and 2008.

In spite of a continued lack of budget transparency under the new leadership, there does appear to be a certain easing of the fiscal budget under Berdimuhamedov, as evidenced primarily by the reinstatement of pension rights for approximately 100,000 citizens, the allocation of funds towards rural development as well as the introduction of payments for the socially vulnerable. 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 an artificial river, a yacht club and an oceanographic centre—at the cost of US$1 billion. The budget for these vanity projects lacks transparency and appears inflated, e.g. the reconstruction of a cinema in the capital at the cost of US$12 million and a luxury hotel to be built by the French company Bougyues at a cost of US$270 million.

Turkmenistan continues to act as an important trans-shipment point for illicit drugs from Afghanistan to Western Europe. Under Niyazov, the narcotics trade provided a significant source of unofficial income for a number of government officials, including employees of the security agencies and the border service. Niyazov's departure has allowed for an improvement in Turkmenistan's drug related problems in two notable ways: first, in direct contrast to the former president,

who denied outright the existence of a drug problem in Turkmenistan, President Berdimuhamedov has officially acknowledged problems related to narcotics trafficking and drug use in Turkmenistan, even declaring a "large-scale war against this destructive threat"; and, second, he has engaged the help of outside agencies to aid in the public destruction and disposal of drugs. In 2008 the president created the new State Service for Combating Drugs, and Turkmenistan joined in international efforts to fight the narcotics trade. Nonetheless, the fight against drug trafficking is impeded by those officials who profit from it and, consequently, remain reluctant to tackle the problem.

▮ AUTHOR: ANNETTE BOHR

Annette Bohr is an associate fellow of the Russian and Eurasia Program at the Institute of International Affairs in London (Chatham House). She is the author or coauthor of two monographs and numerous articles on Central Asian politics, contemporary history, and ethnic and language policies.

---

1 "The New Constitution of Turkmenistan Adopted," Turkmen government official website, http://www.turkmenistan.gov.tm/_en/?idr=4&id=080928a.

2 "Turkmen Election Reveals Depressingly Familiar Abuses," Institute for War and Peace Reporting, December 15, 2008, available at www.iwpr.net; and "Report on the Elections," Turkmen Initiative for Human Rights, December 16, 2008, available at www.chromo-tm.org.

3 "Zaiavlenie Missii nabliudatelei SNG po resultatam nabliudeniia za podgotovkoi i provedenii vyborov deputatov Mejlisa Turkmenistana" [Statement of the Mission of Observers of the CIS on the results of the observation of the preparation and conducting of the elections of deputies to the Mejlis of Turkmenistan], December 15, 2008, http://www.turkmenistan.gov.tm/?idr=1&id=081215d.

4 "Falling Short of Expectations," Turkmen Initiative for Human Rights, August 8, 2008, http://www.chrono-tm.org/?026604430900000000000011000000.

5 *The 2000 NGO Sustainability Index for Central and Eastern Europe and Eurasia*, USAID, Bureau for Europe and Eurasia, http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2000/turkmenistan.pdf.

6 *The 2007 NGO Sustainability Index for Central and Eastern Europe and Eurasia*, USAID, Bureau for Europe and Eurasia, http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2007/turkmenistan.pdf.

7 *2008 Human Rights Report: Turkmenistan*, Bureau of Democracy, Human Rights and Labor, US Department of State, February 25, 2009, http://www.state.gov/g/drl/rls/hrrpt/2008/sca/119142.htm.

8 "UN Special Rapporteur on Freedom of Religion or Belief Concludes Visit to Turkmenistan September 10, 2008," Office of the High Commissioner for Human Rights, cited in

Turkmenistan News Brief, September 5–11, 2008, Turkmenistan Project, available at http://www.soros.org/initiatives/turkmenistan/articles_publications/listing?type=Publication.

9 Felix Corley, "Turkmenistan: Religious Freedom Survey," *Forum 18 News Service*, August 2008, http://www.forum18.org/Archive.php?article_id=1167.

10 On the State of Freedom of the Mass Media, the Right to Freedom of Speech and Free Access to Information in Turkmenistan, Turkmen Initiative for Human Rights, September 2008, p. 8.

11 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 newly created fifth television channel is devoted almost exclusively to Turkmen culture.

12 Available at http://www.internetworldstats.com/asia.htm.

13 Ayan, Business and Corporate Travel Management website, http://www.turkmenistan-business.com/en/203-mts-plans-to-construct-3g-mobile.html.

14 For an excellent, detailed analysis of both the international and domestic media reports on the September clashes, see Vitaliy Ponomarev, *Sobytiia v Ashkhabade 10–13 Sentiabria 2000g* [Events in Ashkhabad September 10–13, 2008], Memorial Human Rights Center, Moscow, November 5, 2008.

15 "The Best Universities of the World for Education," July 2, 2008, http://www.turkmenistan.gov.tm/?idr=9&id=080702b; "Na obuchenie v zarubezhnie vuzy napraviatsia bolee 2200 turkmenskikh studentov" [More than 2200 Turkmen students will be sent to study at foreign higher educational establishments], July 3, 2008, http://www.turkmenistan.ru/?page_id=3&lang_.d=ru&elem_id=13151&type=event&sort-date_desc.

16 "Turkmenistan: reforma sistemy obrazovaniia" [Turkmenistan: reform of the educational system], Turkmen Initiative for Human Rights, Vienna, January 2009, p. 20.

17 "The United States and Turkmenistan Open an Internet Center at the Supreme Council on Science and Technology," US Embassy, Ashgabat, October 15, 2008, available at http://turkmenistan.usembassy.gov/pr20081015.html.

18 "Infrastructure of Health," January 13, 2009, http://www.turkmenistan.gov.tm/?idr=7&id=090113a.

19 "Turkmenistan: Rights Activist Freed," Human Rights Watch, December 9, 2008, http://www.hrw.org/en/news/2008/12/09/turkmenistan-rights-activist-freed.

20 "Funny Business in the Turkmen-Ukraine Gas Trade," *Global Witness*, April 2006; Annette Bohr, "Independent Turkmenistan: From Post-Communism to Sultanism," in Sally N. Cummings, *Oil, Transition and Security in Central Asia* (London: RoutledgeCurzon, 2003), p. 15.

21 "Deutsche Bank denies it helped prop up 'Turkmenbashi the Great,' *Bloomberg News*, May 10, 2007, available at http://www.bloomberg.com/apps/news?pid=newsarchive&sid=agYviKnuF4bI.

22 "Turkmen Exiles Demand Deutsche Probe," *Financial Times*, December 23, 2006.

Ukraine

by Oleksandr Sushko and Olena Prystayko

Capital: Kyiv
Population: 46.5 million
GNI/capita: US$6,810

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	3.50	4.00	4.50	4.00	4.25	3.50	3.25	3.00	3.00	3.50
Civil Society	4.00	3.75	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75
Independent Media	5.00	5.25	5.50	5.50	5.50	4.75	3.75	3.75	3.50	3.50
Governance*	4.75	4.75	5.00	5.00	5.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25
Judicial Framework and Independence	4.50	4.50	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00
Corruption	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Democracy Score	4.63	4.71	4.92	4.71	4.88	4.50	4.21	4.25	4.25	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

During its post-Soviet transition, Ukraine has developed 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. The Constitution, adopted in 1996 and amended in 2004, stipulates a de facto "dual executive" that is dependent on both the president and the parliamentary majority. Victor Yushchenko, the third president of Ukraine, has been in power since January 2005. The current Parliament was elected in September 2007 by proportional vote with closed party lists and a 3 percent electoral threshold. The government led by Prime Minister Yulia Tymoshenko was appointed in December 2007. It remained stable during 2008 but was consistently challenged by a fragile parliamentary coalition, which finally collapsed in September and then reestablished in a new format in December.

The global economic crisis has severely affected Ukraine. The rapid economic growth of 2000–2007 was replaced by a recession that started in the fourth quarter of 2008. The country's gross domestic product (GDP) in January–September grew about 6.5 percent (as in 2007), but annual outcome reached only 2.1 percent of growth owing to the severe decline that happened in the last three months of the year. Nominal wages, which had been on the rise through September 2008, were substantially challenged by inflation and deep devaluation of the national currency at the end of the year. Ukraine's 22.3 percent inflation rate in 2008 was the highest in Europe.

Ukrainian media have proved to be sufficiently free, with no direct censorship or open governmental pressure detected in 2008 at the national level. However, most media were dependent on owners and informal payments from interest groups for survival, indicating that the media sector still needs strengthening, restructuring, and systemic reforms. The influence of political and economic groups in the media sphere remains strong, and public television has not yet been introduced.

National Democratic Governance. Ukraine's constitutional model, introduced in 2006, empowers the Verkhovna Rada (Parliament) to appoint a Cabinet of Ministers (government) after forming a majority coalition. However, the president remains a strong political figure, deriving power from leadership in the National Security and Defense Council and the capacity to appoint and dismiss regional executive chiefs ("governors") based on formal submissions by the government,

which are often de facto ignored. The existing governance model has proved basically plural and democratic but is consistently challenged with a number of institutional gaps, deficits, and an inefficient system of checks and balances. The de facto "dual executive" model has led to evident institutional competition undermining the capacity of state power. Instead of sustainable policy and reforms in 2008, political actors were preoccupied with fighting for power and pushing legislative reforms in their favor (such as the Law on the Cabinet of Ministers, which was changed three times during the year). Stable and mature institutions ensuring the rule of law and the permanence of democratic changes have not yet been built, and the national economy is not free of governmental domination. The slim majority in the current Parliament (227 members out of 450) collapsed in September; a new coalition consisting of Our Ukraine, Bloc of Yulia Tymoshenko (BYT), and Lytvyn Bloc was established on December 9, but the government remained the same. *Owing to the detrimental effects of political competition among top officials and the "war of decrees" waged by the president and Parliament in 2008, Ukraine's rating for national democratic governance worsens from 4.75 to 5.00.*

Electoral Process. In 2008, there was neither a national election nor changes in the electoral legislation in Ukraine. The most noteworthy electoral campaign took place in the capital city of Kyiv after Parliament's decision to hold pre-term mayoral and city council elections on May 25. Both governmental parties (Our Ukraine and BYT) strongly criticized Kyiv mayor Leonid Chernovetsky, accusing him of corruption. However, with the failure of initiators to nominate a consolidated candidate, Chernovetsky was reelected with 37.7 percent of votes (greater than his first victory in 2006). Chernovetsky's party also strengthened its positions on the city council and gained almost full control over the majority. The results of the Kyiv elections demonstrated a substantial loss of public confidence in the country's largest political parties among the capital city voters. According to the Committee of Voters of Ukraine, the Kyiv City Council and mayoral elections were transparent and competitive, although poorly organized. *Owing to irregularities detected in the Kyiv local elections in May 2008, Ukraine's rating for electoral process worsens from 3.00 to 3.50.*

Civil Society. The civic sector remains an important actor in Ukraine, though it continues to suffer from outdated legislation and dependence on foreign funding. The new government made efforts to involve nongovernmental organizations (NGOs) more intensively in advisory activities and provided a role in state public relations programs related to European and Euro-Atlantic integration. A permanent NGO Expert Council was established for Ukraine on the European Union–Ukraine Cooperation Committee. The country boasts a sizable number of registered NGOs (52,693), with 1,791 maintaining national status; however, not all registered NGOs actually operate. Most are trade unions, charitable and religious organizations, and groups involved in ethnic, cultural, youth, professional, and human rights activities. The current authorities do not interfere by levying

permanent taxes or creating additional obstacles to NGO activity. Access to public funds is still rather limited, despite some improvements over previous years. Ukrainian civil society remains heterogeneous, with the most influential NGOs based in Kyiv. Too few organizations have well-trained professional staff capable of ensuring efficient management and fund-raising. The Parliament failed again to provide essential improvements to outdated NGO legislation, and the definition of "nonprofit activity" remains restrictive. Ukrainian NGOs are still prohibited from generating income, even to support legitimate organizational aims. *Ukraine's rating for civil society remains at 2.75.*

Independent Media. Heterogeneous overall, Ukraine's media sector is mostly free at the national level, but local and regional sectors still lack restructuring and real independence. Citizens currently enjoy wide-ranging pluralism in both electronic and print media. Governmental censorship is not detected, although there is evidence of attempts to influence TV coverage on some sensitive events. At the regional and local levels, state administrations own newspapers and TV channels and affect their editorial policy, which was clearly evident in the Kyiv media during the pre-term municipal electoral campaign. Nationwide television channels in most cases provided balanced news coverage; representatives of the ruling parties as well as the opposition had equal access to the media. Most nationwide media are privately owned by leading financial and industrial groups, which allows conditions for biased content and subjective preferences in media coverage. A lack of political will continues to prevent the creation of public television. The advertising market, which developed at a fast pace in recent years, is expected to suffer from the economic crisis, posing a threat to the financial independence of media. Only a few quality media projects appeared in the national/regional markets in 2008. *Ukraine's rating for independent media remains at 3.50.*

Local Democratic Governance. There were no changes in the administrative and territorial formation of Ukraine in 2008. Local governance is represented by a dual system of authorities: state administration and a self-governance council. The president appoints the heads of the executive in oblasts and *raions*, based on formal submissions by the government that are de facto ignored. Citizens elect top city (village) officials, but their participation in local government decision making remains mostly formal. Regional and local authorities are less transparent than the central government. In its official program, adopted in January 2008, the Cabinet of Ministers of Prime Minister Yulia Tymoshenko indicated that one of its goals is the reform of local administration and administrative and territorial governance of Ukraine. The draft laws "On Changes to the Law on Local State Administrations" and "On Changes to the Law on Local Self-Governance" were on the list of laws to be adopted by the Parliament with the creation of the Coalition of Democratic Forces. Both drafts passed the first reading in the Parliament and were approved as basis in March 2008, but the respective laws were finally not adopted. Confrontations between the president and the Cabinet of Ministers in

2008 negatively impacted local governance stability. *Although the extreme fragility of local governance is of concern in light of the upcoming presidential campaign in 2009, the existing local system managed to survive the intense confrontations among political elites in 2008; therefore, Ukraine's local democratic governance rating remains unchanged at 5.25.*

Judicial Framework and Independence. Ukraine has ratified all major international instruments protecting human rights at the global (UN) and European levels. Constitutional provisions defend fundamental political, civil, and human rights, including freedom of expression, freedom of conscience and religion, freedom of association, and business and property rights. The main shortcomings of the Ukrainian judiciary, including lack of public respect for court decisions and the judicial system as a whole, insufficient financing of the court system, and an inefficient and nontransparent process for appointing judges, remained untouched during 2008. No serious discussions on criminal justice reform, such as replacing the Soviet-era criminal procedure code, took place in 2008. There is still no modern law on the Defense Bar, suggesting that legal reform is a far distant priority for political elites. The unprecedented efforts by the president to misuse the courts to push a decision on holding early parliamentary elections reflect a negative trend of politicizing the judicial system. Throughout the year, there was evidence of growing pressure on judicial independence from the executive and legislative branches, which has the potential to degrade state power, the economy, and public administration in Ukraine. *Misuse of the judiciary for political purposes took an unprecedented wide character in Ukraine in 2008; therefore, the rating for judicial framework and independence worsens from 4.75 to 5.00.*

Corruption. Apart from some successes in fighting corruption in education, particularly in admissions to institutions of higher learning, 2008 did not feature a significant campaign to fight overall corruption in Ukraine. The intense months-long confrontation between the president and the Cabinet of Ministers put anticorruption measures on the political back burner, along with improvements to local governance, the judiciary, and economic policy. There were no examples in 2008 of authorities limiting media investigations into corruption and bribery. At the same time, nontransparent decision making at the local and regional levels remained a significant problem and made investigations difficult. There was also a notable lack of initiative concerning the division of state power and business during 2008. Despite the years-long fight, corruption remains an intractable feature of Ukrainian society. *Although 2008 witnessed some legislative initiative to fight corruption, confrontations among political elites prevented its implementation; therefore, the corruption rating for Ukraine remains high at 5.75.*

Outlook for 2009. The global economic crisis is likely to be the strongest national factor in Ukraine in 2009, even more so than in other states of the region (the International Monetary Fund predicts a GDP decrease of 8–10 percent for Ukraine).

The country's growing unemployment, inflation, and decrease of household incomes will threaten its social security and overall stability, posing additional challenges for national democratic development. Despite the obvious fragility of the parliamentary coalition, it is unlikely that pre-term elections will be held in 2009; with little reasonable chance to improve their positions in the new Parliament, most powerful political players are unlikely to fight for elections. Political forces are more likely to concentrate their efforts on the presidential campaign beginning in 2009 (with elections expected in January 2010). Current president Victor Yushchenko has hypothetical chances to be re-elected. Yulia Tymoshenko and Victor Yanukovych are the most likely to become major contenders, although the crisis may unexpectedly impact the results of the presidential race. The crisis destroys social support of today's main leaders. Therefore, the possibility that a new leader will win the elections should not be excluded. The presidential campaign will be a test for the sustainability and independence of Ukrainian local governance in 2009. 2008 witnessed obvious misuse of judiciary in political interests. If continued, it may lead to serious negative consequences for the Ukrainian statehood in 2009. As there was little success to tackle corruption in recent years, there is not much hope of this happening in the year of the presidential campaign. Introduction of legislation on electronic data reporting of businesses proposed in 2008 deserves special attention, as it could create openings for new government corruption schemes within the Ukrainian economy.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.00	4.50	4.75	4.75	5.00

As reflected in the political programs and political rhetoric in Ukraine, there is an acceptance of democracy as the only appropriate system of governance. At the same time, stable and mature institutions that would ensure the rule of law and the consolidation of democratic changes have not yet been built. Ukraine is still a fragile democracy with a strong need to balance power among the branches of governance.

Ukraine's constitutional model has proved essentially plural and democratic, but it is consistently challenged by a number of institutional gaps, deficits, and the lack of an efficient system of checks and balances. A constitutional amendment implemented in 2006 stipulated that the Verkhovna Rada (Parliament) adopt a Cabinet of Ministers (government), including the prime minister. The Constitution sets out the forming of the majority coalition by party factions (at least 226 out of 450 parliamentarians) as a precondition to appointing the government. Since 2006, the president no longer has the power to appoint or dismiss the prime minister or other ministers but may nominate candidates for foreign and defense minister positions.

However, the president remains a strong political figure through leadership in the National Security and Defense Council (NSDC) and the capacity to appoint and dismiss regional executive chiefs ("governors") based on formal submissions by the government, which are often de facto ignored. Decisions by the NSDC are obligatory for all executive bodies, including the Cabinet of Ministers. The president also has the power to suspend decisions by the Cabinet of Ministers through appeals to the Constitutional Court on matters considered unconstitutional. In practice, the president has consistently misused this opportunity, suspending any undesired decision taken by the government.

Ukraine's current government has demonstrated a greater openness to public participation. A number of public councils were established or reactivated at the Cabinet of Ministers and subordinate bodies, and some cabinet meetings have been televised. At the same time, not all governmental decisions have been adopted in a transparent way. In particular, despite progress in removing the nontransparent company, RosUkrEnergo, involved in the Ukrainian gas market, the government still fails to provide sufficient transparency in its energy deals with Russia.

The de facto "dual executive" model (headed by the president and prime minister) has led to institutional competition and an undermining of state power. Instead of concentrating on sustainable policy and reforms, political actors were

preoccupied during the year with fighting for power and pushing legislative reforms in their favor. The Law on the Cabinet of Ministers, which changed three times in 2008, is an example of the political manipulation of basic legislation. Initially, the ruling coalition adopted a draft providing extra power to the President via the NSDC. In early September, one of the governmental parties, Bloc of Yulia Tymoshenko (BYT), made a deal with the opposition Party of Regions to change the law to limit the president's power. Then, in October, in an effort to revive the collapsed coalition, BYT, together with the pro-president Our Ukraine, voted for a return to the previous version of the law. Despite these obvious legislative manipulations, the government submitted no substantive reformist measures to the Parliament, such as draft legislation for administrative, anticorruption, or judiciary reform.

The competition for political power is evident in Ukraine's domestic and foreign policy. Institutional gaps and the lack of good-governance culture are complicated even more by the strong personal conflict and distrust between President Victor Yushchenko and Prime Minister Yulia Tymoshenko. The confrontation became known as the "decrees war," where in its first 100 days, the government of Yulia Tymoshenko received 881 directives, instructions, and other written prescriptions from the president and his secretariat (the previous government of Victor Yanukovych received 231 directives during the same period).[1]

Parliament plays an important role in Ukraine, making principal legislation and serving 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 the Rada parliamentary TV channel. As indicated by the parliamentary debates of the sixth convocation, there is an evident lack of political consensus on basic points of the political agenda. The Parliament's slim majority (227 out of 450 members from BYT and Our Ukraine) was turbulent from its establishment in December 2007, then challenged in June 2008 with the withdrawal of two members of Parliament (MPs), and finally dissolved in September with the withdrawal of the entire Our Ukraine faction.

In response to these events, President Yushchenko issued a decree on the dissolution of Parliament on October 9. However, the majority of parliamentary forces did not accept this option and continued to look for an opportunity to reestablish a coalition. The Cabinet of Ministers and Parliament refused to make changes to the state budget for 2008 that would provide expenses to hold pre-term elections. Without such a decision, there was no legal technical possibility to conduct the elections. Thus, for the first time, the president faced an actual inability to use his right to dissolve Parliament, even though it was constitutionally legal.

In mid-November, Speaker of the Parliament Arseny Yatseniuk was voted out with help from MPs close to the president, indicating the continuing deep erosion of Yushchenko's personal entourage and all former members of the "orange" political camp. The new Speaker of the Parliament, Volodymyr Lytvyn, was elected on

December 9, with the announcement of a new coalition consisting of Our Ukraine, BYT, and Lytvyn's Bloc. A formal agreement exists among the three factions, yet not all MPs from the coalition have taken part in its work (Our Ukraine is divided 50/50). As a result, the real number of coalition members is fewer than the minimum requirement of 226 persons, which posed a challenge when the coalition needed to adopt laws by majority rule. The Parliament of the sixth convocation is the least productive among all previous convocations in terms of laws drafted, submitted, debated, and adopted.

The Constitution and Law on Democratic Control over the Military Sphere provide for democratic oversight of the military and security services. Since 2005, Ukraine's defense minister post has been held by a civilian. Parliament has the capacity to investigate cases of misuse of military and security power. At the same time, this capacity has been used for purely political reasons, such as the case against "illegal" sales of weapons to Georgia before and during the Russia-Georgia war in August 2008. The national economy is not free of governmental domination. According to the Heritage Foundation and *The Wall Street Journal*'s annual Rating of Economic Freedom published in January 2009, Ukraine not only worsened its position once again, moving from 133rd to 152nd place, but also for the first time in recent years was qualified as an "economically unfree country." This was the result of nontransparent state expenditures, interference of the state in private business operations, and a lack of anticorruption efforts.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	4.00	4.50	4.00	4.25	3.50	3.25	3.00	3.00	

In Ukraine in 2008, there was neither a national election nor changes to electoral legislation. After the collapse of the ruling coalition in September, President Yushchenko issued a decree in early October stipulating a pre-term election to be held on December 7. However, the BYT faction in the Parliament and the leadership of the Cabinet of Ministers attacked the president's initiative. As a result, Parliament failed to approve amendments to the 2008 state budget necessary to provide for election funding; therefore the elections did not take place. This months-long season of political confrontations was described as a "war of decrees."

Ongoing debates on electoral legislation showed dissatisfaction with the existing election model, which is based on a proportional vote with a 3 percent electoral threshold, closed party lists, and a single national district electoral structure. Opponents of the existing model usually criticized its total dependence on party leaders and nontransparency of party lists; they argued for "open" party lists and multimandate regional electoral districts. During 2008, politically motivated drafts were developed—including one by BYT/Party of Regions MPs offering a two-

round parliamentary electoral system with a "winner take all" principle and another by Party of Regions/Our Ukraine MPs proposing a complicated "open party list" system—but none were adopted.

Several pre-term elections of city mayors and councils were held in Ukraine in 2008: Stakhanov (Lugansk oblast) mayoral election (March 16), Zhashkiv (Cherkasy oblast) mayoral election (May 25), and Rivne City Council and mayoral election (November 30). The most notable contest took place in Kyiv after the Parliament's decision to hold pre-term mayoral and city council elections in the capital city on May 25. Both governmental parties (Our Ukraine and BYT) strongly criticized Kyiv mayor Leonid Chernovetsky, accusing him of corruption. However, owing to the failure to nominate a consolidated candidate, Acting Mayor Chernovetsky was reelected, obtaining 37.7 percent of votes, a better outcome than his first victory in 2006.[2] His closest competitor, Deputy Prime Minister of Ukraine Oleksandr Turchynov (BYT), lost with 19.12 percent. Vitaly Klychko, considered the favorite to win, took third position with 17.97 percent of votes.[3] Chernovetsky's personal political bloc also strengthened its positions in the city council (30.45 percent of votes), easily winning a majority along with some aligned, political partners.

Results of the Kyiv municipal elections demonstrated a substantial loss of public confidence in Ukraine's largest political forces and political leaders among the capital city's voters. For instance, BYT obtained only 22.79 percent of votes in Kyiv, down from 40 percent in the parliamentary elections of 2007 and 38 percent in the city council elections of 2006. The Kyiv City Council elections also indicated a severe crisis in the pro-presidential political party Our Ukraine, which failed to pass the 3 percent electoral threshold and lost representation in the city council.[4]

According to the Committee of Voters of Ukraine (CVU), the Kyiv City Council and mayoral elections were transparent and competitive, although poorly organized. Parties were unprepared to form election commissions; they breached organizational deadlines and individual procedures, exceeded funding limits, bribed voters, and misrepresented public opinion through the media. Voter lists were of poor quality. Many Kyiv residents failed to check and clarify their personal data; commissions, in turn, did not arrange such verifications. Direct voter bribes were widespread in the final stage of the campaign.

The CVU registered "mild forms" of administrative pressure by all political forces, whose representatives occupy positions with central and municipal authorities. Although no direct pressure upon voters was revealed, the majority of candidates abused their positions in the course of campaigning by using their connection to local administration and monopolizing the political advertising market in some segments (public transport, communal media, and so forth). CVU experts concluded that, given the shortcomings in the Kyiv local elections, Parliament needs to introduce changes to legislation—in particular, lifting restrictive limitations on the use of the electoral fund, changing the principle of formation of the polling station commission, expedite compilation of the voters' register, and making the penalty for bribing voters more severe.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.00	3.75	3.75	3.50	3.75	3.00	2.75	2.75	2.75	2.75

Civil society remains an important actor in Ukraine, though it suffers from outdated legislation and dependence on foreign funding. The number of nongovernmental organizations (NGOs) registered in Ukraine is quite substantial: 52,693, including 1,791 with national status, involving approximately 20 million members (more than 40 percent of the population). Most are trade unions, charitable and religious organizations, and groups engaged in ethnic, cultural, youth, professional, and human rights activities. The current authorities do not interfere by levying taxes or creating other barriers to NGOs.

The change of the Cabinet of Ministers in December 2007 had a positive effect on the direct relations and general atmosphere between the government and civil society. For the first time, the Cabinet of Ministers' official agenda included a chapter entitled "Civil Society," elaborated primarily by NGOs under the initiative of the Kyiv-based Ukrainian Center for Independent Political Research and its partners. The new government made some effort to involve NGOs more intensively in advisory activities and provided them a role in government-operated public relations programs such as the State Programs of Public Information on European and Euro-Atlantic Integration for the period 2008–2011, adopted in 2008. A permanent NGO Expert Council for Ukraine was established within the European Union–Ukraine Cooperation Committee. A number of public councils and commissions with NGO participation continued to work with the Parliament and executive branch—namely, the National Council for Media Freedom and Information Sphere Development, National Council on Public Administration and Self-Governance, Council on Ethno-national Policy, and National Commission on Strengthening Democracy and the Rule of Law.

Civil society in Ukraine remains heterogeneous, with the most influential NGOs concentrated in the capital, Kyiv. Restrictions posed by legislation prevent some local NGOs from efficient inter-regional and nationwide cooperation, as the law allows NGOs to conduct activities only in the region where they are registered. For instance, an NGO registered in Kyiv cannot operate freely in other cities and regions. To receive nationwide status, an NGO must have branches registered in regions throughout Ukraine, which is not the case for most small and even medium-size NGOs. It is still much easier and faster to register a company or private entrepreneurship than an NGO.

NGO funding in Ukraine is rather unstable; most organizations (73 percent) depend on foreign and local donors, with 25 percent selling their services and only 2 percent declaring state support.[5] NGO access to public funds is still limited, despite some improvements over previous years. In 2007–2008, only 1 percent of state budget expenditures was committed to supporting civil society (compared with the 2–3 percent average in European Union [EU] member states). In previous

years, the level of budget support was even lower (.05 percent); therefore a positive trend is detected.[6] On the other hand, many of these budget expenditures lack sufficiently transparent procedures and competition. The legislation overseeing public purchasing calls for restrictive and expensive procedures, which are inappropriate for most NGOs in Ukraine.

The business sector in Ukraine, however, has shown a greater readiness to support NGOs, and several private funds (for instance, Open Ukraine, Victor Pinchuk Fund, Development of Ukraine) offer grants for civil society organizations. Among their priorities are 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.

Among foreign donors, the George Soros–affiliated International Renaissance Foundation (IRF) continued to play a leading role, providing more than US$6 million annually to numerous Ukrainian NGOs, community groups, academic and cultural institutions, and so forth.[7] Recently, the IRF received major support from Ukrainian businessman Victor Pinchuk for its rule of law and human rights programs. Civil society support also comes from the United States Agency for International Development and EU funds. The German-based foundations Konrad-Adenauer-Stiftung and Friedrich-Ebert-Stiftung traditionally support NGOs in Ukraine, as do the Heinrich Böll and Friedrich Naumann foundations.

Too few Ukrainian NGOs have well-trained professional staff to ensure efficient management and fund-raising. In 2008, the Parliament failed again to provide essential improvements to outdated NGO legislation; the definition of "nonprofit activity" is still restrictive, prohibiting NGOs from generating income even for legitimate organizational aims.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	5.25	5.50	5.50	5.50	4.75	3.75	3.75	3.50	[illegible]

Owing to its rapid growth over the last decade, the media market in Ukraine appears successful. The total number of registered TV and radio outlets roughly stands at 1,600 broadcasters, 43 production studios, 13 distributors, and 463 program service providers. There are 15 nationwide television networks, 4 regional television networks, 15 nationwide radio networks, and 8 regional radio networks. As for print media, there are 22,794 registered periodicals, of which, 9,948 are distributed regionally, nationwide, and internationally, and 12,846 are published locally, including 10,740 newspapers and 2,106 journals and magazines. According to experts, however, only about 8,000 periodicals are actually published, including the top-selling newspaper *Fakty* (*Facts*) with 2.65 million readers, the newspaper *Segodnya* (*Today*) with 1.33 million readers, *Komsomolskaya Pravda v Ukraine* with 1.08 million readers, and *Express* with almost 800,000 readers.[8]

The legal basis for freedom of opinion and speech in Ukraine is secured in Article 34 of the Constitution, and Article 15 forbids censorship. Some restrictions on freedom of speech are regulated by the Law on Information, Articles 28–37. Article 10 of the Law on Printed Mass Media prohibits print media monopolization. Ukraine's media sector is mostly free and quite heterogeneous, though some archaic elements inherited from Soviet times remain, especially at the local level. Overall, governmental censorship has not been detected, yet some evidence points to attempts by the central authorities to influence TV coverage of sensitive events.

The most troubling recent trend in Ukrainian media is the evident commercialization of content, including political coverage. The general quality and development of both print and electronic media suffer from paid-for content and publications that may mislead public opinion through the manipulation of facts and assessments. Still, media freedom in Ukraine appears sufficient at the national level, while local and regional media sectors lack independence. The Ukrainian public currently enjoys wide-ranging pluralism in both electronic and print media, and confidence in mass media is relatively high.

At regional and local levels, the state administration is a significant player in media markets by owning newspapers, funding TV channels through the state budget, and affecting editorial policy. In the capital, Kyiv, local public media (newspapers *Khreshchatyk*, *Vechirnii Kyiv*, and *Ukrayinska Stolytsia*) were used to promote Acting Mayor Leonid Chernovetsky while attacking his opponents and their parties during the pre-term municipal electoral campaign in May 2008.[9] Yet, in Ukraine there is still insufficient political will to create public television.

In most cases, nationwide television channels provided balanced news coverage, and representatives of the opposition as well as the ruling parties had relatively equal access to the media. Most nationwide media are privately owned by leading financial and industrial groups, causing some experts to declare that "state censorship has been replaced by owner censorship," as "for most media owners the media are not a way of making profit, but a means of creating favorable public opinion."[10]

One important TV holding in Ukraine is associated with businessman and head of the Customs Service, Valery Horoshkovsyi. The holding owns TV channels Inter, Enter, and Enter-Film and was recently joined by the Dmitry Firtash–owned K1, K2, and Megasport. Novyj Kanal, ICTV, STB, M1, and 11 Kanal (Dnipropetrovsk) are part of the media empire of Victor Pinchuk, which also includes the top-selling newspaper *Fakty*. The newspaper *Segodnya* is owned by the richest person in Ukraine, industrialist Rinat Akhmetov. Igor Kolomoyskiy is a shareholder of *Gazeta Po-Kievski* and *Komsomolskaya Pravda v Ukraine*.

Online media play a measurable role in Ukraine, despite the fact that only 8–10 percent of the population enjoys regular access to the Internet. There are e-publications that have no printed analogues, for instance, *Ukrayinska Pravda*, Korrespondent.net, Glavred.info, ProUa.com, and others. The advertising market, which was fast-growing in recent years, is expected to suffer from the global economic crisis, posing a threat to the financial independence of media. Only a few quality projects appeared on the national/regional media scene in 2008.

Some international organizations have already downgraded their assessment of the media situation in Ukraine. According to the International Research & Exchanges Board's Media Sustainability Index 2008, the panelists rated all five indicators lower than in the past two years, some lower even than in 2004. Ukraine's overall score was 2.00, down 0.37.[11] The negative effect of the economic crisis on the media landscape has led some outlets in Ukraine to dramatically cut their personnel (newspaper *24*) or reduce their number of pages (*Gazeta Po-Kievski* and *Dzerkalo Tyzhnia*).

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	5.25	5.25	5.25	5.25	5.25

Ukraine maintains four levels of administrative and territorial formation: the Autonomous Republic of Crimea and 24 oblasts (including 2 cities with oblast status, Kyiv and Sevastopol); *raions* (oblast districts) and cities with *raion* status; cities; and villages and townships. Furthermore, each *raion* is divided into a number of village councils.

Local governance comprises a dual system of authorities: state administration and a self-governance council. The president appoints the heads of the executive in oblasts and *raions* from among formal submissions by the government, though these are often de facto ignored. Citizens elect top city officials and the heads of local councils. It is important to note that the Constitution does not outline the precise divisions that are commonly found among bodies at different levels in Ukraine, including administrative bodies such as urban communities, village councils, and township councils.

There are a number of shortcomings in Ukraine's administrative/territorial formation inherited from Soviet times that never entirely reformed with the aim of adapting to the modern needs of the state. The structure is to some degree irrational: Administrative entities do not correspond to the number of resident citizens; division of power between central and local authorities is not clear, and the subsidiary principle is frequently ignored; there are also serious problems in the regional budgeting process, as when local administrations lack the authority to dispose local budgets independent of the central authorities. Citizen participation in local government decision making remains mostly formal, and regional and local authorities are less transparent than the central government.

Though reforms were initiated in 2005, leading to the draft Law on the Introduction of Changes to the Constitution of Ukraine (on Improvement of the System of Local Government), submitted in 2006, there has been little progress. On January 15, 2008, the Constitutional Court of Ukraine finally issued a decision on the 2006 draft law, recognizing that it only partially corresponds to the Constitution. No further steps were taken by the Court.

In its official agenda adopted in January 2008, Prime Minister Yulia Tymoshenko's new Cabinet of Ministers identified the reform of local administration and territorial governance as one of its goals. Their plan linked the reforms with the adoption of a new Constitution of Ukraine. Since the Constitution was not revised in 2008, the government did not take steps to introduce any new reform or implement the earlier proposed reforms of 2005. The draft legislation on changes to the Law on Local State Administrations and the Law on Local Self-Governance were on the list of laws to be adopted by the Parliament with the creation of the Coalition of Democratic Forces. Both drafts passed the first reading in the Parliament and were approved as basis in March 2008, but the respective laws were finally not adopted.

In 2008, there was fierce political fighting among Ukraine's main parties, as well as confrontations between the president and the Prime Minister, which reflected negatively on the activities and stability of local administration. Cases of misuse of local governance structures for political fighting included the early elections of the mayor of Kyiv in June, more than a dozen appointments by the president of so-called acting heads of local state administrations, and the presidential decree of February 11, 2008, "On Business Trips of Local State Administration Heads," obliging them to "coordinate their trips with the President," thus restricting their freedom of movement within the country.[12]

The decree to hold early elections for the mayor of Kyiv was adopted by the Parliament in March 2008, based on allegations of corruption against then mayor Leonid Chernovetsky. The decree lacked full legitimacy. It became possible only as a result of political compromise among the main parties, and its adoption was stipulated as part of the coalition agreement. Although the electoral results did not bring considerable changes to the political representation of the Kyiv Council, it raised the danger of similar "voluntary" mayoral elections in other Ukrainian cities resulting from political fights at the central level. The presidential decrees appointing "acting" heads of local state administrations were contrary to constitutional procedure, which stipulates appointments of local heads by cooperation of the president and the government.

Despite the above challenges, the existing local governance system in Ukraine managed to hold together in 2008, yet remains highly fragile in view of the upcoming presidential elections in 2009.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.50	4.50	4.75	4.50	4.75	4.25	4.25	4.50	4.75	5.00

Ukraine has ratified the major international instruments protecting human rights at the global (UN) and European levels. Constitutional provisions defend fundamental political, civil, and human rights, including freedom of expression, freedom of conscience and religion, freedom of association, and business and property rights.

Yet no progress was made in 2008 to correct the main shortcomings of the Ukrainian judiciary, which include a lack of public trust in court decisions and the judicial system as a whole, insufficient financing of the court system, and an inefficient and nontransparent process for appointing judges. The principle of equality before the law was not reinforced during the year, and key political players continued to misuse the judiciary as an outlet for internal disputes. There were no serious discussions on criminal justice reform or efforts to replace the Soviet-era criminal procedure code still in use in an amended form. Furthermore, Ukraine lacks a modern law on the Defense Bar, suggesting that reform of the legal sector is a far distant priority among political elites.

Against political confrontation with allied Bloc of Yulia Tymoshenko (then—head of the government) the President decided to appoint early parliamentary elections with the purpose to re-format the existing coalition, as was done in 2007. But, unlike 2007, there was no political consensus on such a decision among main decision-makers. In such circumstances the judiciary became a hostage and a tool in order to force or shut out the possibility of early elections.

According to the Presidium of the Council of Judges of Ukraine, President Yushchenko, in an effort to force early parliamentary elections, violated legal due process on October 10, 2008, by liquidating the Kyiv County Administrative Court; he also lacked the constitutional or legal power to dismiss the head of the Pechersk District Court of Kyiv, which occurred on October 15. In a months-long "war of decrees," these marked only a few of the numerous politically motivated actions by the president during the year, which were mostly, successfully challenged by the Parliament, which was guided and supported by the head of the government. On October 21, the Presidium openly addressed the Council of Europe Parliamentary Assembly and the Organization for Security and Cooperation in Europe, informing them about the actions of the president, public deputies, and law enforcement bodies that contradict national legislation and international legal acts on providing independence of courts from executive and legislative bodies and non-allowance of interference in the court process. The Presidium expressed its readiness to interact with international organizations for the purpose of establishing an independent court in Ukraine. Such a reaction by the Council of Judges proved that the Ukrainian judicial system, for the time being, still possesses the will and strength to resist mounting pressure by the state authorities, including seizure of court premises and liquidation of courts.

Thus, unprecedented manipulation of the courts to force early parliamentary elections fully reflects the compromised state of Ukraine's judicial system: it exposes the gap between political rhetoric and practical steps taken by high Ukrainian officials to secure an independent judiciary; it shows the fragile status of judges under pressure by the state; it demonstrates that top political players in Ukraine will misuse the judiciary in the service of political interests; and it highlights the high level of legal nihilism among political leaders, which spreads among wider social circles.

Throughout 2008, there was growing pressure on the independence of the judicial system from representatives of the executive and legislative branches

of power. Misuse of the judiciary for political purposes reached a scope of unprecedented proportions, which in turn may lead to a degradation of state power, the economy, and public administration in Ukraine. As the Ukrainian judiciary dangerously evolves from a separate branch of power into a subordinate instrument of the total political fight, it becomes clear that effective enforcement of judicial decisions is questionable and very much dependent on personalities rather than the rule of law.

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Corruption remains an intractable feature of Ukrainian society despite a years-long fight to curb it. Apart from some successes in the education sector and a few preparatory steps, 2008 did not feature a significant anticorruption campaign in Ukraine. As with local governance issues, the judiciary, and economic policy, Ukraine's anticorruption policy largely fell hostage to the months-long confrontation surrounding the new Cabinet of Ministers. Still, the new government set anticorruption measures as one of its priorities in its Program, viewing corruption in Ukraine as "the main threat to social and economic development of society."

The government's official Program correctly indicated the main factors of corruption in Ukraine, including nontransparency of official bodies, lack of political will to fight corruption, the high impact of oligarchic groups on decision making and state appointments, lack of security of private ownership, ineffectiveness of the judicial system, and absence of civil control over the income and expenditures of high officials. Consequently, the new government devoted itself to providing "maximum transparency of activities of state authorities." In order to create better separation between business and the authorities, the president introduced an anticorruption package to the Parliament that included draft legislation "On Changes to Some Acts (Regarding Responsibility for Corruption Crimes)," "On Basics of Prevention and Fighting Corruption," and "On Responsibility of Legal Entities for Corruption Crimes," all identified among the priorities of the government.

To further influence the Cabinet of Ministers to adopt these draft laws, President Yushchenko adopted decrees on measures concerning the improvement and implementation of the state anticorruption policy and preventing corruption in courts and law enforcement bodies. The decrees ordered the Cabinet of Ministers to take respective measures, including lawmaking, in order to increase anticorruption capacities. However, the Cabinet of Ministers did not elaborate the proposed draft laws and did not bring them to consideration by the Parliament; respectively, the anticorruption package was not adopted. And yet again, there were no further developments in the Measures Plan on the Implementation of the Concept on a

Way to Integrity until 2010, adopted in 2007 by the previous government of Victor Yanukovych.

The president also adopted a decree on the creation of an interdepartmental working group on anticorruption. The group, co-headed by the prosecutor general and the head of the Security Service of Ukraine, is a subsidiary body under the president charged to elaborate initiatives in the fight against corruption, assess main corruption threats, and engage civil organizations to fight corruption. Starting in April 2008, the group held a number of meetings and proposed recommendations. While these will certainly contribute to a wider discussion on corruption, it remains to be seen whether practical implementations will materialize.

Job placement procedures at central- and local-level government bodies lacked transparency and public accountability, and worker qualifications still fall second to personal or party loyalty when filling positions. Moreover, with the new government coming to power, 2008 witnessed the growing tendency to fire officials for political reasons. Such "cleansings" have led some to claim that the "Ukrainian state is losing the most experienced and qualified personnel."[13]

On a positive note, there were no examples during the year of authorities limiting media investigations into corruption and bribery. Nontransparent decision making at local and higher political levels, however, remained a significant problem and made investigations difficult. Furthermore, no changes were made granting civil councils, which hold consultations with authorities from state bodies, substantial impact over policy development and implementation.

According to a survey on corruption within the judicial system, almost one-third of lawyers and prosecutors believe that corruption is common at all stages of court proceedings; among respondents, 19 percent of citizens and 37 percent of businesses indicated that they have personally experienced corruption.[14] The most common form is use of personal connections. In assessing efforts to curb corruption, the majority of respondents (67 percent) believe that the government has not taken necessary measures.

In the national survey on corruption in higher education conducted in March 2008, admissions exams to institutions of higher learning were recognized as the most corrupt stage in the educational process (more than 50 percent viewed it as very or somewhat corrupted).[15] To tackle this problem, admissions exams were for the first time mandatorily conducted by an independent assessment body throughout Ukraine in 2008. This independent assessment deprives educational institutions of instruments for bribery, a considerable victory in the fight against corruption in the field of education. Although the first year of external assessment was not perfect in terms of procedures, a serious improvement in the educational sphere is expected in the coming years.

Another positive example of tackling corruption was the revocation of legislation adopted in 2005–2007 in the field of public purchasing, which had introduced the Tender Chamber, an NGO with unclear ownership and responsibilities. According to most experts, this public purchasing scheme was extremely nontransparent and allowed rent seeking. The fight to abolish the legislation was extremely fierce, and

although new legislation was not adopted in 2008, the revocation of the former statute signals an improvement.

At the same time, new corruption dangers appeared in Ukraine in 2008 in the form of proposed legislative initiatives, which would introduce electronic reporting for businesses, public and budget organizations, and payment for independent evaluators of purchase and sales transactions by citizens. These novelties could be considered a positive intention to unify data processing if proposed within a clear and transparent institutional framework. The legislation, on the contrary, stipulates the creation of two councils consisting of MPs, officials, and public activists, with unclear responsibilities and quasi-monopolistic status. These legislative proposals were not adopted in 2008, but their worrisome appearance signals the intention to create additional rent-seeking bodies in the country's economic activities.

▮ AUTHORS: OLEKSANDR SUSHKO AND OLENA PRYSTAYKO

Dr. Oleksandr Sushko is research director of the Institute for Euro-Atlantic Cooperation, Kyiv, Ukraine. Dr. Olena Prystayko is an associate professor at the National Academy of Public Administration under the President of Ukraine.

---

1 Inna Vedernikova, et al. "100 Head-Off Steps" in *Zerkalo Nedeli*, March 29, 2000, http://www.mw.ua/1000/1550/62561/.

2 Kyiv City Election Commission, http://www.kmr.gov.ua/divisions.asp?Id=2223.

3 Ibid.

4 *BBC*, May 28, 2008, http://www.bbc.co.uk/ukrainian/domestic/story/2008/05/080528_kyivrada_elex_results_sp.shtml.

5 Vinnikov, Oleksandr. *Financing of NGOs in Ukraine. Analytical report.* (Ukrainian Center for Independent Political Research, January 2008).

6 Ibid.

7 International Renaissance Foundation website, http://www.irf.kiev.ua/en/about.

8 Lange, Nico. *Current State of Freedom of the Media in Ukraine. KAS Democracy Report.* (Konrad-Adenauer-Stiftung, 2008), 1.

9 "The role of media in Kyiv's election," *Telekritika* May 30, 2008, http://www.telekritika.ua/media-suspilstvo/expert/2008-05-30/38709.

10 Lange, Nico. *Current State of Freedom of the Media in Ukraine. KAS Democracy Report.* (Konrad-Adenauer-Stiftung, 2008), 8.

11 *Media Sustainability Index 2008.* (International Research & Exchanges Board 2008), http://www.irex.org/programs/MSI_EUR/2008/ukraine.asp.

12 In February 2008, the president issued the Decree "On Appointment V. Cherkaska Acting Head of Zaporizhya Regional State Administration," (No. 1250, December 24, 2007); and 12 directives of provisional exercise of duties of district state administration heads in different

districts of Kyiv, Vinnytsya, Transcarpathian, Kirovohrad, Luhansk, Lviv, Mykolayiv, Kherson, and the Chernihiv regions.

[13] Tymofiy Motrenko, chief of the Main Public Service Department, as quoted in "100 Head-Off Steps," *Zerkalo Nedeli*, March 29, 2008, http://www.mw.ua/1000/1550/62561/.

[14] *Survey on Corruption Within the Judicial System in Ukraine: Courts of General Jurisdiction*, (MSI in cooperation with InMind, Kyiv, July 2008), http://www.pace.org.ua/images/survey/jud_sys_en_jun08.pdf.

[15] *National Survey on Corruption in Higher Education, 2008 Baseline Report* (MSI in cooperation with KIIS, April 5, 2008), http://www.pace.org.ua/images/survey/4_cor_high_edu_ukr_eng.pdf.

Uzbekistan

by Bruce Pannier

Capital: Tashkent
Population: 26.9 million
GNI/capita: US$2,430

The data above was provided by The World Bank, *World Bank Indicators 2009.*

Nations in Transit Ratings and Averaged Scores

	1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00
Civil Society	6.50	6.50	6.75	6.50	6.50	6.50	7.00	7.00	7.00	7.00
Independent Media	6.50	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00
Governance*	6.25	6.00	6.00	6.25	6.25	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.50	7.00	7.00	7.00	7.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.25	6.75	6.75	6.75	6.75
Judicial Framework and Independence	6.50	6.50	6.50	6.50	6.50	6.25	6.75	6.75	6.75	7.00
Corruption	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50
Democracy Score	6.38	6.42	6.46	6.46	6.46	6.43	6.82	6.82	6.86	6.89

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

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

Executive Summary

Since Uzbekistan's independence in late 1991, the government led by Islam Karimov has maintained strict control over the country. The judicial system has consistently backed government policies and jailed perceived enemies of the government. President Karimov banned or declined registration to early Uzbek opposition groups, and law enforcement agencies focused on preventing groups from rising to a level where they could mount a challenge to President Karimov's regime.

In an attempt to demonstrate independence from Russia, President Karimov initially embraced Islam as the state religion but later reined in the influence of Islamic groups inside Uzbekistan. President Karimov also demonstrated his intentions to break ties with Moscow by flirting with Western countries, particularly the United States. As a result, many Western nongovernmental organizations (NGOs) were allowed to establish offices in Uzbekistan, but ties with the West soured abruptly when Western nations called for an independent international investigation into the events in Andijan in May 2005. In response, Uzbekistan scaled back ties with the West tremendously, closing down foreign broadcasting companies such as the BBC, Radio Ozodlik, and Deutsche Welle and, eventually, Western-based NGOs. U.S. forces stationed in Uzbekistan were ordered to leave within six months, and the Uzbek government turned to Russia and China for investment and security guarantees.

Ties with the West warmed significantly in 2008, owing mainly to the security situation in Afghanistan. The West depends on Uzbekistan for transit rights to Afghanistan, and Afghanistan's stability is essential for Uzbekistan. President Karimov attended the NATO Bucharest Summit in early April 2008 and agreed to allow NATO forces to expand their use of an Uzbek military base at Termez (on the Afghan border) and to transport nonlethal cargo for efforts in Afghanistan through his country. Yet there was no discussion of allowing the return of Western-based organizations evicted from the country.

Russian and Asian companies remain Uzbekistan's partners of choice for trade relations, but in a gesture to the West, Uzbekistan announced its withdrawal from the Russian-dominated Eurasian Economic Community toward the end of 2008.

The first month of 2008 established a pattern in Uzbekistan's new relations with the West. On January 1, 2008, the death penalty was officially abolished in Uzbekistan, a move international rights groups and some governments had been calling on Uzbekistan to make for years. That same month, President Karimov began his third term as president despite the country's constitutional two-term presidential limit. The abolition of the death penalty was applauded by Western nations; while the inauguration of Karimov for an unconstitutional third term in office was met with muted criticism in the West.

Western nations seemed content to note small signs of progress on human rights, such as the release of jailed independent journalists and rights activists ahead of meetings with European Union (EU) representatives, though as usual it was not long before other journalists and activists in Uzbekistan filled the emptied jail cells. The EU lifted the most significant remaining sanctions against Uzbekistan when ministers met on October 13, 2008, to again consider the sanctions imposed on the Uzbek government after Andijan. Despite the fact that Uzbekistan failed to meet almost all of the conditions originally set by the EU in order to lift those sanctions, the EU ministers agreed to keep only the rather meaningless sanctions on selling Uzbekistan weapons (Uzbekistan buys nearly all its weapons from Russia) but lifted travel bans that had kept several top Uzbek government officials from visiting any EU member state. The day the EU lifted the travel ban, a prominent independent journalist was jailed by an Uzbek court on charges declared "made up" by the Organization for Security and Cooperation in Europe (OSCE) Representative on Freedom of the Media.

Ten days later, Uzbekistan's National Security Service chief, whose name was on the travel ban list, visited Germany. Human Rights Watch issued a statement noting, "Rustam Inoyatov, head of the National Security Service of Uzbekistan, flew to Germany on the same day that an Uzbek court sentenced a prominent human rights activist [Azam Turgunov] to 10 years in prison on what some called politically motivated charges."[1]

National Democratic Governance. President Karimov continues to rule Uzbekistan according to his wishes. No serious domestic objections were raised to his winning an unconstitutional third term at the end of 2007, and there were no challenges to his authority in 2008. The judiciary continued to support Karimov's decisions and jail his perceived enemies, and barring any serious health problems, it is unclear when the 71-year-old president might leave office. *There was no change in the dominance of the executive branch of government and no reason to believe any reforms will come as long as the current regime maintains power. Uzbekistan's rating for national democratic governance remains at 7.00.*

Electoral Process. Uzbekistan did not hold any elections in 2008, but the year opened with the inauguration of incumbent president Karimov to serve an unconstitutional third term in office. Both previous terms were extended through national referendums. Parliamentary elections should be held in late 2009, but that poll is virtually meaningless since all the registered political parties are pro-presidential and have never raised any serious objections to President Karimov's proposals. Two of the five registered political parties—the Milli Tiklanish (National Revival) Party and the Fidokorlar (Self-Sacrificers)—merged in June. Legislation passed at the end of 2008 bars independent candidates from competing in elections. *There were no suggestions of electoral reform from Uzbek authorities or any of the registered civic groups in Uzbekistan during 2008. No serious efforts were made, or even discussed, to reform Uzbekistan's electoral system, which organizations like the OSCE*

have heavily criticized in the past, and with parliamentary elections due in 2009, there appeared to be no progress in registering any new, truly alternative political parties for the impending poll. Uzbekistan's rating for electoral process remains at 7.00.

Civil Society. Within a tightly confined space, there are a handful of rights activists allowed to work, but owing to the vigilance of internal security forces, generally, there are no independent groups of sufficient size or influence in Uzbekistan to effect change in the country. Those individuals who do protest government policies risk detention, arrest, imprisonment, and abuse. Nearly all Western-based NGOs have left the country, with no signs the government will reconsider allowing them to return. Members of nontraditional religious groups (neither state-approved Islam nor Russian Orthodox) continue to experience difficulties in registering, practicing, or teaching their religion, and even Islamic groups continue to be closely monitored. *Since it is possible only for state-supported or -sanctioned groups—political, social, or religious—to exist in Uzbekistan, the rating for civil society remains at 7.00.*

Independent Media. Uzbek authorities have practically stamped out any signs of independent media in Uzbekistan. No independent media outlets are registered in the country, and those journalists who continue to contribute reports to media sources broadcasting to Uzbekistan from outside the country do so at great risk. Foreign radio stations such as the BBC and Radio Free Europe/Radio Liberty were still denied permission to reopen the bureaus that were closed shortly after the Andijan violence. At the same time, 2008 saw an increase in state media's efforts to portray all outside influences, especially foreign media, as contrary to the values Uzbekistan's citizens should uphold and respect. Uzbek authorities have scared and intimidated nearly all of those trying to present alternative news to the country and the world outside and worked fairly effectively at blocking Web sites carrying information critical of the Uzbek authorities. *There are no independent media in Uzbekistan, and there is no indication the Uzbek authorities have any desire to ease their control over media; therefore Uzbekistan's rating for independent media remains at 7.00.*

Local Democratic Governance. Uzbekistan's government is highly centralized, with all decisions of any importance being made in the capital, Tashkent. Local officials are selected by the central government based largely on their perceived loyalty to the state, making sure the state's will is implemented while the desires of the local populace remain of secondary importance. The population has no say in their official representation or any means to change those officials without the intervention of the central government. *Local officials continue to answer only to the government in Tashkent, and their positions are secure only as long as they are perceived to be carrying out the tasks the central government sets them. As a result, Uzbekistan's rating for local democratic governance stagnates at 6.75.*

Judicial Framework and Independence. The executive branch of government continues to exert great influence over the judiciary, and nearly all court decisions are in line with the government's policies. Though there were a few surprise court decisions in 2008, judges for the most part took their cue from Tashkent when rendering verdicts. There were no efforts to reform the judicial system during 2008. *As the judicial system has consistently backed government policies and jailed perceived enemies of the government, and law enforcement agencies work to prevent opposition groups from challenging the regime, Uzbekistan's rating for judicial framework and independence worsens from 6.75 to 7.00.*

Corruption. At the beginning of 2008, the Speaker of the Parliament and a parliamentary deputy were dismissed, demonstrating the infiltration of corruption in Uzbekistan at all levels of government. Yet the opaque nature of the political system makes it impossible to say with certainty just how widespread and serious the problem is. A reassuring sign in itself, Uzbek media did report on a number of crimes and court cases against lower-level officials. No reports addressed the wealth accumulated by the president, his family, or his friends, though they obviously enjoy a lifestyle far beyond the means of most of Uzbekistan's citizens. *There were no official, publicized efforts to fight corruption in Uzbekistan in 2008, though authorities claim to have charged hundreds of lower-level officials with offenses. Tales of corruption in the top echelons of government persist but have gone uninvestigated, or certainly without much publicity; therefore Uzbekistan's rating for corruption holds at 6.50.*

Outlook for 2009. There is little reason to believe there will be much change in Uzbekistan in 2009 as long as President Karimov continues to rule the country. Karimov's government has achieved a foreign policy balance that suits the Uzbek president. Western governments' need for Uzbekistan is greater than the Uzbek government's perceived need for the West, at present. With Russia and East Asian countries facing difficulties owing to the global economic crisis, foreign investment in Uzbekistan should decrease. Furthermore, decreasing employment opportunities for the many Uzbek migrant laborers in Russia and Kazakhstan who send money back to families in Uzbekistan means a substantial decrease in remittances, and many will likely return home. As the ranks of the country's unemployed swell, social tensions could break out. The Uzbek government's history is such that it can be expected to deal severely with any such outbreaks, but even security institutions may be hard-pressed to contain widespread public discontent.

Main Report

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.50	7.00	7.00	7.00	

The situation remains dismal, a fact emphasized when President Islam Karimov started an unconstitutional third term in office in 2008. Karimov weathered Western criticism and European Union (EU) sanctions following the Andijan violence. But during the course of 2008, Western nations perceived a growing strategic need for cooperation with Uzbekistan that led to muted criticism and the lifting of most of the post-Andijan sanctions against Uzbekistan. With this, and a renewed seven-year mandate as president, Karimov seems well poised to continue his undisturbed rule in Uzbekistan.

Though the Constitution enshrines basic freedoms such as freedom of speech, freedom of religion, and freedom of peaceful assembly, the state in fact has shown little enthusiasm for defending them. The ability of President Karimov to win an unconstitutional third term in office without a word of protest from any Uzbek official gives some indication of how the Constitution is regarded.

Citizens have the right to vote in presidential and parliamentary elections, but since presidential elections to date have heavily favored the incumbent and all the political parties are pro-presidential, these elections have never offered a genuine alternative. Authorities have continually ignored requests to register opposition parties, and legislation passed in late 2008 excludes independent candidates from competing in elections.

The power of government is concentrated in the executive branch. The Parliament simply formalizes the president's legislation, and the judiciary formalizes punishment to perceived challengers or threats to the regime. Therefore the executive branch makes all major decisions, and there are no legal channels for citizens to realistically challenge those decisions.

Security forces in Uzbekistan exert effective control over the country, though some militant Islamic groups have staged attacks. Analysts of the region and critics of the government say the appearance of groups such as the Islamic Movement of Uzbekistan (IMU), or more recently the Islamic Jihad Union (IJU), is a natural result of a system that does not permit genuine choice and represses and jails potential opponents. The IMU staged armed incursions into Uzbekistan in 1999 and 2000 and has been linked to later attacks. The IJU claimed responsibility for bombings and attacks in Bukhara and the capital, Tashkent, in 2004.

Another group—Hizb-ut Tahrir—is active, although the Uzbek government long ago banned it. Hizb-ut Tahrir's doctrine forbids using violence in attaining

the group's goal—an Islamic caliphate in Central Asia. Uzbek authorities have been hunting down the group's members for a decade, jailing possibly thousands of Hizb-ut Tahrir supporters. International and local rights organizations have reported abuses against Hizb-ut Tahrir members, including the use of torture while incarcerated.

There were no violent incidents in Uzbekistan involving any of these outlawed Islamic groups during 2008, but the authorities continue to express concern about their potential threat to security. The fight against these groups is still often used to justify crackdowns in Uzbekistan.

Uzbekistan remained politically stable during 2008, but the draconian measures ensuring that stability restrict citizens from voicing any opposition to the authorities or acting in ways that deviate from the state's vision of order.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00

Elections were not held in Uzbekistan in 2008, but parliamentary elections are scheduled for late 2009. There are now four registered political parties in Uzbekistan (after Fidokorlar and Milli Tiklanish merged in June 2008), but all are pro-presidential and differences in party platforms are often difficult to discern. The Organization for Security and Cooperation in Europe (OSCE)/Office of Democratic Institutions and Human Rights (ODIHR) monitored earlier parliamentary and presidential elections, none of which, in their judgment, met democratic standards.

The 2007 presidential election was practically a non-event in Uzbekistan, announced barely 90 days before the December 23 poll, with campaigning starting only in the second half of November. The OSCE released a statement in early December saying, "Due to the apparent limited nature of the competition, it is not considered necessary to deploy short-term observers, and the OSCE/ODIHR will not conduct any systematic and comprehensive observation of election-day proceedings."

Presidential and parliamentary elections are the only polls held in Uzbekistan that involve the electorate. There are no regional or local elections, as the government in Tashkent selected officials at those levels.

Parliamentary elections offer a choice among four parties—the Liberal Democratic Party, the People's Democratic Party (formerly the Communist Party), the Adolat Social Democratic Party, and Milli Tiklanish—all pro-presidential. Even the election of these deputies falls in line with the wishes of the president; in the last two elections, the party President Karimov praised fared well in elections.[2] Members of minority groups and women are also deputies.

Just before the end of the year, Parliament approved a move to expand the number of seats in the lower house from 120 to 150 as of July 1, 2009. Under this

new structure, 15 of those seats will go to the Ecological Movement of Uzbekistan, a group created in August.

None of President Karimov's opponents since Muhammad Solih—a member of the opposition Erk Democratic Party who officially won 12.7 percent of the vote in the 1991 elections—has ever received more than 4.1 percent of the presidential ballot.[3] Commenting on the 2007 presidential election, ODIHR spokesperson Urdur Gunnarsdottir said the poll "was held in a very controlled political environment, which did not really leave much room for real opposition, and this election failed to meet many of the commitments that OSCE states have made to hold democratic elections."[4] The OSCE preliminary assessment one day after the presidential contest said that the election "did not offer a genuine choice."

The 2007 presidential election was the first such poll in Uzbekistan where a candidate from a public initiative group (Akmal Saidov) competed. Critics said Saidov's candidacy was contrived by the authorities, noting that other public initiative groups, some connected to opposition parties, could not register their nominees for the election. In December 2008, Uzbek media reported that Parliament had passed legislation excluding initiative groups from nominating candidates for elections. On December 6, the state-owned newspaper *Halq Sozi* wrote, "There is no need for such an imperfect practice like nomination of candidates from citizens' initiative groups today, when an effective multiparty system has been created and is developing in Uzbekistan and when social, political institutions have developed highly." The article suggested that criminal groups could use initiative groups to nominate their own candidates.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.50	6.50	6.75	6.50	6.50	6.50	7.00	7.00	7.00	[illegible]

Constitutionally, religious and social groups in Uzbekistan have the right to register and conduct their activities as long as they do not violate the laws of the country. In reality, the situation is quite different.

Only groups sanctioned by the state can work in Uzbekistan, and the authorities have moved with increasing efficiency to halt the activities of any groups or organizations that represent, or potentially could represent, a challenge to the regime. The legal system, far from providing protection for such groups and organizations, usually acts as the agent of their closure.

Western-based nongovernmental organizations (NGOs) practically do not exist in Uzbekistan, though there are some government-operated NGOs. By the end of 2006, many of the foreign-based NGOs working in Uzbekistan prior to the Andijan violence in 2005 were closed. The vast majority of these NGOs were European- or U.S.-based efforts promoting democratic institution building or independent media and were usually closed for violations of Uzbekistan's tax regulations or failure to provide all required documentation to the Ministry of Justice. The fact that in 2008

there were fewer investigations and closures of foreign-based NGOs testifies to the efficiency of Uzbek authorities in previously shutting down such organizations.

Human Rights Watch (HRW), often in concert with other rights and media freedom organizations, consistently urged the EU to maintain the sanctions imposed on the Uzbek government following the Andijan violence. One of the conditions the EU set for removing the sanctions was allowing some Western-based NGOs in Uzbekistan to reopen. Yet in late July, just prior to a meeting of EU ambassadors in Tashkent, HRW issued a statement urging the EU to maintain sanctions on Uzbekistan, noting the case of HRW's Tashkent representative, Igor Vorontsov, who had been denied work accreditation and was informed by Uzbek authorities while traveling abroad that he would not be allowed to return to the country. According to HRW, "Uzbek authorities stated that they would consider an alternative candidate for the post, but that that candidate 'should not be Russian.'"[5] HRW added that "the basis given for this denial was that Vorontsov was, according to the Uzbek authorities, 'not familiar with the mentality of the people of the region' and was not capable of understanding 'the changes and reforms' taking place in Uzbekistan."

With the perceived threat of foreign-based NGOs promoting democratic values and media freedoms neutralized, 2008 saw a concerted effort to close down nontraditional religious groups (those outside the state-approved version of Islam or Russian Orthodox), and authorities used the state media to spread the campaign against these groups.

In May 2008, a program entitled *In the Clutches of Ignorance* was aired on Uzbek television's First Channel, warning that "missionary activities have turned into a global problem along with religious dogmatism, fundamentalism, terrorism, and drug addiction." The program criticized Jehovah's Witnesses, Seventh-day Adventists, Presbyterians, Methodists, the Christian Full Gospel Church, and Blagodat. The Norway-based religious freedom monitor Forum 18 wrote often about events in Uzbekistan in 2008 and reported that *In the Clutches of Ignorance* aired again just prior to a broadcast of the Euro 2008 football championship.[6] Forum 18 followed with a report in late June that said leaders of 26 Protestant congregations published an open letter complaining that the program was "encouraging intolerance and hatred of religious minorities" and that it presented "garbled facts, aggressive attacks, lies, and slander" against named members of churches.[7]

Forum 18 covered a number of incidents involving Christian communities. In January, the organization reported that Jehovah's Witnesses in the town of Kagan faced ongoing police harassment and death threats.[8] The group tried to register two years earlier but was still awaiting an answer. A week later, Forum 18 reported on Pentecostal Pastor Dmitri Shestakov, who was serving a four-year term in a labor camp, and Jehovah's Witnesses Irfon Khamidov and Dilafruz Arziyeva, who were serving two-year prison sentences. Forum 18 noted that the failure to free Arziyeva "is surprising, as [a recent] amnesty applies to almost all women serving sentences."[9] There were many other examples: Baptists in Ferghana were fined for meeting for Sunday worship; and a young female member of the Jehovah's

Witnesses in Samarkand was taken to a police station, where she was "stripped and touched inappropriately by an apparently drunk police officer, Akmal Tilyavov," in March. In April, Jehovah's Witness, Olim Turayev of Samarkand, was tried and convicted of holding an unapproved religious meeting and teaching religion without state permission. He was sentenced to four years in prison.[10] Samarkand Protestant, Bobur Aslamov, was detained in a police raid, and his whereabouts were unknown.[11]

Uzbek TV's Second Channel aired a program about a "Jihadist" group that collects money for charity but, according to the TV report, gives it to "the head of the extremist sect, Obid Nazarov," who is the former head of Tashkent's Tokhtaboi Mosque. Nazarov resisted government attempts to relocate his home and the mosque in the late 1990s, and he has since been on the Uzbek government's wanted list, though other banned Islamic groups in Central Asia have never mentioned the mufti as being a supporter.

The Jewish community in Uzbekistan pre-dates Islam by several hundred (perhaps more than a thousand) years and could hardly be considered a "non-traditional" religion. But Uzbek authorities revoked the accreditation of the Chief Rabbi, Abe David Gurevich, in April. The rabbi told several news organizations that the appropriate officials would not even speak with him about renewing his credentials.

Rights defenders (and independent journalists) are often imprisoned and then released just ahead of meetings between Uzbek and Western officials or ahead of visits of high-ranking officials of Western governments and thus continue to suffer and serve as pawns in the Uzbek government's foreign policy. These timed releases seem designed to be demonstrations of greater respect for human rights that the Uzbek government can point to and Western officials can then claim as progress on Uzbekistan's part in respecting human rights.

Still, some notable independent journalists and rights activists were released from jail in 2008, including Ezgulik activist Karim Bazarbayev,[12] who was released from prison as part of an amnesty to mark the 15th anniversary of Uzbekistan's Constitution, and activists, Saidjahon Zainabitdinov and Ikhtiyor Khamrayev. Uzbek authorities dropped all charges against independent journalist, Umida Niyazova.[13]

Mutabar Tajibayeva, a rights activist who spoke out against the government reaction to the violence in Andijan, was detained in October 2005 and in March 2006 was sentenced to eight years in jail for slander, extortion, misuse of land, and several other charges not related to her work as a rights activist. In May, she was named the recipient of the Martin Ennals Annual Award for Human Rights Defenders. In June 2008, the Uzbek government freed Tajibayeva, who suffers from cancer, in a move that the EU would later cite as "progress" in human rights. Upon her release from jail, Tajibayeva spoke of Uzbek prisons as "islands of torture" and her own mistreatment while in detention.

Poet and rights defender, Yusuf Jumayev was arrested at the end of 2007 after staging a "picket on wheels," driving around the Bukhara area with signs hanging from his car demanding the release of one of his sons from detention and other

placards denouncing President Karimov. In April, Jumayev was sentenced to five years in prison for insulting the honor and dignity of the president, though some reports mentioned he was also found guilty of assaulting the police officer he bumped into while trying to flee his home and avoid arrest. One of Jumayev's sons who participated in the picket on wheels was given a three-year suspended sentence. In November, the International PEN Writers in Prison Committee issued a statement from Jumayev's daughter, who said, "Yusuf Jumayev's health is deteriorating and he is allegedly suffering beatings and ill-treatment by the prison wardens."

Uzbek authorities continued the campaign against Hizb-ut Tahrir members. Uzbekistan's Interior Ministry broke up an all-female Hizb-ut Tahrir cell in the Tashkent area in November, detaining some 28 women. On November 17, Interfax reported that the ministry said most of the women "were forced to recruit new women, to collect funds for underground organizations, and to spread religious-extremist literature among the population." In December, Shahlo Sultanova, mother-in-law of one of the suspected leaders of the cell, told the Radio Free Europe/Radio Liberty (RFE/RL) Uzbek Service that "police tortured her daughter-in-law in an effort to get her to make a confession."

In March, the Fergana.ru Web site posted an article by Oleg Bairamov claiming that police in Uzbekistan use Roma to break up demonstrations by rights activists. The article cited Aktam Shaimardanov of the Rights Defenders Alliance of Uzbekistan as saying that police usually surround demonstrations and do not allow anyone to approach the demonstrators. But Shaimardanov said that incidents took place in 2008 where groups of Roma suddenly came at the demonstrating activists asking for money, and when they did not receive any, "they threw themselves at us, tearing up our signs and scuffling with us while children tried to pick through our pockets."[14]

The U.S. State Department issued its annual human rights report in March, which stated that Uzbekistan made "small but significant" steps toward improving its rights record.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.50	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00

Independent journalists practice their profession at their own risk in Uzbekistan. As an example of the restrictions journalists find themselves under, the Committee to Protect Journalists (CPJ) issued a press release on the third anniversary of the Andijan violence that claimed Uzbek authorities had a list that "forbids critical reporting on: the 2005 Andijan events; the president and his family; human rights abuses; opposition party activities; and social and economic problems in the country, among other topics."[15] In its 2008 annual report, *Attacks on the Press,* the CPJ noted, "With six reporters in prison in late year, Uzbekistan was the region's leading jailer of journalists."

As of 2008, there were virtually no independent media or journalists left in Uzbekistan, though a few journalists did continue to work, contributing reports for foreign media. Uzbek authorities noticed their work, and some of these journalists, including Solijon Abdurakhmanov, found themselves facing legal problems. Abdurakhmanov, who had worked for foreign media such as Radio Liberty, Voice of America, and Uznews.net, was on his way to attend an international seminar on media freedom in June when he was detained in the northwestern city of Nukus during a routine traffic check in which police said they found narcotics in Abdurakhmanov's vehicle. The CPJ released a statement in early August saying Nukus authorities confirmed there were no traces of narcotics in Abdurakhmanov's blood tests. The CPJ cited Uznews.net stating that the Nukus authorities "slammed him [Abdurakhmanov] with another charge—drug possession with intent to sell, which carries up to 20 years in prison, as opposed to the original charge, which carried five years."[16] Abdurakhmanov was convicted of intent to sell narcotics in October and sentenced to 10 years in prison.

RFE/RL President Jeff Gedmin spoke out after Abdurakhmanov's initial detention, saying it was "disturbing news, although I'm sad to say it is not surprising," since "Uzbekistan has one of the worst records in the world regarding press freedom." Miklós Haraszti, OSCE Representative on Freedom of the Media, also voiced his concern about the arrest, saying later the charges against Abdurakhmanov appeared "made up, and his trial did not stand the scrutiny of a fair procedure."[17]

HRW released a statement the day after Abdurakhmanov's conviction that called on Uzbek authorities to "immediately and unconditionally release" Abdurakhmanov. HRW said, "Abdurakhmanov's conviction is an affront to human rights and free speech in Uzbekistan." His conviction came three days before the EU decided to lift its travel ban on eight top Uzbek state officials.

Uzbek authorities also employed a tactic to intimidate journalists working outside the country. In early June, state TV aired an hour-long program about Radio Ozodlik (RFE/RL's Uzbek Service) at prime time, accusing Ozodlik members living in Prague of being "traitors" who broadcast "unfriendly" messages in Uzbekistan. Photographs of the Prague staff were shown, and the home addresses of relatives in Uzbekistan were given.

The Uzbek government in conjunction with the EU held an international seminar on freedom of the media on June 9–10, 2008—the seminar Abdurakhmanov was planning to attend. On the day it opened, HRW, the International Crisis Group, the Open Society Institute, and Reporters Without Borders issued a joint statement calling the event a "sad farce and an empty shadow of the European Union's original intention to hold a meaningful meeting." The statement noted, "Those with critical voices, who would have highlighted the regime's appalling record on media freedom and other human rights abuses, have been locked out of the discussion."[18]

Uzbek authorities also monitor the Internet. Domestically, authorities say there are more than 7,000 Internet domains in Uzbekistan. International media rights groups point out that none of them are offering alternative views to state information. Reporters Without Borders released its annual list of "Internet enemies" in 2008,

and Uzbekistan was again on the list of the 15 worst countries. In a November 28 article, the Uzbek newspaper *Mohiyat* wrote, "It is a pity that legal regulations are not being applied to the Internet even occasionally," and, "every know-it-all is easily running down those people he does not like," adding, "articles which have been rejected by newspapers are being posted on the Internet."

Uzbek authorities worked to block versions of events that contradict what the authorities wanted people to see, and state media worked to teach Uzbekistan's people about the dangers of outside ideas. On February 20, the Uzbek radio program *Voqiflik* (*Awareness*) dedicated a segment to religious extremism, warning that "the nature of some alien ideas, which do not suit our national ideology...are aimed against a person's character." On September 17, *Voqiflik* warned that alien ideas could enter the country through mass media. Saidmurod Mamashokirov, introduced as a doctor of philosophy and guest on the program, said, "A case in point are TV serials. I think that these serials, by some hidden methods and means, promote the traditions of those countries [where these serials are produced]." That same day, the Uzbek newspaper *Hurriyat* had these words of advice for aspiring journalists in Uzbekistan: "Young journalists who speak foreign languages must not limit themselves to doing translations, but they should write analytical commentaries on facts in our country and should fight inaccurate reports [about Uzbekistan]." "People defend our country by means of weapons or laws," the *Hurriyat* article continued, "and we, journalists, should protect it by using the power of media."[19]

One case involving independent media haunted the Uzbek government during 2008. The murder of young independent journalist, Alisher Saipov in late October 2007 continued to be laid on the doorstep of the Uzbek government. Since Saipov's death, many of his friends, colleagues, and some international organizations have blamed Uzbek authorities for arranging his murder in Osh, Kyrgyzstan, just across the border from Uzbekistan. Saipov was an outspoken critic of the Uzbek government and on good terms with a range of Uzbek opposition figures.

In February 2008, the Brussels-based International Crisis Group (ICG) issued a release about the Saipov murder titled "Political Murder in Central Asia: No Time to End Uzbekistan's Isolation." ICG media and information director Andrew Stroehlein said, "Though Uzbekistan denies any involvement in the killing, there are strong circumstantial and other indications as to its possible motives."[20]

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	6.25	6.75	6.75	6.75	6.75

The government in Tashkent selects all regional and local officials. Residents of provinces, districts, cities, towns, and villages have no say about the selection of these officials. Local and regional officials are selected on the basis of their perceived allegiance to and ability to carry out orders from the central government.

Though citizens do have the right to appeal to their local or regional state representative on matters of concern, Uzbek citizens would do so knowing that those officials are beholden to the state for their positions and salaries. In this situation, few are willing to file a complaint, especially about the officials themselves, as such complaints are viewed as being taken up by higher-placed officials with the same allegiance to the central government.

It has been noted before that such a system is ill equipped to deal with emergency situations. During the violence in Andijan, local officials failed to act quickly to restore calm because they were waiting for instructions from Tashkent. Similarly, in July 2008 officials in the town of Kagan, near Bukhara, reacted slowly to news of a fire at an ammunition depot near the town. Eventually the whole town was evacuated, but at least 3 people were killed and 21 injured.

In the meantime, provincial officials were dismissed for reasons that were not entirely clear. In February, Andijan governor Alijon Allayarov was sacked for "unprofessionalism and a number of negative qualities," and Khorezm governor Islam Babajanov was also dismissed. In early March, Fergana province governor Mamatisak Gafurov was fired after President Karimov visited and criticized economic progress in the province. Later that same month, Syrdarya province governor Abdukhokim Ishmuradov was also dismissed after Karimov said reforms were progressing too slowly there. In April, acting Samarkand province governor Azamkhon Bahromov was "freed from his post."

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.50	6.50	6.50	6.50	6.50	6.25	6.75	6.75	6.75	

President Karimov approves the selection of all judges; therefore it is not surprising that Uzbekistan's court system and judges are almost totally subordinate to Karimov's government and seem to exist mainly to provide a legal basis for implementing government policies. Courts regularly jail members of banned Islamic religious groups and sometimes members of nontraditional religious groups, as well as independent journalists and rights activists. The charges against the latter two groups rarely have anything to do with their work.

In January 2008, Uzbek courts ordered the suspension of the activities of an Evangelical group in Tashkent. A Samarkand court found Jehovah's Witness Olim Turayev guilty of holding an unapproved religious meeting and teaching religion without state permission. Turayev began his four-year prison sentence in April 2008.

There were some notable exceptions in 2008. Forum 18 reported in January that charges against members of Protestant Grace Church were dropped "after the authorities' claims that a cough medicine was psychotropic were proved to be false." Forum 18 wrote in June 2008 on the case of Protestant Jandos Kaundikov, charged

with terrorism, that "in a highly unusual move, a court in the capital, Tashkent, found that charges against a Protestant had been fabricated and ordered police to be punished for this."

Kyrgyzstan's AKI press reported in October that the Olitariq district court in eastern Uzbekistan's Ferghana province ordered Uzbek customs officials to return 800,000 som (US$550) seized from two Kyrgyz residents of Batken. The report cited Tashtemir Eshaliyev, head of the reserve mobilization department of the Batken regional state administration, as saying, "Since the beginning of the year, the regional administration has received six similar complaints. However, some of the victims refuse to file a lawsuit to return their money as they are scared of [possible] troubles with travels to Uzbekistan."

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50

Corruption has always been difficult to gauge in Uzbekistan since it is nearly impossible to penetrate the workings of the government. There was no official campaign against corruption in 2008, although President Karimov did sign a law on Uzbekistan joining the UN convention against corruption in early July. But there were reports of corrupt officials facing charges for their illegal activities. Part of the problem in combating corruption in Uzbekistan is the belief that the citizen who complains would be more likely to face punishment than any corrupt official. Transparency International ranked Uzbekistan 166th out of 180 countries in its annual Corruption Perceptions Index for 2008, tied with such countries as Turkmenistan and Zimbabwe.

Certainly corruption exists in Uzbekistan. Based on the few pieces of evidence available for 2008, it appears to be widespread and in some cases voracious. However, the Uzbek government has characteristically been loath to air its dirty laundry, making it difficult to determine the true extent of the problem.

The Speaker of Uzbekistan's lower house of Parliament, Erkin Khalilov, was sacked at the beginning of January. Before the end of the month, authorities were confiscating his property and had demolished his three-story house in Tashkent. Khalilov's sudden and steep drop from power appeared to come from battles within government and business circles, rather than as part of any anticorruption campaign. However, reports after his dismissal indicated he had acquired a great deal of material wealth that included a vast estate in Tashkent as well as other property, and a number of vehicles, all of which should have been beyond his financial means even as Speaker of Parliament.

Similarly, member of Parliament (MP), Matluyba Burkhanova faced charges around the same time as Khalilov, when her son was arrested for illegally crossing the border and using a false passport. There were allegations that her son—Batyr Umarov—was involved in human trafficking and when Burkhanova tried to defend

him, allegations emerged that the deputy herself was also involved in recruiting young women for prostitution in other countries. Burkhanova resigned as an MP in early March.

Other, less spectacular examples of corruption involving officials in the Ministry of the Interior and regional police forces occurred throughout the year. The Web site gorizont.uz reported in January that 15 members of the Ministry of the Interior were given prison sentences for embezzling 1.34 million som (US$910). Also in January, a Tashkent court sentenced Shukrat Muradov, former editor of the Interior Ministry's newspaper, *At the Post,* to 10 years' imprisonment for embezzling some US$300,000. Muradov was tried in absentia since he had already fled the country.

Evidence of nepotism remains in Uzbekistan. In February, President Karimov dismissed the Khorezm governor, appointing Allabergen Allabergenov to take over the post. At the end of March, hundreds of women in the city of Urgench (in Khorezm province) staged a protest against a decision made by the mayor of the city, Bahrom Allabergenov, a relative of the governor, to move a city bazaar to the outskirts of town.

Meanwhile, the fortunes of the Uzbek president's eldest daughter, Gulnara Karimova, continued to improve. Karimova, almost surely because of her father's influence, has become a celebrity in Uzbekistan with music videos and recordings. She is also the co-owner of some of the most successful nightclubs in Tashkent. During 2008, she was named Uzbekistan's deputy foreign minister and later Uzbekistan's representative at the United Nations in Geneva. Her younger sister, Lola, was appointed Uzbekistan's representative at UNESCO in Paris, in January. The appointments of the president's daughters to prestigious posts abroad appear to be based solely on their relationship to the president, as there are questions about their qualifications to hold these positions.

The Russian news agency Regnum reported on October 27, 2008, that Uzbekistan's Ministry of Justice launched criminal cases against 48 officials between January and August 2008 and charged 793 officials with administrative violations. The report did not elaborate on which officials or their violations.

▮ Author: Bruce Pannier

Bruce Pannier has been covering events in Central Asia for Radio Free Europe/Radio Liberty since 1997. Since 1990, he has been a frequent visitor to the region.

1 Human Rights Watch, "Germany: Uzbek Security Chief Visit a 'Disgrace'" October 27, 2008, http://www.hrw.org/english/docs/2008/10/28/uzbeki20068.htm.

2 In 1999, the Fidokorlar party received the second highest amount of seats though it was the newest of the parties participating; in the 2004 elections the Liberal Democratic Party received the most amount of votes though it was the newest of the parties participating (and also the party that nominated Karimov for a third term in office).

3 The candidate that won 4.1 percent of the vote was Abdulkhafiz Jalolov of the People's Democratic Party who told journalists as he exited the polling station in the 2000 presidential elections that he had cast his own ballot for President Karimov.

4 "Uzbek Incumbent Wins Presidential Poll Without 'Genuine Choice,'" RFE/RL, December 24, 2007, http://www.rferl.org/content/article/1079295.html.

5 Human Rights Watch, "Uzbekistan: Human Rights Watch Representative Banned," July 25, 2008.

6 Felix Corley, "Uzbekistan: 'The Government Is Trying to Stir Up Muslims Against Christians,'" Forum 18, June 13, 2008, http://www.forum18.org/Archive.php?article_id=1143.

7 Felix Corley and Mushfig Bayram, "Uzbekistan: Protestants Reject Government's Religious Hatred Encouragement," Forum 18, June 25, 2008, http://www.forum18.org/Archive.php?article_id=1148.

8 Felix Corley, "Uzbekistan: Death Threats and Massive Fines Follow Registration Application," Forum 18, January 9, 2008, http://www.forum18.org/Archive.php?article_id=1068.

9 Mushfig Bayran, "Uzbekistan: Four Religious Minority Members Still Serving Criminal Sentences," Forum 18, January 16, 2008, http://www.forum18.org/Archive.php?article_id=1071.

10 Mushfig Bayram, "Uzbekistan: Is a Four-year Sentence for Religious Activity Too Harsh?" Forum 18, April 29, 2008, http://www.forum18.org/Archive.php?article_id=1122.

11 Mushfig Bayram and Felix Corley, "Uzbekistan: Asking about Religious Freedom Violations Is 'Stupid,'" Forum 18, April 10, 2008, http://www.forum18.org/Archive.php?article_id=1112.

12 In December 2007, a Syrdarya court found Karim Bazarbayev guilty of fraud and sentenced him to six years and three months in prison.

13 Umida Niyazova was charged with illegal border crossing in January 2007, convicted in May that year and sentenced to seven years in prison. Saidjahon Zainabitdinov, founder of the Appellation Human Rights Center, witnessed the Andijan violence of May 2005 and reported about it. He was arrested shortly after the Andijan incident and just before the end of 2005 was convicted of "information dissemination fomenting the panic" and "terrorism" and sentenced to seven years in jail. Ikhtiyor Khamrayev is the son of Bakhtiyor Khamrayev, a well-known rights activist from Jizzakh and the head of the Human Rights Society of Uzbekistan in Jizzakh Province. Ikhtiyor was found guilty of hooliganism and sentenced in September 2006 to three years in jail.

14 Oleg Bairamov, "Узбекистан: Цыгане стали орудием милиции против право защитников" [Uzbekistan: Gypsies Have Become the Tools of the Militia Against Rights Defenders], *Ferghana.ru*, March 21, 2008, http://www.ferghana.ru/article.php?id=5640.

15 Committee to Protect Journalists, "Uzbek Journalists Under Tighter Restriction Since Andijan," May 13, 2008, http://cpj.org/2008/05/uzbek-journalists-under-tighter-restriction-since.php.

16 Committee to Protect Journalists, "Uzbekistan: Authorities Alter Charge to Justify Journalist's Arrest," August 5, 2008, http://cpj.org/2008/08/authorities-alter-charge-to-justify-journalists-ar.php.

[17] OSCE, "OSCE Media Freedom Representative Urges Uzbek Government to Dismiss Journalist's 10-year Prison Sentence," August 15, 2008, http://www.osce.org/item/34363.html.

[18] Human Rights Watch, *Uzbekistan's Farcical Media Freedom Conference*, June 9, 2008, http://hrw.org/english/docs/2008/06/10/uzbeki19078.htm.

[19] Hurriyat, Ibrahim Normatov, page 4, September 17, 2008.

[20] International Crisis Group, Bishkek/Osh/Brussels, February 14, 2008, http://www.crisisgroup.org/home/index.cfm?id=5293.

Freedom House Board of Trustees

William H Taft IV, *Chair*
Ruth Wedgwood, *Vice Chair*
Thomas A. Dine, *Vice Chair*
John Norton Moore, *Secretary and Governance & Ethics Officer*
Bette Bao Lord, *Chairman Emeritus*
Max M. Kampelman, *Chairman Emeritus*
Walter J. Schloss, *Treasurer*

Kenneth Adelman, Susan J. Bennett, James H. Carter, Antonia Cortese,
Lee Cullum, Paula J. Dobriansky, Alan P. Dye, Stuart Eizenstat,
Carleton S. Fiorina, Sidney Harman, D. Jeffrey Hirschberg, John T. Joyce,
Kathryn Dickey Karol, Farooq Kathwari, Anthony Lake, Lawrence Lessig,
Michael Lewan, Jay Mazur, Theodore N. Mirvis, Dalia Mogahed,
Joshua Muravchik, David Nastro, Andrew Nathan, Diana Villiers Negroponte,
P.J. O'Rourke, Mark Palmer, Carlos Pascual, Scott Siff,
Arthur Waldron, Richard S. Williamson, Wendell L. Willkie, II

About Freedom House

Freedom House is an independent private organization supporting the expansion of freedom throughout the world.

Freedom is possible only in democratic political systems in which governments are accountable to their own people, the rule of law prevails, and freedoms of expression, association and belief are guaranteed. Working directly with courageous men and women around the world to support nonviolent civic initiatives in societies where freedom is threatened, Freedom House functions as a catalyst for change through its unique mix of analysis, advocacy and action.

- **Analysis.** Freedom House's rigorous research methodology has earned the organization a reputation as the leading source of information on the state of freedom around the globe. Since 1972, Freedom House has published *Freedom in the World*, an annual survey of political rights and civil liberties experienced in every country of the world. The survey is complemented by an annual review of press freedom, an analysis of transitions in the post-communist world, and other publications.
- **Advocacy.** Freedom House seeks to encourage American policymakers, as well as other governments and international institutions, to adopt policies that advance human rights and democracy around the world. Freedom House has been instrumental in the founding of the worldwide Community of Democracies; has actively campaigned for a reformed Human Rights Council at the United Nations; and presses the Millennium Challenge Corporation to adhere to high standards of eligibility for recipient countries.
- **Action.** Through exchanges, grants, and technical assistance, Freedom House provides training and support to human rights defenders, civil society organizations and members of the media in order to strengthen indigenous reform efforts in countries around the globe.

Founded in 1941 by Eleanor Roosevelt, Wendell Willkie and other Americans concerned with mounting threats to peace and democracy, Freedom House has long been a vigorous proponent of democratic values and a steadfast opponent of dictatorships of the far left and the far right. The organization's diverse Board of Trustees is composed of a bipartisan mix of business and labor leaders, former senior government officials, scholars and journalists who agree that the promotion of democracy and human rights abroad is vital to America's interests abroad.

1301 Connecticut Avenue, NW, Washington, D.C. 20036 USA
(+1) 202 296-5101

120 Wall Street, New York, NY 10005 USA
(+1) 212 514-8040

www.freedomhouse.org

About Freedom House Europe

Freedom House Europe is a Hungarian nonprofit organization that strengthens democracy and supports human rights in Southeast Europe, the Newly Independent States, and the greater European neighborhood. Freedom House Europe's identity is at once global and local. As an integral part of the worldwide Freedom House family, Freedom House Europe contributes its unique experience as a catalyst for democratic change in the heart of Europe.

Established in 1995 as the European hub of the organization, Freedom House Europe supports nonviolent civic initiatives in societies where political rights and civil liberties are denied or under threat. The office also helps to consolidate democratic transitions in countries where recent democratic breakthroughs have taken place. Freedom House Europe combines analysis, advocacy, and action to advance and safeguard freedom, democracy, and human rights.

- **Analysis.** Freedom House has long been recognized as the definitive source of information on the state of freedom and democracy around the globe. Freedom House Europe is the editorial office for *Nations in Transit*, a Freedom House flagship publication providing comprehensive assessment of governance issues for 29 countries from Central Europe to Eurasia.

- **Advocacy.** Freedom House Europe helps to focus the attention of European leaders and the general public on core issues of freedom, democracy, and human rights. By advocating for and monitoring democratic reforms, it encourages policymakers to adopt strategies that support democratic change and respect for human rights, rule of law, and civil liberties.

- **Action.** Providing training, technical guidance, and material support to democracy and human rights advocates, Freedom House Europe assists the advance of indigenous reform efforts. Freedom House Europe builds genuine partnerships throughout the region to facilitate transfers of experience on national, regional, and international levels.

Falk Miksa u. 30. 4/2, 1055 Budapest, Hungary

(+36) 1 354-1230

www.freedomhouse.hu

"Notre Europe uses *Nations in Transit* extensively in its research. It is a reliable source of information, effectively presented. It is one of our key references when assessing a country's progress on the path towards democratization in Europe."

—Stephen Boucher, co-secretary general, Notre-Europe, Paris

"This report plays a critical role in monitoring democratic progress in Central and Eastern Europe and the former Soviet Union and sounds an early warning to policymakers on both sides of the Atlantic. RFE/RL was privileged to launch this report at its headquarters in Prague earlier this year."

—Jeffrey Gedmin, president, Radio Free Europe/Radio Liberty, Prague

"As post-Communist political experiences further diversify with every passing year, the value of *Nations in Transit* only grows. Its incisive, objective country surveys cut to the heart of complex political realities, greatly aiding comparative analysis by scholars and policy makers alike."

—Thomas Carothers, vice president, Carnegie Endowment for International Peace, Washington, D.C.

"*Nations in Transit* is an indispensable source; very well researched and reliable"

—Michael Emerson, Centre for European Policy Studies, Brussels

Since 1995, the *Nations in Transit* series has monitored the status of democratic change from Central Europe to Eurasia and pinpointed for policymakers, researchers, journalists, and democracy advocates alike the greatest reform challenges and reform opportunities facing the countries and territories that make up this vast geographic space.

Covering 29 countries and administrative areas, *Nations in Transit 2009* evaluates a 12-month period, from January 1 to December 31, 2008, and provides comparative ratings and in-depth analysis of electoral processes, civil society, independent media, national democratic governance, local democratic governance, judicial framework & independence, and corruption.

Freedom House—which for more than a quarter century has rated global political rights and civil liberties in its benchmark *Freedom in the World* surveys—has developed a ratings system that allows for comparative analysis of reforms. *Nations in Transit* findings have drawn important linkages between democratic accountability, good governance, and the rule of law. In doing so it has made clear the essential nature of all of these elements to the development of stable, free, and prosperous societies.

The results are incisive, authoritative, and comprehensive.

Freedom House is an independent private organization supporting the expansion of freedom throughout the world.

Published by FREEDOM HOUSE.

All Nations in Transit reports are available at http://www.freedomhouse.org and http://www.freedomhouse.hu

Printed in the United States and Hungary.

ISBN-10 0 932088 71 6
ISBN-13 978 0 932088 71 0