

F R E E D O M H O U S E

NATIONS
IN
TRANSIT
2014

DEMOCRATIZATION

FROM

CENTRAL EUROPE

TO

EURASIA

NATIONS IN TRANSIT 2014

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Democratization from
Central Europe to Eurasia

Edited by Sylvana Habdank-Kolaczowska and Zselyke Csaky

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Methodology

N*ations in Transit 2014* measures progress and setbacks in democratization in 29 countries from Central Europe to Central Asia. This volume, which covers events from January 1 through December 31, 2013, is an updated edition of surveys published in 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1998, 1997, and 1995.

Country Reports

The country reports in *Nations in Transit 2014* follow an essay format that allowed the report authors to provide a broad analysis of the progress of democratic change in their country of expertise. Freedom House provided them with guidelines for ratings and a checklist of questions covering seven categories: electoral process, civil society, independent media, national democratic governance, local democratic governance, judicial framework and independence, and corruption. Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects. Previous editions included only one governance category. The ratings for all categories reflect the consensus of Freedom House, the *Nations in Transit* advisers, and the report authors.

Each country report is organized according to the following:

- **National Democratic Governance.** Considers the democratic character and stability of the governmental system; the independence, effectiveness, and accountability of legislative and executive branches; and the democratic oversight of military and security services.
- **Electoral Process.** Examines national executive and legislative elections, electoral processes, the development of multiparty systems, and popular participation in the political process.

- **Civil Society.** Assesses the growth of nongovernmental organizations (NGOs), their organizational capacity and financial sustainability, and the legal and political environment in which they function; the development of free trade unions; and interest group participation in the policy process.
- **Independent Media.** Addresses the current state of press freedom, including libel laws, harassment of journalists, and editorial independence; the emergence of a financially viable private press; and internet access for private citizens.
- **Local Democratic Governance.** Considers the decentralization of power; the responsibilities, election, and capacity of local governmental bodies; and the transparency and accountability of local authorities.
- **Judicial Framework and Independence.** Highlights constitutional reform, human rights protections, criminal code reform, judicial independence, the status of ethnic minority rights, guarantees of equality before the law, treatment of suspects and prisoners, and compliance with judicial decisions.
- **Corruption.** Looks at public perceptions of corruption, the business interests of top policymakers, laws on financial disclosure and conflict of interest, and the efficacy of anticorruption initiatives.

Ratings and Scores

For all 29 countries in *Nations in Transit 2014*, Freedom House—in consultation with the report authors, a panel of academic advisers, and a group of regional expert reviewers—has provided numerical ratings in the seven categories listed above. The ratings are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress.

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

The ratings process for *Nations in Transit 2014* involves four steps:

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

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

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

Nations in Transit ratings, which should not be taken as absolute indicators of the situation in a given country, are valuable for making general assessments of how democratic or authoritarian a country is. They also allow for comparative analysis of reforms among the countries examined and for analysis of long-term developments in a particular country.

***Nations in Transit* 2014 Checklist of Questions**

National Democratic Governance

1. Is the country's governmental system democratic?
 - Does the Constitution or other national legislation enshrine the principles of democratic government?
 - Is the government open to meaningful citizen participation in political processes and decision-making in practice?
 - Is there an effective system of checks and balances between legislative, executive, and judicial authority?
 - Does a freedom of information act or similar legislation ensure access to government information by citizens and the media?
 - Is the economy free of government domination?
2. Is the country's governmental system stable?
 - Is there consensus among political groups and citizens on democracy as the basis of the country's political system?
 - Is stability of the governmental system achieved without coercion, violence, or other abuses of basic rights and civil liberties by state or non-state actors?
 - Do citizens recognize the legitimacy of national authorities and the laws and policies that govern them?
 - Does the government's authority extend over the full territory of the country?

- ♦ Is the governmental system free of threats to stability such as war, insurgencies, and domination by the military, foreign powers, or other powerful groups?
3. Is the legislature independent, effective, and accountable to the public?
 - ♦ Does the legislature have autonomy from the executive branch?
 - ♦ Does the legislature have the resources and capacity it needs to fulfill its lawmaking and investigative responsibilities? (consider financial resources, professional staffs, democratic management structures, etc.)
 - ♦ Do citizens and the media have regular access to legislators and the legislative process through public hearings, town meetings, published congressional records, etc.?
 - ♦ Do legislative bodies operate under effective audit and investigative rules that are free of political influence?
 - ♦ Does the legislature provide leadership and reflect societal preferences by providing a forum for the peaceful and democratic resolution of differences?
 4. Is the executive branch independent, effective, and accountable to the public?
 - ♦ Is the executive branch's role in policy making clearly defined vis-à-vis other branches of government?
 - ♦ Does the executive branch have the resources and capacity it needs to formulate and implement policies?
 - ♦ Do citizens and the media have regular access to the executive branch to comment on the formulation and implementation of policies?
 - ♦ Does a competent and professional civil service function according to democratic standards and practices?
 - ♦ Do executive bodies operate under effective audit and investigative rules that are free of political influence?
 - ♦ Does the executive branch provide leadership and reflect societal preferences in resolving conflicts and supporting democratic development?
 5. Are the military and security services subject to democratic oversight?
 - ♦ Does the Constitution or other legislation provide for democratic oversight and civilian authority over the military and security services?
 - ♦ Is there sufficient judicial oversight of the military and security services to prevent impunity?
 - ♦ Does the legislature have transparent oversight of military and security budgets and spending?

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

Electoral Process

1. Is the authority of government based upon universal and equal suffrage and the will of the people as expressed by regular, free, and fair elections conducted by secret ballot?
2. Are there fair electoral laws, equal campaigning opportunities, fair polling, and honest tabulation of 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 non-state actors?
3. Does the state oppose onerous libel laws and other excessive legal penalties for "irresponsible" journalism?

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

Local Democratic Governance

1. Are the principles of local democratic government enshrined in law and respected in practice?
 - Does the Constitution or other national legislation provide a framework for democratic local self-government?
 - Have substantial government powers and responsibilities been decentralized in practice?
 - Are local authorities free to design and adopt institutions and processes of governance that reflect local needs and conditions?
 - Do central authorities consult local governments in planning and decision-making processes that directly affect the local level?
2. Are citizens able to choose their local leaders in free and fair elections?
 - Does the Constitution or other national legislation provide for local elections held on the basis of universal, equal, and direct suffrage by secret ballot?
 - Do local governments derive their power on the basis of regular, free, and fair local elections (either through direct election or through election by local assemblies or councils)?
 - Are free and fair local elections held at regular intervals and subject to independent monitoring and oversight?
 - Do multiple candidates representing a range of views participate in local elections and in local government bodies?

- Are voters' choices in local elections free from domination by power groups such as national political parties, central authorities, economic oligarchies, etc?
 - Are citizens engaged in local electoral processes, as evidenced by party membership, voter turnout, or other factors?
3. Are citizens ensured meaningful participation in local government decision-making?
- Do local governments invite input from civil society, business, trade unions, and other groups on important policy issues before decisions are made and implemented?
 - Do local governments initiate committees, focus groups, or other partnerships with civil society to address common concerns and needs?
 - Are individuals and civil society groups free to submit petitions, organize demonstrations, or initiate other activities that influence local decision-making?
 - Do women, ethnic groups, and other minorities participate in local government?
 - Do the media regularly report the views of local civic groups, the private business sector, and other nongovernmental entities about local government policy and performance?
4. Do democratically elected local authorities exercise their powers freely and autonomously?
- Do central authorities respect local decision-making authority and independence?
 - Are local governments free to pass and enforce laws needed to fulfill their responsibilities?
 - Do local authorities have the right to judicial remedy to protect their powers?
 - Do local governments have the right to form associations at the domestic and international level for protecting and promoting their interests?
5. Do democratically elected local authorities have the resources and capacity needed to fulfill their responsibilities?
- Are local governments free to collect taxes, fees, and other revenues commensurate with their responsibilities?
 - Do local governments automatically and regularly receive resources that are due from central authorities?

- Do local governments set budgets and allocate resources free of excessive political influences and central controls?
 - Are local authorities empowered to set staff salaries, staff size and staffing patterns, and is recruitment based on merit and experience?
 - Do local governments have the resources (material, financial, and human) to provide quality services, ensure a safe local environment, and implement sound policies in practice?
6. Do democratically elected local authorities operate with transparency and accountability to citizens?
- Are local authorities subject to clear and consistent standards of disclosure, oversight, and accountability?
 - Are local authorities free from domination by power groups (economic oligarchies, organized crime, etc) that prevent them from representing the views and needs of the citizens who elected them?
 - Are public meetings mandated by law and held at regular intervals?
 - Do citizens and the media have regular access to public records and information?
 - Are media free to investigate and report on local politics and government without fear of victimization?

Judicial Framework and Independence

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

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

Corruption

1. Has the government implemented effective anticorruption initiatives?
2. Is the country's economy free of excessive state involvement?
3. Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption?
4. Are there significant limitations on the participation of government officials in economic life?
5. Are there adequate laws requiring financial disclosure and disallowing conflict of interest?
6. Does the government advertise jobs and contracts?
7. Does the state enforce an effective legislative or administrative process—particularly one that is free of prejudice against one's political opponents—to prevent, investigate, and prosecute the corruption of government officials and civil servants?
8. Do whistleblowers, anticorruption activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of bribery and corruption?
9. Are allegations of corruption given wide and extensive airing in the media?
10. Does the public display a high intolerance for official corruption?

Democracy Score

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

Background note: In the years before the 2004 edition, Freedom House used two aggregate scores to assist in the analysis of reform in the 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 2014*, Freedom House once again uses the Democracy Score. Based on the Democracy Score and its scale of 1 to 7, Freedom House defined the following regime types:

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

Ratings and Democracy Score Guidelines

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

1.00–2.99 Consolidated Democracies

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

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

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

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

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

3.00–3.99 Semi-Consolidated Democracies

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

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

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

4.00–4.99 Transitional or Hybrid Regimes

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

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

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

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

5.00–5.99 Semi-Consolidated Authoritarian Regimes

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

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

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

6.00–7.00 Consolidated Authoritarian Regimes

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

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

Research Team and Data Sources

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

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

The economic and social data contained in the country header pages of the 2014 edition were drawn from the World Bank's *World Development Indicators 2014* (Washington, D.C.: World Bank, April 2014).

Nations in Transit 2014:

Eurasia's Rupture with Democracy

Sylvana Habdank-Kotaczkowska

The current crisis in Ukraine has focused the world's attention on the sharp ideological and political divide between Europe, which operates according to democratic principles, and Eurasia, where nearly four out of five people live under authoritarian regimes. In reality, the fault line between these two regions has been deepening for many years, and Russia's malign influence on the governance practices of its neighbors was rising long before the invasion of Crimea.

Throughout 2013, governments across the former Soviet space worked to shut off the remaining oxygen supply to their democratic institutions, using corrupt judicial and law enforcement bodies to incapacitate civic activists and eradicate the independent media.

The Kremlin actively pursued a policy of intensified repression that dated to Vladimir Putin's return to the presidency in 2012, using a series of new laws to persecute LGBT people, harass independent civil society, expand state control over the media, and bring the internet to heel.

This crackdown in Russia established a pattern for the surrounding region, where country after country in 2013 took up antidemocratic innovations that were pioneered by Moscow. In Kyrgyzstan, for example, a governing party proposed a virtual replica of Russia's 2012 law requiring many civic groups to register as "foreign agents." A bill introduced in March of this year emulates Russia's 2013 law against LGBT "propaganda," prescribing fines for anyone who spreads information about gay rights.

Similar measures have been proposed or brought up for discussion in Kazakhstan, Belarus, Georgia, Armenia, and even Latvia, a European Union member state. In June 2013, Moldova passed a law that banned the promotion of "relationships other than those linked to marriage and the family," but removed the relevant legal clause four months later under EU pressure. As in Ukraine, the back and forth reflected an ongoing tug of war between forces seeking European integration and those that identify with or serve as proxies for Moscow.

Indeed, Ukrainian leader Viktor Yanukovich continued to push the Russian model in the last month of his presidency, introducing “foreign agent” legislation and a requirement that consumers show their passports when buying SIM cards for mobile devices. These measures were quickly rejected after Yanukovich’s ouster, but the original Russian versions will be enforced in occupied Crimea, along with dozens of other restrictions.

Even in states where government and law enforcement already surpass their Russian counterparts in institutionalized brutality and intolerance, the Kremlin’s legislation has served as an inspiration. In Azerbaijan, authorities in December adopted restrictions resembling the “foreign agents” law, though the move seemed redundant given the array of existing tools for muzzling critics of President Ilham Aliyev. Similarly, in Turkmenistan, where virtually all functioning civic organizations either support the government or receive direct government funding, a January 2013 presidential decree created a state commission to supervise all foreign-funded “projects and programs” and limited outside money to “legal and physical entities.”

Grim as they were, the events of 2013 represented the acceleration of an existing trend. The findings of Freedom House’s *Nations in Transit* report, an in-depth annual assessment of democratic governance in 29 postcommunist states, show that democracy in the 12-country region of Eurasia has been in steep decline for over a decade, leaving 78 percent of its population living under consolidated authoritarian regimes. Key regional findings of this year’s *Nations in Transit* report include the following:

Eurasia

Civil Society under Siege. In February 2013 alone, authorities in **Russia** used the “foreign agents” legislation to inspect, disrupt, or—at least in the case of election watchdog Golos—dissolve around 1,000 nongovernmental organizations (NGOs). Throughout the year, the authorities used the threat of prosecution to reduce the number of activists participating in street protests against the regime. Charges were filed against 28 individuals for demonstrating on Moscow’s Bolotnaya Square on 6 May 2012, the day before Putin’s inauguration, and many of those individuals remained entangled in the legal system during 2013, mostly on charges of resisting or assaulting the police. Lawmakers also followed up the previous year’s raft of illiberal legislation by amending a child protection statute to make distributing “propaganda” in support of “nontraditional sexual relationships” a criminal offense.

In **Azerbaijan**, the run-up to the October 2013 presidential election prompted yet another government crackdown on civil society activists, political opponents, and the media. After six consecutive years of decline, the largest and wealthiest country in the Caucasus—and the newest chair of the Committee of Ministers for the Council of Europe—now has the democracy rating of a deeply entrenched Central Asian dictatorship, with less freedom of assembly or expression than Tajikistan and more flagrant corruption than Kazakhstan.

Kazakhstan itself received a fourth consecutive downgrade to its civil society rating in 2013 due to broad extralegal enforcement of its already strict 2011 law on religious activity, with numerous arrests on related charges of “extremism.”

Uzbekistan and **Turkmenistan** continued to earn the report's worst possible rating—7, on a scale of 1 to 7—for civil society, as they do on most other indicators. In **Belarus**, the government of Alyaksandr Lukashenka faced no significant challenges to its authority in 2013, having pummeled civic activism with a sustained crackdown that dates to the postelection protests of December 2010.

Popular Resistance. Events in **Ukraine** since November 2013 clearly demonstrate why civil society is the only *Nations in Transit* indicator that never declined during Yanukovych's otherwise disastrous four years in power. By the beginning of 2013, Ukraine's democracy score was already worse than before the Orange Revolution of 2004, and it declined further during the year due to deteriorations in media freedom and the ongoing and extremely rapid enrichment of Yanukovych's close associates. But when Yanukovych abandoned a deal with the EU in favor of stronger ties with Russia, the country's reservoir of civic engagement erupted into massive protests in Kyiv and other cities, with citizens demanding accountability and good governance from its corrupt authoritarian leadership.

Civil society also proved resilient in **Kyrgyzstan**. Throughout 2013, voices in the parliament sought to challenge the protections enshrined in the 2010 constitution with new and restrictive legislation, including the bill modeled on Russia's “foreign agents” law. In nearly every case, the response of Kyrgyzstan's increasingly vocal civic sector played a key role in bringing international attention and pressure to bear on these problematic proposals. Since the 2010 ouster of authoritarian president Kurmanbek Bakiyev, Kyrgyzstan has been the only state in Central Asia to show any genuine opening for civil society, as well as a small improvement in its media environment. However, the country still suffers from enormous weaknesses that threaten its modest democratic gains. Chief among them are the dominance of the presidency as it fills a power vacuum left by the unstable and undisciplined legislature; the persistence of egregious ethnic bias and unprofessionalism in the judiciary; the self-censorship and limited reach of the Kyrgyz media; a trend toward illiberal legislative initiatives; and pervasive corruption.

Uncharted Territory for Georgia. Aside from Kyrgyzstan, **Georgia** is the only state in Eurasia whose ratings have consistently improved over the last few years, thanks in large part to more free and fair elections in 2012 and 2013, and the increased pluralism they introduced. In May 2013, Georgia's parliament also passed important amendments to media legislation that increased the transparency of broadcaster ownership and made the preelection “must carry/must offer” rule—requiring cable companies to carry all stations' signals—applicable year-round.

However, the year and a half since Bidzina Ivanishvili's Georgian Dream party swept Mikheil Saakashvili's long-ruling United National Movement (UNM) into the opposition has not been free of challenges or ambiguous developments.

Throughout 2013, the Georgian Dream government continued to preside over controversial investigations and prosecutions of former UNM officials on charges ranging from abuse of power to corruption. President Saakashvili himself remained in office through most of 2013, and his cooperation with Prime Minister Ivanishvili was limited. In March, members of the influential Georgian Orthodox clergy led a crowd of thousands in an attack on a small gay rights rally in downtown Tbilisi.

Central Europe

Democratization trends in Central Europe are more nuanced, and certainly less dire, than in Eurasia. In the 25 years since the collapse of communist rule, nearly all the countries in the region have consolidated their democratic institutions and created strong protections for civil society organizations and the media. Elections are free and fair, and the public has high, if sometimes unmet, expectations of inclusion in the discourse of policymaking.

For all these achievements, the role of money in politics, the pliability of judicial institutions, and economically weakening media sectors all raise concerns about the durability of democratic gains. Collectively, the *Nations in Transit* ratings of the countries that joined the EU in 2004 and 2007 have declined, rather than improved, since accession. In 2013, the only country to register a net improvement was **Romania**, one of the region's poorer performers, whose national government returned to normalcy after a presidential impeachment attempt and related disruptions in 2012.

Worsening Conditions in Hungary. Hungary's multiyear governance decline, reflected in every *Nations in Transit* indicator, remains the most poignant reminder that democratization in postcommunist Europe is neither complete nor irreversible. By the end of 2013, Hungary's democracy score was one full point worse on the 1–7 scale than in 2004, when the country entered the EU. Without counterbalancing improvements, any further deterioration in governance, electoral process, media freedom, civil society, judicial independence, or corruption under Prime Minister Viktor Orbán's recently reelected government will expel Hungary from the category of "consolidated democratic regimes" next year.

Entrenched Corruption. Throughout 2013, public protests—sometimes on a massive scale—drew attention to the persistence of political corruption, most notably in Bulgaria, the Czech Republic, and Slovenia. **Bulgaria's** largest protests in 15 years brought down the center-right government of Prime Minister Boyko Borisov in February 2013. After a new, center-left government took power in May, the public was outraged by its appointment of a widely distrusted 32-year-old media mogul to head the national security agency. The move was quickly reversed, but it resonated as a symbol of creeping state capture by a corrupt nexus of politicians,

businessmen, and criminal groups. In the absence of meaningful reforms, protests continued throughout the year.

In early 2013, **Slovenia's** parliament voted to dissolve the government of Prime Minister Janez Janša, whose coalition had been teetering amid public protests over government corruption and austerity measures introduced in 2012. Janša was subsequently convicted of taking bribes in one of the year's several high-profile corruption cases. Nevertheless, Slovenia is still *Nations in Transit's* best performer, just ahead of **Estonia**.

High-level corruption scandals have been occurring for years in the **Czech Republic**, but the trend has gained momentum recently, possibly because of a more proactive prosecutor general's office. In 2013, the government came under fire in connection with charges ranging from bribery to illegal commissioning of surveillance by military intelligence. Prime Minister Petr Nečas's chief of staff and alleged paramour, Jana Nagyova, was indicted for abuse of power and bribery in June, and Nečas resigned shortly afterward. However, charges of corruption against three members of parliament were annulled after the Supreme Court ruled that they were protected by immunity. The unwillingness of the Czech Bar Association to turn over important files in the case highlighted problems in prosecuting high-level crime in the country.

Poland also received a downgrade to its corruption rating in *Nations in Transit 2014*. Although the system of institutions tasked with combating graft in Poland is well developed and efficient, a steady accumulation of new cases over several years suggests that public figures are undeterred by the prospect of punishment, and that corruption is more entrenched. In **Hungary**, abuse in public-procurement practices, to the benefit of business groups and communities that are loyal to the government, became increasingly obvious in 2013. After a scandal over reports that the nationalization of Hungary's tobacco industry had deliberately favored some local allies of the ruling party, the government made its freedom of information law more restrictive.

Pressure on Independent Media. The only EU member state in Central Europe whose independent media rating has not declined in the last decade is **Estonia**, and nearly all of these countries' media sectors have deteriorated more rapidly since the European economic crisis. Though citizens across the region have access to a wide range of news sources and opinions, the quality and dependability of investigative reporting are increasingly compromised by economic and political pressures.

In 2013, **Lithuania** received its second media downgrade in three years after the authorities raided the offices of the Baltic News Service in Vilnius, confiscating computers and interrogating journalists about a leaked government document that implied Russia was trying to discredit the Lithuanian president. Meanwhile, media ownership in **Latvia** is becoming increasingly concentrated, raising concerns about the sector's ability to act as an effective watchdog. In 2013, the deputy editor of a regional newspaper was harassed and threatened with house arrest if he did not reveal his sources.

In the **Czech Republic**, the concentration of major print dailies in the hands of two business magnates, one of whom fared well in the 2013 general elections, points to growing ties between business, politics, and the media. The election campaign also featured attempts to curb editorial freedom at the public television broadcaster.

The Balkans

With the end of the Yugoslav wars just 15 years behind them, most countries of the Balkan region continue to make only fitful progress on *Nations in Transit's* democratization indicators, and there are still no consolidated democratic regimes in the region. Even new EU member Croatia's democratic institutions are still considered "semi-consolidated" under the report's methodology, which takes into account the nation's overwhelmed court system, its struggles with high-level corruption, and the pressure and intimidation frequently faced by its journalists.

Nevertheless, the EU continues to exert a positive influence in the Balkans, with the prospect of membership arguably serving as the single greatest motivation for democratic behavior and reform in these countries. The Balkans is the only *Nations in Transit* region to show improvements in civil society over the last decade.

Serbia, Kosovo, and Albania Turn a Corner. After years of escalating rhetoric, abortive negotiations, and occasional violence, there was a breakthrough in the EU-brokered dialogue between **Kosovo** and **Serbia** in 2013. In February, Kosovo president Atifete Jahjaga met in Brussels with her Serbian counterpart, Tomislav Nikolić, marking the first meeting between the countries' heads of state since Kosovo's 2008 declaration of independence, which Belgrade does not recognize. In April, the talks yielded a landmark agreement under which Kosovo granted its Serb minority increased autonomy, and Serbia recognized Priština's authority in predominantly Serb areas where Belgrade had long funded shadow government structures. The two parties also agreed not block each other's EU accession bids.

Just to the south, **Albania** earned its first positive ratings changes since 2008 thanks to flawed but competitive parliamentary elections in June and a peaceful transfer of power later in the year. The country had suffered steep declines during Sali Berisha's second term as prime minister, as he and his Democratic Party (PD) sought to consolidate their authority through politicized appointments to the judiciary, the presidency, and other key positions.

Setbacks for Bosnia and Macedonia. Two ratings declines in 2013 caused **Macedonia** to be demoted to the middling *Nations in Transit* category of "transitional/hybrid" regimes. The country was paralyzed by a political crisis that had erupted in late 2012 when the government of Prime Minister Nikola Gruevski pushed through its annual budget after forcibly ejecting opposition members and journalists from the parliamentary chamber. Several opposition legislators quit, and it took an intervention by the European Commission and other international bodies to dissuade the main opposition party from boycotting local elections in March.

Macedonia's growing restrictions on independent journalism drew international attention in 2013 when reporter Tomislav Kezarovski was arrested for allegedly revealing the identity of a protected witness in a murder case. Kezarovski was kept in pretrial detention for five months and then sentenced to four and a half years in prison in October. In late December, the parliament adopted controversial legislation to create a new, government-dominated media regulator.

In **Bosnia and Herzegovina**, a perennial political crisis continued to paralyze state-level governance in 2013. It is increasingly clear that the country's politicians are unwilling or unable to compromise for the sake of achieving either short- or long-term goals, even those that they claim to share. In June, reports that a three-month-old infant was unable to travel abroad for medical care because legislators could not come together on a law regulating identification numbers outraged the public and led to demonstrations. The completion of the 2013 population census—Bosnia's first since 1991, and an important milestone—was deeply politicized and partly marred by accusations of irregularities. Meanwhile, unfulfilled promises to the EU prompted significant funding cuts.

LGBT Rights Contested. Conservatives in a number of Balkan countries are pushing back against attempts to harmonize national laws and social norms with European standards regarding equal rights for LGBT people. In **Serbia**, authorities canceled the capital city's Pride Parade for the third year in a row in 2013. The last such parade in 2010 had ended in violence, and the city has since claimed that it lacks the resources to cope with threats against the marches from far-right groups. **Montenegro** held its first Pride Parade in 2013, but societal discrimination remains strong, with 71 percent of respondents in a 2012 survey agreeing that homosexuality is an "illness."

Croatia hosted its largest Pride Parade to date in 2013, as attendees showed solidarity in the face of a campaign to enact a constitutional ban on gay marriage. A referendum on the amendment was held in December, and 66 percent of those participating supported it, though only 38 percent of eligible voters turned out. The initiative came in response to a government-backed bill that would allow same-sex couples to register as "life partners," with rights equivalent to marriage except in adoption. The bill has since stalled in the parliament. The referendum effort was part of a broader rise in activism by ultraconservative groups within Croatian society, many of which are nationalist in orientation and have in the past opposed attempts to punish Croatian war criminals.

Conclusion: Peace and Democracy

Twenty-five years ago, in June 1989, Poland's Solidarity movement swept the ruling communists aside in an election victory that would change the face of Europe. This year also marks 15 years in NATO for Poland, the Czech Republic, and Hungary, and 10 years of EU membership for those countries plus Slovakia, Slovenia, and the

Baltics, which also joined NATO in 2004. The fall of communism and the gradual expansion of NATO and the EU have been accompanied by remarkable overall improvements in democratic governance in the states affected, as recorded in nearly two decades of assessments by *Nations in Transit*.

But the report has also tracked the stagnation and decline of governance conditions in the countries to the east. This divergence is not simply the result of internal weaknesses or the EU's absence. The Kremlin's recent belligerence in Ukraine has made it clearer than ever that struggles for democracy in a given country do not play out in isolation—there are external adversaries working to thwart and reverse them.

Consequently, a failure by the democratic world to participate in these struggles with sufficient vigor will not only mean a lack of progress, it will mean retreat and real danger. Democracies must recognize that their authoritarian opponents are neither valuable partners nor guarantors of regional stability, and craft their policies accordingly. Any cooperation with undemocratic states must be tied to genuine and irreversible reform.

While calls to support fair elections, civil society, independent media, and the rule of law across the postcommunist world may seem trivial or at least modest when compared with the threat of war, invasion, and energy embargoes, democratizing initiatives are ultimately the best and least costly way of preventing those outcomes.

Overview of Ratings Changes

Electoral Process

- ↓ 3 declines: Montenegro, Bulgaria, Tajikistan
- ↑ 3 improvements: Albania, Kosovo, Georgia

Civil Society

- ↓ 4 declines: Croatia, Azerbaijan, Kazakhstan, Russia
- ↑ 4 improvements: Kosovo, Bulgaria, Kyrgyzstan, Ukraine

Independent Media

- ↓ 5 declines: Macedonia, Czech Republic, Latvia, Lithuania, Ukraine
- ↑ 2 improvements: Georgia, Kyrgyzstan

National Democratic Governance

- ↓ 7 declines: Bosnia and Herzegovina, Bulgaria, Czech Republic, Hungary, Slovakia, Tajikistan, Ukraine
- ↑ 4 improvements: Albania, Kosovo, Latvia, Romania

Local Democratic Governance

- ↑ 1 improvement: Poland

Judicial Framework and Independence

- ↓ 2 declines: Croatia, Moldova

Corruption

- ↓ 8 declines: Macedonia, Bulgaria, Czech Republic, Hungary, Poland, Slovenia, Russia, Ukraine

Democracy Score

- ↓ 16 declines: Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Bulgaria, Czech Republic, Hungary, Lithuania, Slovakia, Slovenia, Azerbaijan, Kazakhstan, Moldova, Russia, Tajikistan, Ukraine
- ↑ 5 improvements: Albania, Kosovo, Romania, Georgia, Kyrgyzstan

Tables

Table 1. Nations in Transit 2014
Ratings and Democracy Score Summary

Country	EP	CS	IM	NGOV	LGOV	JFI	CO	DS
Albania	4.00	3.00	4.00	4.75	3.50	4.75	5.25	4.18
Armenia	5.75	3.75	5.75	5.75	5.75	5.50	5.25	5.36
Azerbaijan	7.00	6.50	6.75	6.75	6.50	6.50	6.75	6.68
Belarus	7.00	6.50	6.75	6.75	6.75	7.00	6.25	6.71
Bosnia	3.95	3.50	4.75	5.75	4.75	4.25	4.75	4.43
Bulgaria	2.95	2.95	4.00	3.75	3.00	3.25	4.25	3.25
Croatia	3.95	2.75	4.00	3.50	3.75	4.50	4.00	3.68
Czech Republic	1.25	1.75	2.75	3.00	1.75	1.75	3.50	2.25
Estonia	1.75	1.75	1.50	2.25	2.50	1.50	2.50	1.96
Georgia	4.50	3.75	4.00	5.50	5.50	5.00	4.50	4.68
Hungary	2.95	2.95	3.50	3.75	2.75	2.50	3.75	2.96
Kazakhstan	6.75	6.50	6.75	6.75	6.50	6.50	6.50	6.61
Kosovo	4.75	3.75	5.75	5.50	4.75	5.50	6.00	5.14
Kyrgyzstan	5.50	4.50	6.00	6.50	6.25	6.25	6.25	5.89
Latvia	1.75	1.75	2.00	2.00	2.25	1.75	3.00	2.07
Lithuania	2.00	1.75	2.25	2.75	2.50	1.75	3.50	2.36
Macedonia	3.95	3.95	5.00	4.25	3.75	4.25	4.25	4.00
Moldova	4.00	3.25	5.00	5.50	5.75	4.75	5.75	4.86
Montenegro	3.50	2.75	4.25	4.25	3.25	4.00	5.00	3.86
Poland	1.25	1.50	2.50	2.50	1.50	2.50	3.50	2.18
Romania	3.00	2.50	4.25	3.75	3.00	3.75	4.00	3.46
Russia	6.75	5.75	6.25	6.50	6.00	6.00	6.75	6.29
Serbia	3.95	2.95	4.00	3.75	3.50	4.50	4.25	3.64
Slovakia	1.50	1.75	2.75	3.00	2.50	3.00	3.75	2.61
Slovenia	1.50	2.00	2.25	2.00	1.50	1.75	2.50	1.93
Tajikistan	6.75	6.25	6.25	6.50	6.00	6.25	6.25	6.32
Turkmenistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Ukraine	4.00	2.50	4.25	6.00	5.50	6.00	6.25	4.93
Uzbekistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	6.93
Average	3.99	3.58	4.53	4.72	4.29	4.45	4.89	4.35
Median	3.50	3.00	4.25	4.75	3.75	4.50	4.75	4.18

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2014 ratings reflect the period 1 January through 31 December 2013.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.25	▼
Czech Rep.	2.00	2.00	1.75	1.75	1.50	1.50	1.25	1.25	1.25	1.25	
Estonia	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	
Hungary	1.25	1.25	1.75	1.75	1.75	1.75	1.75	2.25	2.25	2.25	
Latvia	1.75	1.75	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	
Poland	1.75	1.75	2.00	2.00	2.00	1.75	1.50	1.25	1.25	1.25	
Romania	2.75	2.75	2.75	2.75	2.50	2.75	2.75	3.00	3.00	3.00	
Slovakia	1.25	1.25	1.50	1.50	1.50	1.75	1.50	1.50	1.50	1.50	
Slovenia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	1.73	1.73	1.83	1.83	1.78	1.83	1.73	1.80	1.83	1.85	
Median	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
The Balkans											
Albania	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25	4.25	4.00	▲
Bosnia	3.25	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	
Croatia	3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Kosovo	4.75	4.75	4.75	4.50	4.50	4.25	4.50	5.00	5.00	4.75	▲
Macedonia	3.00	3.25	3.25	3.25	3.50	3.25	3.25	3.25	3.25	3.25	
Montenegro	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50	▼
Serbia	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Average	3.46	3.50	3.57	3.50	3.50	3.46	3.54	3.64	3.64	3.61	
Median	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Eurasian States											
Armenia	5.75	5.75	5.75	5.50	5.75	5.75	5.75	5.75	5.75	5.75	
Azerbaijan	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00	7.00	
Belarus	7.00	7.00	7.00	7.00	6.75	6.75	7.00	7.00	7.00	7.00	
Georgia	4.75	4.75	4.50	4.75	5.25	5.25	5.00	5.00	4.75	4.50	▲
Kazakhstan	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	6.00	5.75	5.75	6.00	6.00	6.25	6.00	5.50	5.50	5.50	
Moldova	4.00	3.75	3.75	3.75	4.00	4.25	4.00	4.00	4.00	4.00	
Russia	6.00	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Tajikistan	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.75	▼
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75	4.00	4.00	
Uzbekistan	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	5.79	5.79	5.79	5.88	6.00	6.04	6.02	6.00	6.00	6.00	
Median	6.00	6.25	6.50	6.50	6.63	6.63	6.63	6.63	6.63	6.75	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 3. Civil Society
Ratings History and Regional Breakdown

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	▲
Czech Rep.	1.50	1.50	1.50	1.25	1.50	1.75	1.75	1.75	1.75	1.75	
Estonia	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Hungary	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25	
Latvia	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	1.25	1.25	1.50	1.25	1.50	1.50	1.50	1.50	1.50	1.50	
Romania	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	
Slovakia	1.25	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	
Slovenia	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Average	1.73	1.73	1.83	1.75	1.88	1.90	1.93	1.93	1.95	1.93	
Median	1.63	1.63	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
The Balkans											
Albania	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Bosnia	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	
Croatia	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.75	▼
Kosovo	4.00	4.25	4.25	4.00	4.00	3.75	3.75	3.75	4.00	3.75	▲
Macedonia	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Montenegro	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	
Serbia	2.75	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25	2.25	
Average	3.21	3.25	3.21	3.14	3.14	3.07	3.00	3.00	3.04	3.04	
Median	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Eurasian States											
Armenia	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	
Azerbaijan	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25	6.50	▼
Belarus	6.75	6.75	6.50	6.50	6.25	6.00	6.00	6.25	6.50	6.50	
Georgia	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75	
Kazakhstan	5.50	5.75	5.75	5.50	5.50	5.75	5.75	6.00	6.25	6.50	▼
Kyrgyzstan	4.50	4.50	4.50	4.50	4.75	5.00	4.75	4.75	4.75	4.50	▲
Moldova	4.00	4.00	3.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25	
Russia	4.75	5.00	5.25	5.50	5.75	5.75	5.50	5.25	5.50	5.75	▼
Tajikistan	4.75	5.00	5.00	5.50	5.75	6.00	6.00	6.00	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.50	▲
Uzbekistan	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	4.88	4.98	4.98	5.02	5.13	5.17	5.10	5.15	5.25	5.27	
Median	4.75	5.00	5.13	5.38	5.50	5.75	5.63	5.63	5.88	6.00	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 4. Independent Media
Ratings History and Regional Breakdown

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	3.50	3.25	3.50	3.50	3.75	3.75	3.75	3.75	4.00	4.00	
Czech Rep.	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75	▼
Estonia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	2.50	2.50	2.50	2.50	2.50	2.75	3.25	3.50	3.50	3.50	
Latvia	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	2.00	▼
Lithuania	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.25	▼
Poland	1.50	1.75	2.25	2.25	2.00	2.25	2.25	2.25	2.50	2.50	
Romania	4.00	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.25	4.25	
Slovakia	2.25	2.25	2.25	2.50	2.75	3.00	3.00	2.75	2.75	2.75	
Slovenia	1.50	1.75	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25	
Average	2.20	2.23	2.33	2.40	2.43	2.55	2.60	2.63	2.70	2.78	
Median	1.88	1.88	2.25	2.25	2.25	2.38	2.38	2.38	2.50	2.63	
The Balkans											
Albania	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	
Bosnia	4.00	4.00	4.00	4.25	4.50	4.50	4.75	4.75	4.75	4.75	
Croatia	3.75	3.75	4.00	3.75	4.00	4.00	4.00	4.00	4.00	4.00	
Kosovo	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.75	
Macedonia	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.75	4.75	5.00	▼
Montenegro	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25	4.25	
Serbia	3.25	3.25	3.50	3.75	3.75	4.00	4.00	4.00	4.00	4.00	
Average	4.00	3.96	4.07	4.14	4.21	4.32	4.46	4.50	4.50	4.54	
Median	4.00	3.75	4.00	3.75	4.00	4.00	4.25	4.25	4.25	4.25	
Eurasian States											
Armenia	5.50	5.50	5.75	5.75	6.00	6.00	6.00	6.00	5.75	5.75	
Azerbaijan	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75	6.75	
Belarus	6.75	6.75	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75	
Georgia	4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.00	▲
Kazakhstan	6.50	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.25	6.25	6.00	▲
Moldova	5.00	5.00	5.25	5.50	5.75	5.75	5.50	5.00	5.00	5.00	
Russia	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Tajikistan	6.00	6.25	6.25	6.00	6.00	5.75	5.75	6.00	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.75	3.75	3.75	3.50	3.50	3.50	3.75	4.00	4.00	4.25	▼
Uzbekistan	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	5.85	5.83	5.90	5.92	6.00	6.00	6.02	6.00	6.00	5.98	
Median	6.00	6.00	6.25	6.13	6.25	6.38	6.38	6.25	6.25	6.25	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	3.50	3.00	3.00	3.00	3.25	3.25	3.50	3.50	3.50	3.75	▼
Czech Rep.	2.50	2.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75	3.00	▼
Estonia	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	
Hungary	2.00	2.00	2.25	2.25	2.50	2.50	3.00	3.50	3.50	3.75	▼
Latvia	2.25	2.00	2.00	2.00	2.50	2.50	2.25	2.25	2.25	2.00	▲
Lithuania	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75	
Poland	2.50	2.75	3.25	3.50	3.25	3.25	2.75	2.50	2.50	2.50	
Romania	3.50	3.50	3.50	3.75	3.75	4.00	3.75	3.75	4.00	3.75	▲
Slovakia	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	2.75	3.00	▼
Slovenia	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Average	2.50	2.45	2.60	2.65	2.78	2.83	2.78	2.80	2.83	2.88	
Median	2.38	2.38	2.38	2.50	2.75	2.75	2.75	2.75	2.75	2.88	
The Balkans											
Albania	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75	5.00	4.75	▲
Bosnia	4.75	4.75	4.75	5.00	5.00	5.25	5.25	5.50	5.50	5.75	▼
Croatia	3.50	3.50	3.50	3.25	3.50	3.50	3.50	3.50	3.50	3.50	
Kosovo	5.75	5.75	5.75	5.50	5.25	5.50	5.75	5.75	5.75	5.50	▲
Macedonia	4.00	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25	4.25	
Montenegro	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	
Serbia	4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75	3.75	
Average	4.39	4.32	4.32	4.32	4.32	4.39	4.46	4.54	4.57	4.54	
Median	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	
Eurasian States											
Armenia	5.00	5.00	5.25	5.25	5.75	5.75	5.75	5.75	5.75	5.75	
Azerbaijan	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75	
Belarus	6.75	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75	
Georgia	5.50	5.50	5.50	5.75	6.00	6.00	5.75	5.75	5.50	5.50	
Kazakhstan	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Kyrgyzstan	6.00	6.00	6.00	6.25	6.50	6.75	6.50	6.50	6.50	6.50	
Moldova	5.75	5.75	5.75	5.75	5.75	6.00	5.75	5.75	5.50	5.50	
Russia	5.75	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	
Tajikistan	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	▼
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75	5.75	6.00	▼
Uzbekistan	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Average	5.98	6.06	6.10	6.17	6.29	6.35	6.33	6.38	6.33	6.38	
Median	6.00	6.00	6.00	6.25	6.38	6.50	6.50	6.50	6.50	6.50	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 6. Local Democratic Governance
Ratings History and Regional Breakdown

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Czech Rep.	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Estonia	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Hungary	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75	2.75	
Latvia	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	
Lithuania	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	
Poland	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75	1.50	▲
Romania	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
Slovakia	2.25	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.50	
Slovenia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Average	2.40	2.33	2.33	2.33	2.35	2.33	2.33	2.33	2.35	2.33	
Median	2.38	2.38	2.38	2.25	2.50	2.50	2.50	2.50	2.50	2.50	
The Balkans											
Albania	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25	3.50	3.50	
Bosnia	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	
Croatia	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Kosovo	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	4.75	4.75	
Macedonia	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Montenegro	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
Serbia	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	
Average	4.07	3.96	3.93	3.93	3.89	3.86	3.89	3.86	3.89	3.89	
Median	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	
Eurasian States											
Armenia	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.75	
Azerbaijan	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50	6.50	
Belarus	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Georgia	6.00	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	
Kazakhstan	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	
Kyrgyzstan	5.75	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.25	6.25	
Moldova	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
Russia	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.00	6.00	
Tajikistan	5.75	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
Turkmenistan	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Ukraine	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50	5.50	
Uzbekistan	6.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Average	5.98	6.04	6.02	6.06	6.08	6.08	6.17	6.19	6.17	6.17	
Median	5.88	5.88	5.88	6.00	6.13	6.13	6.13	6.25	6.13	6.13	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 7. Judicial Framework and Independence
Ratings History and Regional Breakdown

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	3.25	3.00	2.75	2.75	3.00	3.00	3.00	3.25	3.25	3.25	
Czech Rep.	2.50	2.25	2.00	2.00	2.25	2.00	2.00	2.00	1.75	1.75	
Estonia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
Hungary	1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.75	2.50	2.50	
Latvia	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Lithuania	1.75	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
Poland	2.00	2.25	2.25	2.50	2.25	2.50	2.50	2.50	2.50	2.50	
Romania	4.00	4.00	3.75	4.00	4.00	4.00	4.00	3.75	3.75	3.75	
Slovakia	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	3.00	3.00	
Slovenia	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	
Average	2.20	2.15	2.13	2.20	2.28	2.33	2.33	2.38	2.35	2.35	
Median	1.88	1.88	1.88	1.88	2.00	2.00	2.13	2.25	2.13	2.13	
The Balkans											
Albania	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75	4.75	4.75	
Bosnia	4.25	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	4.25	
Croatia	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50	▼
Kosovo	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50	
Macedonia	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.25	4.25	
Montenegro	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00	4.00	
Serbia	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50	4.50	
Average	4.46	4.36	4.32	4.36	4.43	4.39	4.43	4.46	4.50	4.54	
Median	4.25	4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.50	
Eurasian States											
Armenia	5.25	5.00	5.00	5.25	5.50	5.50	5.50	5.50	5.50	5.50	
Azerbaijan	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50	6.50	
Belarus	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00	
Georgia	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00	5.00	
Kazakhstan	6.25	6.25	6.25	6.25	6.00	6.25	6.25	6.50	6.50	6.50	
Kyrgyzstan	5.50	5.50	5.50	6.00	6.00	6.00	6.25	6.25	6.25	6.25	
Moldova	4.75	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50	4.75	▼
Russia	5.25	5.25	5.25	5.25	5.50	5.50	5.75	6.00	6.00	6.00	
Tajikistan	5.75	5.75	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Ukraine	4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00	6.00	6.00	
Uzbekistan	6.25	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	
Average	5.65	5.63	5.65	5.75	5.83	5.92	6.00	6.13	6.13	6.15	
Median	5.63	5.63	5.63	5.88	5.88	6.13	6.25	6.25	6.25	6.25	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 8. Corruption
Ratings History and Regional Breakdown

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	4.00	3.75	3.75	3.50	4.00	4.00	4.00	4.00	4.00	4.25	▼
Czech Rep.	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50	▼
Estonia	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50	2.50	
Hungary	2.75	3.00	3.00	3.00	3.25	3.50	3.50	3.50	3.50	3.75	▼
Latvia	3.50	3.25	3.00	3.00	3.25	3.25	3.50	3.25	3.00	3.00	
Lithuania	3.75	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.50	
Poland	3.00	3.25	3.00	3.00	2.75	3.25	3.25	3.25	3.25	3.50	▼
Romania	4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
Slovakia	3.00	3.00	3.25	3.25	3.25	3.75	3.50	3.50	3.75	3.75	
Slovenia	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25	2.50	▼
Average	3.23	3.28	3.23	3.15	3.25	3.35	3.33	3.28	3.30	3.43	
Median	3.25	3.25	3.13	3.13	3.25	3.38	3.50	3.38	3.38	3.50	
The Balkans											
Albania	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.25	5.25	
Bosnia	4.50	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.75	4.75	
Croatia	4.75	4.75	4.75	4.50	4.50	4.50	4.25	4.00	4.00	4.00	
Kosovo	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	6.00	6.00	
Macedonia	5.00	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00	4.25	▼
Montenegro	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00	
Serbia	5.00	4.75	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25	
Average	5.11	5.00	4.96	4.82	4.79	4.75	4.68	4.64	4.75	4.79	
Median	5.00	4.75	4.75	4.50	4.50	4.50	4.50	4.50	4.75	4.75	
Eurasian States											
Armenia	5.75	5.75	5.75	5.75	5.50	5.50	5.50	5.25	5.25	5.25	
Azerbaijan	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75	6.75	
Belarus	6.00	6.25	6.25	6.25	6.00	6.00	6.00	6.25	6.25	6.25	
Georgia	5.75	5.50	5.00	5.00	5.00	5.00	4.75	4.50	4.50	4.50	
Kazakhstan	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	
Kyrgyzstan	6.00	6.00	6.00	6.25	6.25	6.50	6.25	6.25	6.25	6.25	
Moldova	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75	5.75	
Russia	5.75	6.00	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.75	▼
Tajikistan	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Turkmenistan	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	
Ukraine	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.25	▼
Uzbekistan	6.00	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	
Average	6.06	6.13	6.08	6.10	6.10	6.17	6.13	6.13	6.13	6.17	
Median	6.00	6.13	6.13	6.25	6.25	6.38	6.25	6.25	6.25	6.25	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 9. Democracy Score
Ratings History and Regional Breakdown

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Change
EU Members*											
Bulgaria	3.18	2.93	2.89	2.86	3.04	3.04	3.07	3.14	3.18	3.25	▼
Czech Rep.	2.29	2.25	2.25	2.14	2.18	2.21	2.18	2.18	2.14	2.25	▼
Estonia	1.96	1.96	1.96	1.93	1.93	1.96	1.93	1.93	1.96	1.96	
Hungary	1.96	2.00	2.14	2.14	2.29	2.39	2.61	2.86	2.89	2.96	▼
Larvia	2.14	2.07	2.07	2.07	2.18	2.18	2.14	2.11	2.07	2.07	
Lithuania	2.21	2.21	2.29	2.25	2.29	2.25	2.25	2.29	2.32	2.36	▼
Poland	2.00	2.14	2.36	2.39	2.25	2.32	2.21	2.14	2.18	2.18	
Romania	3.39	3.39	3.29	3.36	3.36	3.46	3.43	3.43	3.50	3.46	▲
Slovakia	2.00	1.96	2.14	2.29	2.46	2.68	2.54	2.50	2.57	2.61	▼
Slovenia	1.68	1.75	1.82	1.86	1.93	1.93	1.93	1.89	1.89	1.93	▼
Average	2.28	2.27	2.32	2.33	2.39	2.44	2.43	2.45	2.47	2.50	
Median	2.07	2.11	2.20	2.20	2.27	2.29	2.23	2.24	2.25	2.31	
The Balkans											
Albania	4.04	3.79	3.82	3.82	3.82	3.93	4.04	4.14	4.25	4.18	▲
Bosnia	4.18	4.07	4.04	4.11	4.18	4.25	4.32	4.36	4.39	4.43	▼
Croatia	3.75	3.71	3.75	3.64	3.71	3.71	3.64	3.61	3.61	3.68	▼
Kosovo	5.32	5.36	5.36	5.21	5.14	5.07	5.18	5.18	5.25	5.14	▲
Macedonia	3.89	3.82	3.82	3.86	3.86	3.79	3.82	3.89	3.93	4.00	▼
Montenegro	3.79	3.89	3.93	3.79	3.79	3.79	3.82	3.82	3.82	3.86	▼
Serbia	3.75	3.71	3.68	3.79	3.79	3.71	3.64	3.64	3.64	3.64	
Average	4.10	4.05	4.06	4.03	4.04	4.04	4.07	4.09	4.13	4.13	
Median	3.89	3.82	3.82	3.82	3.82	3.79	3.82	3.89	3.93	4.00	
Eurasian States											
Armenia	5.18	5.14	5.21	5.21	5.39	5.39	5.43	5.39	5.36	5.36	
Azerbaijan	5.86	5.93	6.00	6.00	6.25	6.39	6.46	6.57	6.64	6.68	▼
Belarus	6.64	6.71	6.68	6.71	6.57	6.50	6.57	6.68	6.71	6.71	
Georgia	4.96	4.86	4.68	4.79	4.93	4.93	4.86	4.82	4.75	4.68	▲
Kazakhstan	6.29	6.39	6.39	6.39	6.32	6.43	6.43	6.54	6.57	6.61	▼
Kyrgyzstan	5.64	5.68	5.68	5.93	6.04	6.21	6.11	6.00	5.96	5.89	▲
Moldova	5.07	4.96	4.96	5.00	5.07	5.14	4.96	4.89	4.82	4.86	▼
Russia	5.61	5.75	5.86	5.96	6.11	6.14	6.18	6.18	6.21	6.29	▼
Tajikistan	5.79	5.93	5.96	6.07	6.14	6.14	6.14	6.18	6.25	6.32	▼
Turkmenistan	6.93	6.96	6.96	6.93	6.93	6.93	6.93	6.93	6.93	6.93	
Ukraine	4.50	4.21	4.25	4.25	4.39	4.39	4.61	4.82	4.86	4.93	▼
Uzbekistan	6.43	6.82	6.82	6.86	6.89	6.93	6.93	6.93	6.93	6.93	
Average	5.74	5.78	5.79	5.84	5.92	5.96	5.97	5.99	6.00	6.02	
Median	5.72	5.84	5.91	5.98	6.13	6.18	6.16	6.18	6.23	6.31	

* Excluding Croatia, which joined mid-year.

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 2014 ratings reflect the period 1 January through 31 December 2013.

Table 10. Democracy Score
2014 Rankings by Regime Type

Consolidated Democracies (1.00–2.99)

Slovenia	1.93
Estonia	1.96
Latvia	2.07
Poland	2.18
Czech Republic	2.25
Lithuania	2.36
Slovakia	2.61
Hungary	2.96

Semi-Consolidated Democracies (3.00–3.99)

Bulgaria	3.25
Romania	3.46
Serbia	3.64
Croatia	3.68
Montenegro	3.86

Transitional Governments or Hybrid Regimes (4.00–4.99)

Macedonia	4.00
Albania	4.18
Bosnia-Herzegovina	4.43
Georgia	4.68
Moldova	4.86
Ukraine	4.93

Semi-Consolidated Authoritarian Regimes (5.00–5.99)

Kosovo	5.14
Armenia	5.36
Kyrgyzstan	5.89

Consolidated Authoritarian Regimes (6.00–7.00)

Russia	6.29
Tajikistan	6.32
Kazakhstan	6.61
Azerbaijan	6.68
Belarus	6.71
Turkmenistan	6.93
Uzbekistan	6.93

NOTES: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The 2014 ratings reflect the period 1 January through 31 December 2013.

Albania

by Gledis Gjipali

Capital: Tirana
Population: 3.2 million
GNI/capita, PPP: US\$9,280

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25	4.25	4.00
Civil Society	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Independent Media	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00
National Democratic Governance	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75	5.00	4.75
Local Democratic Governance	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25	3.50	3.50
Judicial Framework and Independence	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75	4.75	4.75
Corruption	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.25	5.25
Democracy Score	4.04	3.79	3.82	3.82	3.82	3.93	4.04	4.14	4.25	4.18

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

Albania has been a member of the North American Treaty Organization (NATO) since 2009 and also aspires to join the European Union (EU). The push for European integration currently functions as the main driver for reform in the country.

In June, a coalition led by the opposition Socialist Party (PS) won a landslide victory over incumbent prime minister Sali Berisha and his Democratic Party (PD). The elections met international standards and resulted in a peaceful transfer of power. The new government is composed of first-time ministers from the PS and more experienced politicians from the Socialist Movement for Integration party (LSI), many of whom were part of Berisha's government until April 2013.

In October 2013, the European Commission recommended that Albania should be granted EU-candidate status due to its demonstrated progress in legislative reform and political dialogue. Two months later, the Council of the European Union decided to postpone this decision for at least a six-month period. In the meantime, Albania needs to convince EU member states that the reforms it has introduced are being implemented and that there is tangible progress in judicial reform and the reduction of corruption and organized crime.

Use of nationalist rhetoric that was increasingly present during 2012 significantly diminished in 2013, despite sporadic use by some parties during the electoral campaign. Political parties represented in the parliament still have varying views on nationalistic issues, but European integration is a shared priority across the political spectrum.

National Democratic Governance. The government's financial situation continued to deteriorate in 2013 as a result of ineffective tax collection and unbridled government spending. No progress was made regarding property rights. However, general elections in June were followed by a peaceful and orderly transfer of power—the third in postsocialist Albania's history. The new government proposed and began implementing an ambitious reform program that will be tested in 2014. *Albania's national democratic governance rating improves from 5.00 to 4.75.*

Electoral Process. Albania's June elections were held in accordance with international standards, bringing new stability to the politics and economy of the country. Election results were announced the following day without significant contestation, particularly due to the wide margin of difference between the two main blocks. Confrontation that was expected in the streets as well as the courts did not materialize as it had in previous elections. *Albania's electoral process rating improves from 4.25 to 4.00.*

Civil Society. The civil society sector in Albania remains weak in organizational capacity and political influence. Civil society outside the capital remains especially underdeveloped. Labor unions are also weak, and both the authorities and private companies are typically hostile to organizing and collective-bargaining efforts. Nevertheless, there were some signs of increased activity in 2013. Civil Society mobilized to influence a number of major policy issues, notably the decision of the government not to make Albania a site for dismantling Syrian chemical weapons. In 2013, civil society was named as a key component of the EU integration process, and the government acknowledged the need to establish an environment and mechanisms conducive to more inclusive policymaking. *Albania's civil society rating remains unchanged at 3.00.*

Independent Media. Freedom of expression is legally guaranteed and freely exercised in the country, though the media sector lacks both a clear legal framework and self-regulatory mechanisms. The number of media operators has increased along with internet penetration, but this has not automatically resulted in more diverse or high-quality content. The sector suffers significant financial constraints, and poor working conditions for journalists compromise their professional integrity. Political interference and the media's financial dependence on politicians often produce bias. In 2013, media played a larger role in exposing cases of corruption and abuse of public office. New broadcast regulations, modeled after European legislation, were passed. *Albania's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. Local governments are weak, fragmented, and subject to political manipulation by the central government, compromising their ability to function and provide basic services. LSI's abrupt departure from the PD-led ruling coalition in April affected several local government units by changing the existing majorities. Tirana's municipal council could not meet for several months after the elections and was at risk for disbandment. The central government reduced taxes on small businesses in December 2013; if timely remuneration from the state is not provided, this could decrease local governments' budgets by \$20 million. *Albania's rating for local democratic governance remains unchanged at 3.50.*

Judicial Framework and Independence. The Albanian judicial system suffers from chronic corruption, political interference, and inadequate funding. Political conflicts have produced lengthy vacancies in courts and promoted "political" careers within the judicial system. New or revised verdicts from trials of the notorious 2008 Gërdec Explosion and the killings of January 2011 evoked strong reactions from Albanian civic and political actors as well as the international community, which generally regards the sentences as unjust or inadequate. *Albania's judicial framework and independence rating remains unchanged at 4.75.*

Corruption. Corruption remains a major obstacle to democratization and the EU integration process. The government took steps to identify cases of corruption in

2013, but most of these efforts yielded poor results due to a lack of political will and institutional enforcement. Well-known public cases against high-level officials and politicians from the governing majority and the opposition were taken to court during the year and were still being processed at year's end. New anticorruption strategies and legislative reform have also been proposed. *Albania's corruption rating remains unchanged at 5.25.*

Outlook for 2014. The new PS-LSI coalition now benefits from a qualified majority in the parliament and has planned several important reforms for 2014. Administrative reform will need to be concluded within the year because it directly affects the electoral code, and there will be administrative elections in 2015. Judicial reform is also on the majority coalition's agenda, but it can be expected that friction will arise between the government and Albania's president over the appointments of judges and chairs of independent institutions. In June, the EU will decide whether to award Albania candidate status on the basis of the country's performance in the area of rule of law.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75	5.00	4.75

General elections in June 2013 were followed by a peaceful and orderly transfer of power as two-term prime minister Sali Berisha and his Democratic Party (PD) were replaced at the helm of government by former Tirana mayor Edi Rama and the opposition Socialist Party (PS).

The PS-led coalition was strengthened by the addition of the Socialist Movement for Integration party (LSI), which left the Berisha government two months before the election. LSI is headed by Ilir Meta, whose alleged corruption as deputy prime minister famously set off PS-led antigovernment protests in 2011. LSI's departure from the government in April 2013 led to a personnel reshuffle within the government, with the nearly one-third of government positions LSI used to occupy going to members of PD or the next-largest party in the coalition, the nationalist Justice Integration and Unity Party (PDIU). The rapid changes in personnel caused instability in public administration during and after the elections.

At the polls, the PS-led opposition coalition (Alliance for a European Albania) beat the PD's Alliance for Employment, Prosperity and Integration by a wide margin, claiming 83 of 140 seats in the unicameral parliament. Two additional MPs defected from the now-opposition and joined LSI at the beginning of the new parliamentary session, strengthening the PS-LSI coalition's qualified majority. The new government is composed of ministers from both parties, as well as non-politically engaged professionals. The ministers from PS are relatively new to politics, while most of LSI's ministers previously served in the Berisha government. Meta serves as speaker of the parliament.

The Rama government, which took office in September, proposed an ambitious agenda for its four-year term, including reforms in taxation, health, employment, security, the judicial system, administration, and territorial division. However, the restructuring of ministries and key institutions as per the new government's program has been slowed by financial limitations as well as administrative and legislative barriers. In October, for example, the parliament was forced to postpone the enactment of a new law on public employees because necessary supporting legislation was not ready.

Albania's financial situation did not improve in 2013. In December 2012, Albania abolished its previous debt ceiling, which had limited public debt to 60 percent of gross domestic product (GDP).¹ This paved the way for extensive government borrowing in order to finance investments and raise salaries and

pensions ahead of the 2013 elections. As is typical in election years, the government overspent on infrastructure development in 2013, and when tax revenues dropped, many of the companies working on these government-funded projects were left in arrears. In September, the International Monetary Fund (IMF) declared that Albania's public debt had reached unprecedented levels, partially due to the government's unpaid bills and other arrears. The IMF further noted that "[e]conomic weakness and elevated macroeconomic imbalances pose significant policy challenges."² The new government expressed its intention to complete an agreement with the IMF beginning in 2014.

At the end of the year, the parliament approved several government-proposed changes to the tax system intended to address Albania's growing budget deficit and meet commitments the governing coalition had made during their electoral campaign. As of January 2014, Albania's previous flat tax system will be replaced with a proportional income tax that reduces the tax burden on lower-income citizens. Corporate taxes will increase from 10 to 15 percent, while small businesses will be subject to a new, simplified tax.³ In addition, the new fiscal package introduces higher duties for products such as oil, tobacco, and alcohol.

Property rights and the restitution of property nationalized under the communist regime remain a serious concern. The government has adopted a formal strategy to address the problem, but efforts to produce concrete results have moved at a slow pace. The strategy acknowledges that because the financial cost of the process has not yet been determined,⁴ it cannot provide a clear timeframe for the full restitution of property rights. Failure to properly address the issue has brought a large number of legal cases to the European Court of Human Rights (ECHR). In June, the Committee of Ministers of the Council of Europe adopted a resolution that urged the Albanian government to establish "an effective compensation mechanism" within 18 months.⁵

Albania made some formal progress toward EU integration in 2013. In May, during the last session of the previous parliament, the legislature approved three EU-recommended laws addressing the Supreme Court, changes in parliamentary procedures, and a new civil servants law offering greater protection for state employees.⁶ For the new legislation to pass, the divided parliament had to agree to delay the implementation of these laws until after a new government and parliament were in place. In December, the Council of Ministers of the European Union (EU) determined that Albania was not ready for EU candidate status, contrary to the European Commission's recommendation in October.⁷ The country's potential candidacy will be reassessed in June 2014. Anticorruption and judicial reforms, as well as the fight against organized crime, are key issues that need to be vigorously addressed in order to advance the EU integration process.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25	4.25	4.00

Parliamentary elections on 23 June were the most orderly in postcommunist Albania's history, resulting in an unusually peaceful transfer of power. The country's last general and local elections in 2009 and 2011 failed to meet international standards of fairness, triggering political deadlock that slowed down key reforms and increased the polarization between PD and PS supporters.

Preparations for the elections were seriously disrupted by political deadlock in the Central Election Commission (CEC). The CEC has seven members—four proposed by the majority and three by the opposition. Decisions require a qualified majority of five members, which the CEC often fails to reach due to party alliances.⁸ When the LSI party left the PD government in April to join the opposition bloc, the parliamentary majority dismissed the CEC member LSI had nominated and replaced him with a nominee of the Republican Party (RP), a PD ally. The legal basis for the dismissal was questionable, and the decision was widely perceived as politically motivated.⁹ The opposition refused to accept the legitimacy of the RP replacement, and the other CEC members proposed by the opposition resigned in protest. As a result, the CEC operated with just four members throughout the election period, preventing it from making crucial decisions that require a five-vote majority. Earlier, after the CEC failed to decide on seat distribution in the country's electoral districts, the parliamentary majority intervened and set the allotments using outdated 2009 population figures.

Following revisions to Albania's electoral code in 2012, two new electronic systems for voter identification and ballot-counting were supposed to be piloted in the Tirana and Fier regions during the 2013 elections. Unable to meet necessary legal deadlines or implement proper regulation for the technology, the CEC was forced to scrap both pilots one week before the elections.¹⁰

Officially, campaigning began 30 days before election day, but intensive promotional activities were noted several weeks earlier.¹¹ Other problems reported by monitors from the Organization for Security and Cooperation in Europe (OSCE) included the partisan use of administrative resources, pressure on public employees and students to attend campaign events, alleged vote buying, some cases of family or proxy voting, and various missed deadlines. However, the observer mission found that the overall campaign was vibrant, competitive, and largely peaceful, despite an election-day shooting incident in which an LSI supporter was killed and two others, including a PD candidate, were injured.¹² Perhaps due to the wide margin between the two political blocks' winnings, there were few appeals or demands for recounts filed to the Electoral College, and people did not take to the streets in protest.

According to the final results, the PS captured 65 seats, the LSI took 16, and two smaller PS-allied parties—the Human Rights and Unity Party (PBDNJ), which

represents ethnic Greeks, and the Christian Democratic Party—each garnered 1 seat. Meanwhile, the PD won 50 seats and its junior partners—the nationalist Justice, Integration, and Unity Party and the Republican Party—took 4 and 3 seats, respectively. Voter turnout was reported at 53.5 percent.¹³

Days after his party's electoral defeat, Prime Minister Berisha resigned from his position as PD party chair and called for party elections within 30 days. After a brief campaign, Mayor Lulzim Basha of Tirana was elected as the new party leader.

A few local administrative elections were also held in 2013. In the city of Korça, mayoral elections were held after the incumbent left to serve as a deputy prime minister in the Rama government. Turnout was very low, and the campaigns organized by the two contenders were not aggressive. After the election, however, the new opposition (PD) accused the majority party of buying votes after the media reported that PS had offered remuneration to students by paying their travel expenses. The opposition called for a revote in Korça, but the Electoral College dropped the request.

Clearer provisions in the electoral code are needed to facilitate the organization of local or national referendums. In 2012, the CEC approved a request by citizens for a national referendum on banning the import of nonhazardous waste. The vote was planned for December 2013 but canceled after the newly elected government repealed the legal provisions at issue.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Civil society in Albania is still developing and restricted in terms of capacity and influence in the public sphere. Because 2013 was an election year, public debate was dominated by politicians, leaving little room for other actors to contribute to the country's development. The public continues to think of civil society as synonymous with and limited to the work of civil society organizations (CSOs), rather than as a broader concept and mechanism for expressing its needs and concerns.

CSOs have limited activity outside the capital. All CSOs must register at the Court of Tirana District, which complicates the activities of those organizations working in the regions. Networks of organizations are rare and largely inefficient. Overall, most organizations have limited interaction with the groups of society they strive to represent. Since the public still associates CSOs with compulsory activities organized under the communist regime, many Albanians refrain from engaging or supporting civil society activities. The state does not proactively encourage volunteering.¹⁴

As the pool of international donors shrinks, financial sustainability is becoming an increasingly pressing issue for many CSOs. Organizations often follow donor-driven agendas and dedicate a large share of their capacities to grant-making rather than pursuing their own organizational goals. International donors have

increasingly made their funding conditional on the receipt of co-support from central or local state institutions, reducing the ability of CSOs to remain impartial government watchdogs. Meanwhile, applying for EU funds involves complex procedures that tax most CSOs' capacities. Attempts to diversify funding through for-profit activities are also difficult because of a lack of legislative regulation and unclear taxing procedures. Albania lags behind other countries in the region in the creation of legislation for regulating charitable donations from individuals or companies. In 2013, the government began appointing new board members to the state Agency for the Support of Civil Society, whose role is to distribute government funds to CSOs. However, the agency does not enjoy a reputation of unbiased and transparent support to CSOs and its resources remain very modest.

There were some signs of a rise in civic activism during 2013. In autumn, a debate over the American request for Albania to serve as a hosting site for dismantling Syria's chemical weapons quickly expanded in media and public dialogue. The country's questionable capacity to deal with this task, alongside human and environmental risks became the leitmotif of an impressive public protest that grew rapidly.¹⁵ Initiated by a small group of environmentalist activists, the protests expanded and involved citizens of all ages and social groups. The fact that the movement was not donor- or political party-driven was particularly significant, as was the participation of high school and university students. In response to growing public pressure, the government declared that it would not accept the mission, despite its position as a NATO member.¹⁶

In December 2013, a large number of actors from civil society organizations gathered and drafted a declaration calling upon the parliament to provide mechanisms and implement policies to strengthen and encourage the expansion of civil society.¹⁷ While CSOs were coordinating, the government also made some notable attempts to improve the legal framework concerning access to information and public consultation in the legislative process. The Ministry for Innovation and Public Administration held a series of public events to draw input from civil society actors on a draft law that addressed these issues. The draft, still under review at year's end, would introduce some legal improvements and generally adopt a more open and transparent legislative process.¹⁸ The potential impact of such changes in addressing the long-standing issues of limited access to information and Albania's relatively closed legislative process remains to be seen.

In November, the EU launched the initiation of a High Level Dialogue with Albania to discuss how the country should address the remaining criteria needed to open the accession negotiations. Five issues were discussed in the initial meeting, and greater governmental dialogue with civil society actors was included as a top priority and concern.¹⁹ Therefore, the High Level Dialogue formally included strengthening and engaging civil society as a vital component of the integration process, and there is potential for CSOs to provide more political input and monitor institutional reforms.

Labor Unions remain weak and with low membership across various economic sectors. When unionized bodies exercise activism, the reception from the government

and business community is largely negative. Overall, tripartite dialogue in Albania is almost nonexistent and remains unable to improve conditions and rights for workers.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00

Freedom of expression is legally guaranteed and widely exercised in the country, though the media sector lacks both a clear legal framework and self-regulatory mechanisms. The number of media operators has increased along with internet penetration, but this has not automatically resulted in more diverse or higher-quality content. Television and print media continued to suffer financially in 2013, and the salaries of staff were often delayed.

Libel has been decriminalized but remains a civil offense punishable with fines. Defamation cases against journalists have been on the decline in recent years as politicians increasingly opt to sue each other, rather than the media.

The financial viability of media in Albania relies heavily on the private funds of their owners and advertising revenues. Major media outlets, especially television channels and newspapers, are owned by construction or oil companies and generate unreliable advertisement revenues. Media depend on advertising contracts from state institutions, which are typically awarded to outlets that provide favorable coverage of the government, leaving few truly independent news sources. In December, Defense Minister Mimi Kodheli announced that she had presented the prosecutor general with evidence that her predecessor at the ministry had infringed tender procedures in a number of areas, including media advertising.²⁰ The Defense Ministry reportedly ran four major ad campaigns worth €584,000 that went exclusively to advertising agencies Promo Sh.p.k. and Zoom Sh.p.k. Both of these agencies were closely affiliated with the owner of TV Klan, part of a media group that was openly progovernment at the time. The investigation was still pending at year's end. Between 2010 and 2012, Promo Sh.p.k. also produced three major advertising campaigns worth €1.4 million for the General Directorate of Police.²¹

The partisanship of many news outlets was visible during the 2013 election campaign, with the main television stations favoring either the PD or the PS in the amount or tone of their coverage. The six television channels monitored by the OSCE/ODIHR offered over 387 hours of airtime on election-related issues in various formats, including newscasts, free and paid airtime, informational programming, and debates. Smaller parties received little airtime.²² The election commission's media rules were weakly enforced, and a decision by the panel in early June appeared to require broadcasters to air party-prepared footage during newscasts, disregarding a 2011 court ruling.²³ Several journalists gained political positions during this period, demonstrating the strong ties between the political and media sectors

The National Council of Radio and Television (NCRT) is the main body responsible for regulating public and private radio and television in Albania. As the members of the council are elected by the parliament via a simple majority vote, the body is perceived as politically biased, leading media professionals and NGOs to demand the reform of the law regulating appointments to the council. After a long political battle, a new law on Audiovisual Media Services was adopted in March 2013. The law was intended to harmonize broadcasting regulations with European legislation, but the newly established Audiovisual Media Agency does not guarantee the independence of its members.²⁴

Albanian Radio and Television (ART) and the Albanian Telegraphic Agency (ATA) are the only public media in the country. Both maintain a strong progovernment bias. Politically charged content and outdated technology have reduced their popularity with the public, increasing their reliance on funding from the state budget. Of the two, the ART particularly needs significant reform in order to provide citizens with balanced news and information.²⁵ The problems of illegal frequencies and piracy of cable television go largely unaddressed.

Several media organizations and unions exist, but they have had little influence on working conditions, editorial freedom, or relations between journalists and media owners. A large majority of journalists work without formal contracts. The salaries of media workers are not standardized according to their roles and some media routinely delay the disbursement of payment to their employees.²⁶ In 2013, the Albanian Union of Journalists estimated that 90 percent of the private media are late in paying their staff salaries by between two and six months, and only 40 percent of media outlets regularly contribute to their employees' social security and health funds.²⁷ Ethics and respect for privacy in the news remain an issue, and several cases of infringement occurred in order to raise viewership. For example, news sources often reveal the identity of child abuse victims.

Investigative journalism remains weak in Albania, though increased online platforms have provided a new space for its development. In 2013, television channels aired secretly registered videos to publicly denounce cases of suspected corruption and other abuses of public office.

Albania's switch from analog to digital broadcasting is supposed to be completed by June 2015, but it is unclear whether this deadline can be met. In late 2013, the new government canceled a bid for the digitalization of ART, citing irregularities.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25	3.50	3.50

The legal framework for local government in Albania is based on the principles of democracy, decentralization, and local autonomy. In practice, the central government is generally unwilling to decentralize power, and local governments

remain weak, fragmented, and subject to political manipulation by the central government.

Albania is divided into 373 local units made up of 65 urban municipalities and 308 rural communes. The mayors of municipalities and communes are directly elected through a majority system, while their representative councils are directly elected through a proportional closed-list system. Representatives from these units appoint bodies that govern the second layer of local government—12 administrative units called *qarku* (counties), most of which lack the financial authority or resources to fulfill their assigned duties.

When LSI left the government coalition to join the opposition bloc in April 2013, local government institutions were directly affected. The shifting alliance of LSI representatives on regional and municipal councils led to filed motions for dismissal of current chairs in key cities such as Tirana, Durrës, Elbasan, and Fier. In Tirana, the municipal council did not hold its required regular meetings for over three months and came close to dissolving as a result. The council was able to reach a compromise in October, when the chair of Tirana's municipal council formally resigned and a new LSI-backed chair was approved.

Because local governments are largely dependent on financial resources from the central government, they often get drawn into political debates and confrontations generated by parties at the national level. The two main municipal associations are divided across party lines. Partisanship kills consensus and cooperation at the local level and also prevents local leaders from expressing their shared needs to the central government in a unified voice.²⁸

Local government revenue fell by 21 percent in 2013,²⁹ contributing to the growing weakness of local administrative units and their vulnerability to the central government's frequently changing policies. Central funding is not often transparent or strategically oriented, and local government administrations hold a high percentage of temporary contracts, rendering long-term development efforts difficult. Local authorities seek government investments in basic infrastructure like roads, water facilities, and irrigation, but they lack vision or capacity for further social and economic development of the localities. The central government decides how investments should be spent, and the overall amount to be distributed at the local level.

Changes to Albania's tax system approved by the parliament in late December will reduce the flow of funds to local government units by an estimated \$20 million. The government has promised to compensate local government units for this loss with direct transfers from the state budget.³⁰ It remains to be seen if the compensation will be executed on time with no strings attached, as has been the case in previous years. Changes in the taxation system that reduce the financial independence of local governments also violate the principle of autonomy enshrined in the Albanian Constitution and the European Charter of Local Self-Government.

Continuous internal migration and emigration have left many local units with too few inhabitants and too little revenue to provide basic services. Since the first (and last) comprehensive postcommunist administrative reforms in 1990, about one-third of Albania's population has left the country, and by 2011, the approximate percentage

of the total population living in rural areas had declined from 75 to 46 percent.³¹ In 2013, an estimated half of all communes were collecting no more than 0–2 percent of their annual spending budget funding from local taxes. Meanwhile, one-third of all communes spent over 80 percent of their budget on administrative salaries.³²

The new government has promised³³ to undertake and complete a new round of administrative and territorial reform before local elections in 2015. In the last months of 2013, it initiated a wide consultation process with local, national, and international stakeholders to implement reform. Wide political consensus, including input from the opposition, will be needed to implement the changes effectively and to make sure they are not used to influence electoral outcomes.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75	4.75	4.75

Albania's judicial system suffers from chronic political interference, funding difficulties, and corruption. In 2013, the parliament-appointed High Council of Justice (HCJ) interfered in the election process for the head of Albania's School of Magistrates, a hitherto largely independent body providing training for judges and prosecutors.

Albanian legislation guarantees judicial independence for first-instance trial and appeals courts but provides ample space for politics to influence the Supreme and Constitutional courts. Judges on these high-level courts are appointed by the president and approved with a simple majority vote by the parliament. During their respective terms, President Bujar Nishani and his predecessor Bamir Topi both clashed with the parliamentary majority over judges' nominations, leading to lengthy judicial vacancies on the Supreme and Constitutional courts and political, rather than merit-based, promotions within the judiciary. The Rama government has included judicial reform among its priorities for the next four years, though it remains to be seen how the proposed changes will be implemented. One goal of these reforms is the transformation of the Supreme Court into a career court, insulating judges from political pressure.³⁴

Established in 1996 under the guidance of the Council of Europe and European Commission, Albania's School of Magistrates is the only institution that selects, educates, and provides continual training for judges and prosecutors. Prior to 2013, the school operated with very little political interference, but when the school's supervisory board proposed the reelection of its director with a close majority in June, the HCJ denied the proposal without explanation. The following month, the HCJ replaced one of the supervisory board's member judges, thus shifting the majority vote against the incumbent director's reelection. Instead, the board elected its new director from among two government-approved candidates: former minister of justice Enkeled Alibej and Neshat Fana, a member of HCJ who was elected by the parliament. Mr. Fana won the contest and was confirmed as director of the school in July.³⁵

Albania continues to adopt judicial reforms prescribed by the European Commission, though implementation lags behind. The most important reform introduced in 2013 was the adoption of the Law on the Supreme Court in May, which allowed for the implementation of the 2012 Law on Administrative Courts.³⁶ As a result, new administrative courts are being introduced for the first time in Albanian judicial history, which should reduce the overall workload of existing courts while providing faster and better procedures to address disputes filed against public institutions, especially those dealing with finance or taxation. In addition, the new law provides “stricter conditions and criteria” for judicial selection and imposes a restriction that limits the number of non-judiciary members of the Supreme Court to a maximum of 25 percent.³⁷

In early February 2013, a low level trial court acquitted two members of the Republican Guard who had been accused of the murder of three civilian protestors on 21 January 2011. The opposition and international actors expressed their disappointment for this decision, particularly because relevant agencies such as the U.S. Federal Bureau of Investigations provided assistance to gather all the evidence available. Both the EU and the U.S. issued declarations pointing out that the outcome of this trial was an indication of the weak credibility of the judicial system. A statement from the U.S. Embassy noted: “Regrettably, today’s verdict has undermined confidence in the ability and willingness of the Albanian judicial system to deliver justice in an impartial, transparent manner.”³⁸ The prosecution appealed the decision, and on 18 September, the Tirana Appeals Court found the members of the Republican Guard guilty of involuntary manslaughter, sentencing one defendant to 12 months in prison and the other three years. Relatives of the deceased claim that the verdict did not achieve proper justice, and the prosecution filed another appeal to the Supreme Court that is ongoing.³⁹

In April 2013, an Albanian appeals court reduced sentences for several top defendants convicted in a deadly 2008 ammunition-dismantling factory blast and acquitted one more. The decision was met with outrage by relatives of the explosion’s 29 casualties, who filed another appeal with the European Court of Human Rights in Strasbourg the next month. The prosecution, meanwhile, appealed the ruling before the Supreme Court, but the appeal was rejected. The explosion also wounded 300 people, destroyed or damaged 5,500 houses, and caused the temporary closure of the Tirana airport as unexploded ordnance landed near it.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.25	5.25

Corruption pervades the public and private sectors, hampering Albania’s economic development, democratic accountability, and EU integration progress. Officially, fighting corruption—especially within state institutions—has been a government priority for many years, but results have been limited. On the whole, anticorruption

efforts are driven by international expectations rather than pressure from the Albanian electorate, with the result that politicians lack the will to properly implement EU-mandated reforms. According to Transparency International, Albanians perceive their public sectors as highly corrupt, more so than survey respondents in any of the other Western Balkan states.⁴⁰

Ties between organized crime and corrupt officials run deep. In September 2012, members of the national assembly finally reached cross-party consensus on a constitutional amendment limiting immunity for members of parliament and judges. However, the removal of this obstacle to high-level prosecutions and convictions did not lead to an increase in either in 2013. The fact that the Supreme Court—whose members are appointed by a simple majority in parliament—acts as a first instance court for high officials allows the ruling majority to appoint judges unlikely to rule against them in corruption cases.

During its first months in office, the Rama government proactively implemented intensive institutional controls that lead to the prosecution of several abuse-of-office cases. However, the judiciary showed far less drive than the executive branch when it came to properly investigating and prosecuting such cases. The wave of controls and cases that were exposed by both the government and the media included high-level officials from key institutions such as the tax office, customs, the judiciary, and politicians from the majority and the opposition. Though a number of trials were initiated during this period, there has yet to be a major corruption conviction against a high-profile figure in Albania.

One of the more prominent corruption cases of 2013 involved Shpetim Gjika, the mayor of Vlora and member of the ruling PS, who is accused of infringing tender laws and falsifying construction permits. The investigation against Gjika was launched in March, when PS was still in the opposition, but he was formally charged in October.⁴¹ The trial was ongoing at year's end, but the investigation against him sent a strong message that not even figures of the ruling majority would be spared in the war against corruption. Another major anticorruption case from 2013 involved Xhexhal Mziu, the mayor of Kamza and a member of the now-opposition PD.⁴² By year's end, Mziu was had been charged with dereliction and infringement of equality between bidders on a road construction project.

To address political corruption, the new government adopted a strategic framework that focuses on three pillars: prevention, conviction, and awareness.⁴³ The strategy is intended to increase control and transparency of institutional activity and lead to the introduction of important legislation, such as whistleblower protection. Planned anticorruption measures also include broadening the current legal definition of corrupt activity and bringing more cases to the Serious Crimes Court.

Improvements in access to information and institutional transparency remain a precondition to the fight against corruption. Efforts in this direction have been made, notably by improving e-governance and overall transparency of government institutions. For example, the Ministry of Justice now hosts a website through which citizens can complain about abuse of office in the judicial system. Inspectors

from the ministry have investigated these claims and initiated cases for disciplinary penalties against state officials. In late December, Prime Minister Rama pledged to end a months-long lapse in the online publication of government decisions and draft legislation.⁴⁴ Recent efforts to improve communication and coordination between law enforcement and judicial institutions are also positive steps.

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Armenia

by Alexander Iskandaryan

Capital: Yerevan
Population: 3.0 million
GNI/capita, PPP: US\$8,140

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	5.75	5.75	5.75	5.50	5.75	5.75	5.75	5.75	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75
Independent Media	5.50	5.50	5.75	5.75	6.00	6.00	6.00	6.00	5.75	5.75
National Democratic Governance	5.00	5.00	5.25	5.25	5.75	5.75	5.75	5.75	5.75	5.75
Local Democratic Governance	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.75
Judicial Framework and Independence	5.25	5.00	5.00	5.25	5.50	5.50	5.50	5.50	5.50	5.50
Corruption	5.75	5.75	5.75	5.75	5.50	5.50	5.50	5.25	5.25	5.25
Democracy Score	5.18	5.14	5.21	5.21	5.39	5.39	5.43	5.39	5.36	5.36

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

EXECUTIVE SUMMARY

The first years following Armenia's independence from the Soviet Union in 1991 were extremely turbulent. The withdrawal of Soviet economic support, a war with neighboring Azerbaijan, an energy crisis, and a transportation blockade that left landlocked Armenia with just two open borders—one with war-torn Georgia and the other with Iran—all contributed to the country's economic collapse in the early 1990s. Following a ceasefire in the Nagorno-Karabakh conflict in 1994, Armenia's economy began to recover, but the territorial conflict with Azerbaijan continued to simmer and the blockade by Azerbaijan and Turkey remained in effect.

Abrupt economic restructuring and a decline in living standards in Armenia's post-Soviet economy have caused social frustration and political apathy. Excessive overlap between political and economic interests in Armenia has depleted public trust in political elites, as has their record of rigged elections and corrupt administrative practices. Results of every national election since 1995 have been challenged by the opposition, which, as a result, does not recognize the legitimacy of Armenia's parliament, president, or constitution and remains personality-driven and passive between elections. Mass postelection protests in spring 2008 evoked a violent response from the authorities, leaving ten protesters dead and hundreds wounded. Armenia was hard hit by the global economic recession, revealing structural flaws—primarily a bloated construction sector reliant on investment from the United States and Russia.

From 2012 to 2013, the ruling center-right Republican Party of Armenia (HHK) won a virtual marathon of elections, starting with parliamentary elections in May 2012, followed by local elections in most communities in September, presidential elections in February 2013, and elections to the City Council of the capital city, Yerevan, in May. The legitimacy of the ruling party is actually extremely low, and social discontent is on the rise as the economy continues its slow recovery; however, the opposition is passive and weak, unable to create a viable or united political movement. In the presidential poll, the Heritage Party's Raffi Hovhannisyian achieved a record result of almost 40 percent, yet less than three months later, at local elections in Yerevan, the "Barev Yerevan" bloc established by Heritage won only 8.5 percent. In this atmosphere, the ruling party easily reaches its goals, whereas social protest is expressed primarily by means of civic activity that does not necessarily upset the political system. This political situation contributes to plurality in the media and to the development of civil society, but the need for viable political forces active outside election cycles is imminent.

National Democratic Governance. Despite the occurrence of competitive elections, the dominance of the ruling HHK was reinforced in 2013 due to the

weakness of the opposition. There was no progress in peace negotiations with Azerbaijan over the disputed Nagorno-Karabakh province. Progress towards European integration was undermined by the Armenian government's reorientation toward the Russia-led Customs Union. *Armenia's national democratic governance rating remains unchanged at 5.75.*

Electoral Process. Presidential and Yerevan City Council elections in 2013 showed some improvement in the quality of election administration, conditions for campaigning, and balanced media coverage. Although the scope of violations decreased from the previous year, vote buying and voter intimidation remained major issues. In the presidential poll, the Heritage Party's Raffi Hovhannisyan achieved a record result of almost 40 percent, but the bloc that Heritage established for the local elections in Yerevan less than three months later received only 8.5 percent of the vote. *Armenia's electoral process rating remains unchanged at 5.75.*

Civil Society. Armenia's civil society remains active, diverse, and independent. In 2013, civil society-led public campaigns—most notably against an increase in transportation costs and changes to the national pension system—gained scope and had more impact on policymaking. However, a consistent agenda was lacking, and most campaigns were event-driven. *Armenia's civil society rating remains unchanged at 3.75.*

Independent Media. Television remains the most popular medium and is coopted by political forces, with leading national stations controlled by the ruling party. However, Armenia's online and print media are pluralistic and independent, and the popularity of online news sources is increasing. Building on a trend from the previous year, election coverage was mostly balanced and informative. The practice of politically motivated defamation suits significantly decreased in 2013. *Armenia's independent media rating remains unchanged at 5.75.*

Local Democratic Governance. While nominally independent, Armenia's self-governed communities remain weak and underfunded. The long-planned community enlargement project is stalling. Elections for the City Council of Yerevan in 2013 were an improvement over previous local elections, but the dominance of the ruling party persisted. *Armenia's local democratic governance rating remains unchanged at 5.75.*

Judicial Framework and Independence. Judicial bodies remained dependent on the executive branch and entrenched in a tradition of human rights violations. No significant structural improvements were made in 2013 to Armenia's overcrowded and unsanitary prison facilities, though a general amnesty late in the year did release 700 inmates. *Armenia's judicial framework and independence rating remains unchanged at 5.50.*

Corruption. Corruption persists as a major and deeply rooted societal concern in Armenia. Senior public officials were not prosecuted for corruption in 2013 though the overall number of lawsuits increased. Anticorruption measures did not come to head in 2013. *Armenia's corruption remains unchanged at 5.50.*

Outlook for 2014. Because no national elections are planned for 2014 and as the Karabakh peace process is at a standstill, no significant changes are likely to occur. Civic activity will continue to develop amidst a growing diversity of political activity and extra-parliamentary forms of political engagement. However, as civil society organizations remain too weak to have a fundamental impact on politics, the Republican Party will most likely hold its ground with ease. The main challenge in foreign relations will be sustaining cooperation with Russia while also trying to collaborate with the European Union.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.00	5.00	5.25	5.25	5.75	5.75	5.75	5.75	5.75	5.75

Armenia's political system operates on the basis of consensus among elite groups that control economic and political resources. Society has little leverage over legislative processes or political decision-making; consequently, trust in governing institutions is very low. Only 11 percent of respondents to a late 2013 survey claimed to have full or significant trust in the parliament—down from 16 percent the previous year. Trust in the prime minister and cabinet dropped 7 percentage points, to 13 percent; and trust in President Serzh Sargsyan declined from 27 percent in 2012 to 19 percent in 2013.¹

Despite the weakness of the incumbent government, the even greater weakness of the opposition allows the Republican Party of Armenia (HHK) to dominate the political sphere. Over time, the HHK has merged with the state bureaucracy, further cementing the ruling party's control of resources. The results of every election since 1995 have been contested by the opposition, which is fragmented and personality-driven and remains passive between elections..

Presidential elections in February 2013 saw Sargsyan reelected with 58.6 percent of the vote. First runner-up was the head of the Heritage Party, Raffi Hovhannisyian, who won 36.7 percent of the vote. Hovhannisyian, an American-born Armenian who had been the country's first foreign minister after independence in 1991, fared better than expected, receiving a majority of votes in Shirak province, in several large cities (including Gyumri and Vanadzor, the second- and third-biggest towns in Armenia), and in three districts of the capital city, Yerevan.²

Hovhannisyian followed the opposition tradition of the last two decades by refusing to acknowledge his defeat, and Heritage organized countrywide protests on his behalf, including an alternative inauguration ceremony in early April. Nevertheless, postelection tensions were far lower than in 2008, when opposition protests ended in bloodshed. The duration of rallies and the number of participants were also lower, and no clashes with police ensued. The protests gradually faded, and Heritage continued losing momentum until May 2013, when its candidate for the local elections in Yerevan received 8.5 percent—a dramatic difference from the 43 percent Hovhannisyian had won in Yerevan three months prior.³

In August, Armenia began a constitutional review process in preparation for the first amendments to the constitution since 2005. One of the changes under discussion at year's end was the idea of transforming Armenia into a parliamentary republic. Critics of the proposal have suggested that this could be used to extend President Sargsyan's rule after his second term ends in 2018.⁴

A November 2013 report by the Armenian National Statistical Service claims that nearly one-third of Armenian citizens lived in poverty in the previous year, with 13.5 percent classified as “very poor” and 2.8 percent “extremely poor.”⁵ In October 2013, Finance Minister Davit Sarkisyan presented a more optimistic picture, stating that Armenia is “no longer poor” by international standards.⁶ The economy was badly hit by the global economic recession due to systemic vulnerabilities, particularly in the construction sector, and is still recovering. Gross Domestic Product (GDP) grew 7.5 percent in the first quarter of 2013 but slowed to just 0.6 percent in the second quarter and 1.4 percent in the third.⁷

Armenia’s main foreign export partner is the European Union (EU), but its economy also has strong ties to Russia, which controls the country’s energy system. A potential increase in the cost of gas imports from Russia has been on the table since 2012 and finally occurred in May 2013, when Russia raised the gas price for Armenia from \$180 to \$270 per cubic meter, leading to widespread protests.⁸ Inflation, which had remained below 3 percent throughout 2012, accelerated, peaking at over 9 percent in August.⁹ Meanwhile, Armenia was short on external financing, including funds needed to pay off foreign debt. In September, Armenia issued \$700 million in Eurobonds, using most of them to pay off its debt to Russia.¹⁰ Remittances from Russia also account for over 20 percent of Armenia’s GDP.¹¹

Russia’s sway over Armenian foreign policy was highlighted in 2013 by a sudden change of course in Armenia’s relations with the EU. Before September 2013, Armenia was preparing to sign an Association Agreement with the EU that included Deep and Comprehensive Foreign Trade Area (DCFTA) provisions. The negotiations were finalized on 24 July and the signing of the agreement was scheduled for November.¹² However, plans for the DCFTA were abandoned shortly after Russia flexed its muscles by announcing a \$4 billion arms deal with Azerbaijan, Armenia’s neighbor and rival in the Nagorno-Karabakh conflict.¹³ On 3 September, after an unscheduled last-minute meeting with President Vladimir Putin in Moscow, President Sargsyan announced that Armenia would be joining the Russia-led Customs Union, membership in which precludes Armenia from signing the Association Agreement.¹⁴ Russia responded by guaranteeing Armenia the military presence and support it needs to feel safe as oil-rich Azerbaijan continues its military buildup.¹⁵ The conflict between Armenia and Azerbaijan was no closer to a resolution at year’s end. In August, former U.S. Ambassador to Bulgaria James Warlick was appointed to co-chair the Organization for Security and Cooperation in Europe (OSCE) Minsk Group, the international body in charge of peace negotiations in the conflict. Ambassador Warlick’s mission is to revive the peace talks amidst persistent shelling across the border, which continues to claim lives on both sides.¹⁶ In addition to frequent violations of the ceasefire, the persisting idea of national enmity in both Armenia and Azerbaijan further complicates a highly charged dialogue.¹⁷

In November, Turkey announced that it would consider opening its land border with Armenia as an incentive for moving progress forward on peace negotiations over Nagorno-Karabakh.¹⁸

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.50	5.75	5.75	5.75	5.75	5.75	5.75

Armenia is a semipresidential republic in which the president is the head of state and ministerial appointments require approval by the parliament. In practice, President Sargsyan has far more power than prescribed by the constitution, using the HKK majority in the parliament to ensure his right to hand-pick ministers and other appointed officials. Therefore, presidential elections in Armenia are a major means to shaping the national political landscape.¹⁹ The year 2013 was crucial in this respect, as it began with a presidential election in February and continued with elections to local communities and the City Council of Yerevan in May, closing a cycle that had begun with parliamentary elections in May 2012.

The limited participation of major opposition parties, in addition to generally low citizen engagement, reflected the superficial quality of the electoral process in Armenia. In December 2012, the leaders of Prosperous Armenia, the Armenian National Congress, and the Armenian Revolutionary Federation announced their withdrawal from and lack of support for the race.²⁰ This left Raffi Hovhannisyian of the Heritage Party—a minor party that had received 6 percent of the vote in the 2012 parliamentary elections—as the main representative of an opposition that had already resigned from its role in electoral politics. Voter turnout was 60.2 percent, a decline from the 69.8 percent at the 2008 presidential elections.²¹ Only 6,251 local observers were active on election day—one-fifth the number active during the 2012 parliamentary elections.²² There were also 632 international observers, about half of them affiliated with the OSCE Office on Democratic Institutions and Human Rights (OSCE/ODIHR) and the Parliamentary Assembly of the Council of Europe (PACE).²³

Press coverage of presidential candidates was notably more balanced than in previous elections. The Yerevan Press Club reported that just 16 percent of the airtime of TV and radio presenters was devoted to Sargsyan, whereas runner-up Hovhannisyian received 28 percent and some minor contenders receiving coverage comparable to that of the incumbent.²⁴ International observers praised the balanced coverage but also criticized the lack of televised debates between candidates.²⁵

OSCE observers noted the professional quality of election administration, respect for fundamental freedoms, adequate conditions for campaigning, and balanced media coverage. At the same time, they pointed out important flaws, including misuse of administrative resources, pressure on voters, and undue interference on voting day.²⁶ Domestic observers echoed their concerns, emphasizing vote buying for petty cash or gifts, violations of the voting process, and cases of ballot stuffing.²⁷ The greatest number of serious violations, including large-scale ballot stuffing, was observed at station no 17/05 in the city of Artashat, 30 kilometers from Yerevan.²⁸ Overall, however, both domestic and international observers noted a decrease in the number of violations; the OSCE reported that violations serious enough to affect

the outcome of the election occurred at 5 percent of polling stations,²⁹ compared to 9.4 percent in the 2012 parliamentary elections.³⁰

In the absence of strong competitors, Sargsyan campaigned passively. Three of his opponents declared hunger strikes during the run-up to the election day, the longest of which lasted three days and none of which appeared to affect the overall campaign.³¹ One contender, Paruyr Hayrikyan, was shot in the shoulder in a botched assassination attempt three weeks before election day. Another marginal candidate, Vardan Sedrakyan, was found guilty of organizing the attempt and sentenced to 14 years in jail.³²

The only semblance of serious opposition campaigning came from Hovhannisyan's team, which employed American-style door-to-door outreach and extensive social media. Hovhannisyan's platform centered on vague promises of social equality and recognition of the independence of Nagorno-Karabakh. Although Hovhannisyan did not try to unite opposition factions, he achieved high public recognition (40 percent against Sargsyan's 41) and received 37 percent of the vote.³³ Citing electoral fraud, he refused to accept the election results and filed a petition with the Central Electoral Commission (CEC).³⁴ The CEC responded that it had never seen such an "unsubstantiated and groundless petition,"³⁵ but it still annulled the results of Station 17/05 in Artashat, where the greatest number of grave violations was observed.³⁶

Hovhannisyan dubbed his postelection pushback the "barevolution," a wordplay on the colloquial Armenian greeting "barev" ("hello") and a reference to his direct campaigning style.³⁷ The barevolution peaked when hundreds of protesters attended an alternative inauguration ceremony for Hovhannisyan on 6 April (the day Sargsyan was sworn in for his second term).³⁸ The momentum from the protests did not last long, and Heritage's "Barev Yerevan" bloc received just 8.5 percent of the vote at Yerevan City Council elections the next month.³⁹

Although the postelection events show one of the positive aspects of Armenian domestic politics—that is, the responsiveness of civil society—they also highlight persistent underlying flaws of the electoral system. These extend beyond violations to a deep mistrust of elections within the electorate itself, a lack of issue-based dialogue, and weak interparty dialogue both during and beyond elections. As these issues are mutually reinforcing, they contribute not only to general wariness of elections as a democratic institution but also a low level of public engagement with political issues.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75

As of 2012, the Ministry of Justice had registered 4,543 civil society organizations (CSOs) in Armenia,⁴⁰ although only 15–20 percent of them are consistently active.⁴¹ The strengths of Armenian civil society are advocacy, infrastructure, expertise, and

organizational capacity, while their main weaknesses are feeble connections to the public and poor financial sustainability. As many CSOs rely heavily on foreign funding, their activities and continuity are vulnerable to funding fluctuations or interruptions.

Public perception of CSOs is another problem. According to Caucasus Barometer data for 2013, there is more mistrust than trust of organized civil society among the Armenians. For example, 18 percent of respondents “fully” or “somewhat” trusted NGOs in 2013, compared to 21 percent in 2012; levels of distrust stood at 36 percent in 2013, while ambivalence (“neither trust nor distrust”) was reported by 34 percent of respondents.⁴²

Despite these weaknesses and unlike organized political elites, civil society actors (more often individuals and groups, rather than major organizations) remained active in 2013, organizing their activities around a number of social, political, and economic issues and successfully affecting key government decisions. Throughout the year, civil society activity occurred on an event- or issue-driven basis rather than through comprehensive organizational agendas. As the year began with the presidential election, CSOs also began with monitoring, dialogue around associated issues, and—after the results were announced—demonstrations either in support of or against the winner. Although fewer domestic organizations acted as observers in 2013 than in 2012,⁴³ the weakness of organized debate and dialogue among political actors left civil society to serve as an alternative arena for politics. The activities of domestic observers during the 2013 elections actually highlighted one of the burgeoning successes of civil society in the past few years—namely, use of social media, the internet, and public journalism. The crowdsourcing platform iDitor (“iObserver”), which had been launched before the parliamentary elections in 2012, was successfully used to allow activists and ordinary citizens from across the country to record and publicize their observations (including videos, photos, and information on violations).⁴⁴ It is perhaps the best example of a small but growing dimension of innovation in Armenian civil society.

Public protests took place frequently in 2013, increasing in scope, efficiency, and even international notice.⁴⁵ The best example was the movement against the increased cost of public transportation in Yerevan, which grew into perhaps the most dynamic social campaign in recent history. Contrary to the pre-election promises of newly elected Mayor Taron Markaryan, the Yerevan Department of Transportation announced a 50 percent rise in bus fares in July, raising them from AMD 100 to AMD 150 (from \$0.25 to \$0.37, approximately) per trip.⁴⁶ The mayor’s office justified the decision by citing high inflation and the increased price of Russian gas, the fuel used by municipal buses. Mass protests ensued, led by activists and drawing notable youth participation. This was the largest non-political movement in recent years, involving up to 7,000 participants. Even more notable than the high participation and youth involvement was the practice of solidarity through civil disobedience that emerged between diverse social groups. In addition to a number of bus drivers continuing to accept the lower fare, ordinary citizens as well as groups of celebrities began offering shared rides to commuters,

culminating in a shadow transportation system facilitated by its own website, FreeCar.am.⁴⁷ One week after the beginning of the protests, the mayor's office gave in to public pressure and suspended its decision to raise transportation fares, although it admitted that current fares are insufficient to provide quality service or decent pay for drivers.⁴⁸ After this, most protests dissolved, but one picket remained round-the-clock in front of the City Council building. One of its participants was assaulted by unknown persons.⁴⁹ Commenting on the movement, Prime Minister Tigran Sargsyan (unrelated to President Sargsyan) not only hailed it as definitive for Armenian civil society but also said that it was fueled by youth who are motivated by a quest for social equality, justice, and protesting against poverty.⁵⁰

Young Armenians were also highly active in August 2013, when the Ministry of Education announced its intentions to raise state university tuitions by \$50–\$500, depending on department and degree. After several days of protests, a bill was passed that set an upper limit on tuition fees and prescribed more financial incentives for high grades, although fees increased in some universities, anyway.⁵¹

Minor protests took place throughout the year. A recurrent protest issue was the plight of Karabakh war veterans, many of whom are living in poverty. The protest escalated over time, and one of the veterans was arrested in September.⁵² A number of marginal and radical groups were also active in 2013. An anonymous illiberal group that calls itself the “One Nation Party” targeted religious minorities, putting up numerous posters calling for intolerance towards “sects.” The City Council organized the removal of the posters, but they reappeared. This type of intolerance is not uncommon in a country where 90 percent of residents identify with Armenian Apostolic Church, which is afforded privileges by law; though minority religious groups made no major legal complaints in 2013, they have often been subjected to societal intolerance and discrimination, including by employers and media.⁵³ The issue of sexual minorities also came to the spotlight in July, when a marginal conservative group called the All-Armenian Parents Committee staged protests against the newly adopted Law on Ensuring the Equal Rights and Equal Opportunities of Women and Men, meant to ensure equality and criminalize gender-based discrimination. The protesters argued that by introducing the term “gender” into Armenian legislation, the law gives a legal foothold to sexual minorities. The public's attention was thus shifted from the equality of men and women, which remains highly problematic in practice, towards the issue of sexual minorities. Several women's CSO reported harassment.⁵⁴ The protests subsided after the law was sent back for amendment in September.

Compared to previous election years, the level of violence against civil society activists and between activists and the police was relatively low in 2013. Although police often stopped gatherings and detained demonstrators, the only full-scale clash between law enforcement and protesters occurred when a group of nationalists, many of them wearing Guy Fawkes masks, gathered at Freedom Square in Yerevan on 5 November, armed with wooden poles, homemade explosives, and flares. Their leader, Shant Harutyunyan, the head of the obscure nationalist Tseghakron Party, proclaimed a revolution and called on his supporters to seize the Presidential Palace

and other government buildings. As the protesters exited Freedom Square, the riot police moved in to arrest them. In the ensuing scuffle, the protesters used their homemade explosives and poles. Several police officers were hurt, and 37 protesters were detained. Seventeen were later released, and the remaining 20 are awaiting trial on various charges.⁵⁵ Two prominent CSO staff—Haykak Aramashyan, Project Coordinator of the Yerevan Press Club, and Suren Saghatelyan, a board member of Transparency International’s Armenia chapter—were also assaulted in the street on 5 September; a criminal investigation was ongoing at year’s end.⁵⁶

At the end of the year, protests unfolded in connection to two major issues that will continue into 2014. The first, Armenia’s potential membership in the Russia-led Customs Union, incited not only demonstrations but also discussion of Armenia’s international role and future.⁵⁷ The second concerned a new law that would require citizens born after 1973 (that is to say, a group including Armenia’s young professional class) to pay 5 percent of their monthly earnings to a pension fund.⁵⁸ The movement set up a website, Dem.am (“I’m against” in Armenian), which subsequently became their slogan. On December 17, a 1,500-strong rally against the pension reform included activists from political parties. At the end of the year, it was yet unclear whether civil society actors would be able to facilitate dialogue with the government or affect the proposed pension reform in a meaningful way. However, the protests did grab the attention of major opposition parties, four of which submitted a case against the proposed changes to the Constitutional Court.⁵⁹

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.50	5.75	5.75	6.00	6.00	6.00	6.00	5.75	5.75

Print and online media in Armenia are diverse. The online community is growing rapidly, and the internet is becoming an increasingly reliable platform for independent information and opinions. However, television remains by far the most popular medium for news and entertainment, and political bias in broadcast media is heavy. As with coverage of the parliamentary elections in 2012, however, campaign coverage in 2013 showed a significant and increasing level of balance.

A poll conducted in January–February 2013 reported that the internet was a main source of information for 37 percent of respondents (up from 15 percent in 2010). Television was a main source for 91 percent (down from 95 percent in 2010), whereas radio and print press were down at 12 percent and 14 percent, respectively.⁶⁰ In 2013, 46 percent of Armenians went online at least once a week, whereas just 15 percent bought newspapers.⁶¹ Since the internet is a free medium in Armenia,⁶² online access means that more users have access to alternative sources of information. In 2013, the majority of Armenian youth were online and in social networks; a reported 580,000 Armenians used Facebook every month.⁶³

Two national television stations, Kentron and Yerkir Media, campaigned for the opposition in 2013. Although the law forbids media to be affiliated with

political parties, Kentron serves as the media arm of the Prosperous Armenia party, while Yerkir promotes the interests of the Dashnaktsuryun party. Election coverage monitoring by the Yerevan Press Club showed that coverage of the presidential campaign was balanced,⁶⁴ whereas during the campaign to Yerevan City Council, the ruling party was more often covered in a negative light for the first time in its history, with the most criticism coming from Kentron and Yerkir.⁶⁵

Politically motivated defamation lawsuits became less common in 2013.⁶⁶ Suits were filed against Mir TV, several opposition newspapers (*Zhoghovurd*, *Hraparak*, *Aravot*, *Haykakan Zhamanak*), and the portal News.am, among others, but all of them were dismissed. In May, blogger Tigran Kocharyan won a defamation lawsuit against an opposition weekly, *Chorrord Ishkhanutyun*, after the paper ran a story accusing him of “fascism” and using other derogatory language against him.⁶⁷

Meanwhile, the number of threats and attacks against journalists increased from 4 cases in 2012 to 10 in 2013.⁶⁸ On 24 August, the coordinator of the Armenia Today news agency was detained by police during a civic protest and, according to his testimony, assaulted by officers while inside a police vehicle.⁶⁹ On 27 April, a police officer pushed and verbally abused Ani Hovannisyan, a reporter for Hetq.am, a website run by the Investigative Journalists NGO.⁷⁰ Following a police investigation, the officer in question was fired. However, on 3 May, threats against Hovhannisyan appeared in the online comments to her video report. Five days later, she received a call from a Russian phone number with threats against her and her family. The editorial staff of Hetq believes the abuse may have been linked to research Hovhannisyan was doing on offshore accounts of public officials and Armenian investments in Georgia.⁷¹

Several instances of interference with the work of journalists were also registered during the February elections. A member of the organization Journalists for Human Rights was attacked at polling station 17/05 in the city of Artashat, the site of many serious electoral violations. An incident involving two more journalists—reporters from the news site lin.am and the *Hraparak* newspaper—occurred at the same station. At polling station 9/27 in Yerevan, a reporter for *Aravot* was assaulted.⁷²

Online media—including social media—were involved in as many conflicts and lawsuits in 2013 as traditional news sources. At the end of 2012, parliamentary deputy Tigran Urikhanyan (Prosperous Armenia) sued blogger Edgar Barsegyan for a satirical photo collage he had published online. The online community came to Barsegyan’s defense, causing Urikhanyan to withdraw his claim in May 2013. In June, journalist Armen Dulyan was fired from his job as a presenter on Shant TV for making a derogatory Facebook comment about the public broadcaster.⁷³ Not long after that, a police officer received an official reprimand for making an abusive Facebook comment about a journalist.⁷⁴

The official report on the implementation of the EU Neighborhood Policy in Armenia in 2012 (published March 2013) criticized the state of media freedom in Armenia, recommending improvements in broadcasting legislation that would encourage the pluralism of broadcasters.⁷⁵ In October, OSCE Representative on Freedom of the Media Dunja Mijatović met with Armenian Foreign Minister

Edward Nalbandyan and reminded him of the need to introduce long-promised amendments in broadcasting legislation to ensure pluralism.⁷⁶

Intellectual property, both legally and in practice, was not well protected in 2013. Media reports from major outlets were frequently recycled online, often without mention of the source. On 21 May, the editors-in-chief of nine Armenian print media published a statement expressing concern over the growing number of copyright violations online and asserting that online media republishing other outlets' work should be required to sign contracts with the original publications.⁷⁷ A month later, the editors of 15 online media made a joint statement to the same effect.⁷⁸ In response, the parliament adopted amendments to the Law on Copyright. Mentioning sources is now obligatory when quoting from newspapers, and copying an entire story requires the consent of its author.⁷⁹ The draft legislation was shared with journalists and adjusted on the basis of their feedback before its adoption on 30 September.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.75

Local governance in Armenia is weak and inefficient, as remains true in many postcommunist states. Each of Armenia's self-governing communities has a representative body called the Council of Elders with 5 to 15 members and an executive body (municipality) led by the community head (mayor). Council members and mayors are elected via public ballot for three-year terms. Mayors are accountable to the Council of Elders, although implementation procedures are often lacking.

Armenia's total population is approximately 3 million, with over one-third of the population concentrated in Yerevan. This means that many of the Armenia's 915 communities are very small and cannot collect sufficient revenue to sustain basic services. Communities' main expenses are education (33.2 percent) and municipal administration and services (26.3 percent).⁸⁰ The income of municipal budgets accounted for just 2.7 percent of Armenia's GDP in the first half of 2013,⁸¹ with over half of this amount coming from state budget subsidies.⁸² Most taxes go directly into the state budget, and communities only receive land and real estate taxes. The smaller the community, the less financially sustainable it is. Indeed, the only financially independent community of Armenia is the capital city, Yerevan. No changes to taxation or community income structures were made in 2013, nor did the government move forward with a long-planned reform merging Armenia's communities into 200 larger units. The main obstacle to the latter change is resistance from mayors, many of whom will lose their jobs if it is implemented.

For the first time, elections in most of Armenia's communities in 2012 brought victory to HHK in a majority of the country's municipalities. Previously, the majority of mayors had no party affiliation; now, two out of three are HHK

members. Local officials in several regions where Sargsyan lost in 2013 actually stepped down shortly the elections. These included the governor of Shirak province, Ashor Giziryan, who resigned three days after his province voted for Hovhannisyan. He was replaced by Felix Tsolakyan, former deputy director of the National Security Service and former head of the State Tax Service.⁸³ The Mayor of Armavir city, where Sargsyan also lost, handed in his resignation, but the government rejected it.

In May 2013, Yerevan elected its City Council via a proportional ballot, following which the winning party nominated the mayor. The candidates included incumbent mayor Taron Margaryan of the HHK, former Foreign Minister Vardan Oskanian of the Prosperous Armenia party, Armen Martirosyan of Heritage, and others. As such a large percentage of the national population lives in Yerevan and because the election for City Council was held soon after the presidential poll, the municipal election acquired nationwide importance. The election campaign was quite active, with the ruling party and the opposition employing very different strategies. The incumbent authorities emphasized the logistical and managerial aspects of municipal government, whereas the opposition treated the post of mayor of the capital city as a political office that would offer the winner an opportunity to initiate countrywide change.⁸⁴

The results of this election were very disappointing for the opposition and especially for Heritage, whose electoral bloc “Barev Yerevan” received only 8.5 percent of the vote. The incumbent HHK won with 56 percent, securing Mayor Margaryan’s reelection, and Prosperous Armenia followed with 23.1 percent. Other parties did not make it past the threshold required to win seats in the Council of Elders (6 percent for parties, 8 percent for blocs). The opposition claimed that the election had not been fair and refused to acknowledge its results.⁸⁵ However, unlike in previous years, all the parties accepted their mandates to the Council of Elders. The 6,595 domestic observers present at this election⁸⁶ registered 417 violations, 80 percent more than the number of violations registered in Yerevan during the presidential elections.⁸⁷

Shortly after the elections, the governor of Syunik province, Suren Khachatryan, was forced to resign in connection with the fatal shooting of Avetik Budaghyan, who had run (unsuccessfully) for mayor of Goris, one of Syunik’s largest cities. Budaghyan’s brother and Governor Khachatryan’s bodyguard were wounded in the shooting, which took place at the governor’s home on 2 June.⁸⁸ Khachatryan’s son was arrested for the crime but soon released, prompting widespread media speculation and accusations of judicial foul play from the political opposition.⁸⁹ Commenting on Khachatryan’s resignation, HHK spokesperson Eduard Sharmazanov said that the decision was the result of the party’s “political evaluation” of the incident.⁹⁰ A month after the shooting, a new governor was appointed—HHK member Vahe Hakobyan, the son of the director of the largest copper and molybdenum mine in Armenia. In October, the governor of Ararat province also resigned, reportedly under pressure from the central government, and was replaced by former minister of agriculture Aramais Grigoryan.⁹¹

In the spirit of collaboration with civil society, the coordinator of the Association of Young Lawyers' Anti-Corruption Center in Aragatsotn, Mushegh Abgaryan, was appointed vice-governor of Aragatsotn province on 28 September.

Women's involvement in local government remains low and has been decreasing in the last four years. None of Armenia's 48 cities and only 20 of 866 rural communities have female mayors.⁹² In the 10 provinces, there are no female governors and just two female vice-governors.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.25	5.00	5.00	5.25	5.50	5.50	5.50	5.50	5.50	5.50

Armenian society has low trust in the judiciary, which is permeated with corruption and remains closely connected to executive authorities. The functioning of the justice system remains one of the weakest links of Armenian governance. Police make arbitrary arrests without warrants, beat detainees during arrest and interrogation, and use torture to extract confessions.

On 10 June 2013, 200 lawyers gathered in front of the Court of Cessation in Yerevan to demonstrate against arbitrary decision-making and double standards in the judicial system.⁹³ In December, Ombudsman Karen Andreasyan published a scathing report detailing corruption in the court system that included a judicial bribe "price list," ranging from \$500 to \$50,000.⁹⁴ The report was contested by the Justice Ministry and the prosecutor general, who requested concrete proof on which to base an investigation.⁹⁵ Judges, too, denied the accusations in the report.⁹⁶

In May, President Sargsyan dismissed the head of the Special Investigation Service, Andranik Mirzoyan, for failing to transform the organization into an efficient and independent body.⁹⁷ In mid-June, the police began investigating the alleged misuse of procurement and tender procedures by the Office for Implementation of Judicial and Legal Programs.⁹⁸

On 13 September, Prosecutor General Aghvan Hovsepyan's six-year term ended. He was succeeded by former military prosecutor Gevorg Kostanyan, who promised to boost public trust in the judicial system.⁹⁹ Shortly thereafter, President Sargsyan announced the establishment of a new centralized investigative body jointly affiliated with the Ministry of Defense, the police, and the Tax Service. Hovsepyan was appointed head of the commission in charge of establishing the new body, which was expected to begin operations in January 2014.¹⁰⁰

State penitentiaries and detention facilities are severely overcrowded in Armenia, where the acquittal rate was just 1.6 percent in 2012.¹⁰¹ Although the law prescribes a floor area of 4 square meters per prison inmate, prisoners in 2012 had an average of less than 1.5 square meters each, so that convicts in some facilities had to take turns sleeping. Overcrowding was reduced in late 2013 by a large-scale amnesty of 700 inmates.¹⁰² Among the prisoners granted an early release was Armenian National Congress activist Tigran Arakelyan, convicted in 2011 of

disorderly conduct and disobeying the police in a conflict.¹⁰³ Two police officers jailed for using torture were also amnestied despite the protests of human rights activists.¹⁰⁴

Prison conditions are dangerously unsanitary, and inmates have inadequate access to medical care. In 2012, 28 inmates died while incarcerated—the equivalent of 59 deaths per 10,000 inmates, a very high mortality rate by international standards.¹⁰⁵ The rate has declined since its peak in 2010.¹⁰⁶ Planned improvements involve shutting down all 12 existing penitentiaries and replacing them with 3 modern ones.¹⁰⁷ However, the construction of the first new facility, a prison in the city of Armavir worth \$20 million and intended to house 1,240 inmates, had not yet been finalized at year’s end.

In March 2013, the parliament’s Standing Commission on State and Legal Matters approved the Armenian National Congress’s proposal for a new parliamentary commission dedicated to investigating the events of March 2008, when a postelection opposition rally ended in the deaths of 10 people, including 2 police officers. However, the ruling party’s faction in the parliament voted down the bill down with 58 votes against 47.¹⁰⁸

At the end of 2012, 30 conscientious objectors remained in prison. They included Jehovah’s Witnesses who had won a case against the Republic of Armenia at the European Court of Human Rights (ECHR).¹⁰⁹ Although a law on alternative military service was passed back in 2003, the service remained under military supervision and did not function as intended. In May 2013, the Law on Alternative Service was amended, leaving the alternative military service under the control of the military but also establishing an alternative civic service under government supervision.¹¹⁰ The duration of alternative service was also reduced from 35 to 30 months.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.50	5.50	5.50	5.25	5.25	5.25

A high level of corruption has been one of the key challenges to Armenia’s economic development and democratization since independence. Despite a number of improvements, corruption remains pervasive, and bribery and nepotism are reportedly common among government officials, who are rarely prosecuted or removed for abuse of office. In 2013, the National Statistical Office recorded 782 registered corruption crimes, compared to 561 in 2012.¹¹¹

In June, the Control Chamber of Armenia presented its annual report on state spending. The analysis described numerous cases of embezzlement in the spheres of procurement, urban planning, road construction, education, and protection of the environment.¹¹² Control Chamber chair Ishkhan Azkaryan stated that the only part of the budget free from corruption risks was social welfare; the rest, or 70 percent of the budget, is prone to corruption. This statement was harshly criticized

by President Sargsyan, who called the Control Chamber's conclusions incorrect and shortsighted.¹¹³

Major industries, including foreign trade, remain dominated by monopolies, which also creates opportunities for corruption. The World Economic Forum strongly criticized Armenia's weak antimonopoly policies in 2013,¹¹⁴ and the World Bank's 2013 annual *Doing Business* report named foreign trade as the most problematic and corruption-prone business sector in the country.¹¹⁵

While recorded corruption incidents increased in 2013, the number of people who reported having engaged directly in bribery declined. According to Transparency's 2013 Global Corruption Barometer, 18 percent of respondents in Armenia reported paying bribes between September 2012 and March 2013,¹¹⁶ compared to 23 percent in the previous reporting period. This improvement brings bribery levels in Armenia closer to those reported in other Central and Eastern European countries like Latvia (19 percent), Romania (17 percent), and the Czech Republic (15 percent).¹¹⁷

Low tax collection, another symptom of weak and corrupt institutions, has been improving since 2009, when taxes and social payments accounted for just 19.9 percent of GDP.¹¹⁸ In the first half of 2013, taxes accounted for 29.5 percent of GDP. In 2013, the government launched a simplified system of tax forms, which may lead to further improvements in this area.¹¹⁹

Two additional infrastructural changes have the potential to increase transparency. In 2013, the Special Investigative Service of Armenia set up a website that publishes information on traffic accidents and crimes committed by police officers, including corruption. A new modern building for the Department for Visas and Passports was opened in 2013;¹²⁰ its digitized documentation processing, along with new biometric passports to be introduced in 2014, is expected to reduce corruption risks.¹²¹

There were no corruption charges brought against senior officials in 2013. The more significant lower-level arrests of the year included that of the deputy chief operative of the Nubarashen district penitentiary in Yerevan, who was arrested in July 2013 for accepting a bribe.¹²² In September, the deputy chief of the Department of Social Welfare of Army Personnel was arrested for soliciting a bribe from the parents of a soldier who had died in service in exchange for implementing their son's legally guaranteed death entitlements. In October, two officers of the Penitentiary Department of the Ministry of Justice were arrested for soliciting and receiving a bribe to add to the name of a particular inmate who was eligible for the amnesty to the official list.¹²³

The most scandalous corruption allegations of the year implicated Prime Minister Tigran Sargsyan and the archbishop of the Ararat diocese of the Armenian Apostolic Church, Navasard Kchoyan. Hetq published materials in May suggesting that the prime minister and the archbishop, in partnership with business operator Ashot Sukiasyan, had used aliases to register an offshore company in Cyprus worth several million dollars.¹²⁴ Hetq also claimed that the company in question, Wlispera, was directly connected to a case involving the seizure of assets worth \$30

million from businessman Paylak Hayrapetyan. Prime Minister Sargsyan called the allegations “nonsense” and filed a claim to the Prosecutor General of Cyprus for an investigation. He received no written response to his inquiry from Prosecutor General Petros Klerides, who stated in an oral interview that no one could register a company in his country under an alias.¹²⁵ In a public spat, Prime Minister Sargsyan countered that one could register a company in Cyprus in the name of anyone, even a dead person, and added that he himself had never been there.¹²⁶ Information about the offshore company remains contested and contradictory.

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Azerbaijan

Capital: Baku
Population: 9.3 million
GNI/capita, PPP: US\$9,410

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00	7.00
Civil Society	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25	6.50
Independent Media	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75	6.75
National Democratic Governance	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75
Local Democratic Governance	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50	6.50
Judicial Framework and Independence	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50	6.50
Corruption	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75	6.75
Democracy Score	5.86	5.93	6.00	6.00	6.25	6.39	6.46	6.57	6.64	6.68

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 is ruled by an authoritarian regime characterized by intolerance for dissent and disregard for civil liberties and political rights. When President Heydar Aliyev came to power in 1993, he secured a ceasefire in Azerbaijan's war with Armenia and established relative domestic stability, but he also instituted a Soviet-style vertical power system based on patronage and the suppression of political dissent. Ilham Aliyev succeeded his father in 2003, continuing and intensifying the most repressive aspects of his father's rule. Since then, the inflow of significant oil revenues has fueled presidential patronage, strengthened the state's security apparatus, and partially subdued both domestic and foreign criticism of the regime.

In October 2013, President Aliyev secured a third term in office through deeply flawed elections. The incumbent's landslide victory was widely anticipated due to the administration's monopoly over state resources and its ruthless intimidation tactics. However, unlike in previous elections, a wide spectrum of opposition groups—including political parties, youth movements, and nongovernmental organizations (NGOs)—managed to unite under the umbrella of the National Council of Democratic Forces.

The year was also marked by a series of protests in the capital and in the regions. Some of these demonstrations were organized by the opposition; others appeared spontaneous, most notably the riots in the town of Ismayilli at the end of January and rallies in Baku protesting violence in the military in March. Throughout the year, the regime arrested and detained political opponents, activists, and journalists and used bogus charges against its critics.

The authorities continued to crack down on public protests in 2013, imposing high fines for participation in and organization of unauthorized protests. New legal amendments introduced in March, including NGO registration requirements, restrictions on funding, and higher fines for administrative offenses, made the day-to-day operation of civil organizations critical of the regime increasingly difficult. The free exercise of freedom of religion or belief by followers of a variety of beliefs, including the majority Islamic faith, continued to be targeted by the regime.

National Democratic Governance. The Aliyev regime continued to exercise tight control over Azerbaijani society, maintaining a near-monopoly on power. After scrapping constitutional term limits in 2009, President Aliyev ran for and won a third term in office in October. Following the elections, the president reshuffled a few positions in government, but the most notorious oligarchs kept their ministerial positions. There was no progress on negotiations over the breakaway

region of Nagorno-Karabakh. *Azerbaijan's national democratic governance rating remains unchanged at 6.75.*

Electoral Process. Like every national vote held in Azerbaijan since the adoption of the 1995 constitution, the presidential elections of 2013 were marred by candidate and voter intimidation, multiple voting, ballot stuffing, and other serious irregularities. For the first time, opposition parties ran behind a single candidate. The Central Electoral Commission (CEC) disqualified their first nomination, Oscar-winning screenwriter Rustam Ibragimbekov, but accepted their second choice, Jamil Hasanli. In the end, President Aliyev won his third term with a reported 84.5 percent of the votes. Participation was at 71.6 percent. *Azerbaijan's electoral process rating remains unchanged at 7.00.*

Civil Society. Over the last decade, the regime has steadily increased its control over civil society activities through a variety of legal and extralegal means. New restrictions adopted in 2013 created onerous reporting requirements for NGOs, limited cash donations, and imposed high fines for administrative offenses. Authorities also continued to suppress public protests throughout the year, cracking down on demonstrations, targeting youth movements, and prosecuting the regime's critics on bogus charges. In addition, followers of a variety of religions and beliefs continued to be targeted by the regime. As the regime's repression of political dissent escalates, *Azerbaijan's civil society rating declines from 6.25 to 6.50.*

Independent Media. In the run-up to presidential elections, government authorities took further steps to silence independent media. The government extended the scope of defamation provisions to the internet, punishing offensive statements online with up to three years in prison. The authorities used fabricated charges to muzzle critical journalists on numerous occasions, while violence and attacks against journalists remained common. The economic situation of independent outlets remained fragile; by the end of the year, two opposition newspapers, *Azadlyq* and *Yeni Musavat*, were in danger of closing down due to exorbitant defamation fines. *Azerbaijan's independent media rating remains at 6.75.*

Local Democratic Governance. Local self-government bodies are subordinate to local branches of state administration and financially dependent on the central authorities. Power is distributed through a system of patronage, and several regions in the country are ruled as fiefdoms by oligarchs and state officials. In January, a minor car accident in the Ismayilli region triggered rioting over economic inequality, corruption, and the arbitrary distribution of local executive power. In the preelection period, Azerbaijani citizens were discouraged from attending the rallies of opposition parties on numerous occasions. *Azerbaijan's local democratic governance rating remains unchanged at 6.50.*

Judicial Framework and Independence. The executive branch routinely uses the country's court system and security apparatus to suppress or preempt perceived regime threats. Several activists, bloggers, and politicians were harassed or arrested during the year, including presidential candidate Ilgar Mammadov and the head of a local election observation mission, Anar Mammadli. Journalists, activists, and opposition figures found themselves charged with more serious crimes in 2013 than in the previous year. Following the October presidential elections, the courts began trying and sentencing persons arrested in the first half of the year. *Azerbaijan's judicial framework and independence rating remains unchanged at 6.50.*

Corruption. The state's control over oil resources and the oligarchic structure of the economy contribute to widespread corruption in Azerbaijan, as does the existence of a Soviet-style bureaucracy. In 2013, the Azerbaijani government attempted to fight low- and mid-level corruption by improving access to official documents, such as passports or birth certificates, which had changed hands in exchange for petty bribes in the past. However, high-level corruption remained wholly unaddressed, and the Aliyev family, state officials, and their relatives continued to amass significant personal wealth. A stream of video leaks documenting corrupt power-brokering in the legislature continued in 2013. Gular Ahmadova, the parliamentary deputy implicated in the first of these videos (in 2012), was sentenced to three years in prison in December. *Azerbaijan's corruption rating remains unchanged at 6.75.*

Outlook for 2014. The government will have little motivation to undertake serious policy reforms in the coming year. With the presidential elections tackled, the Aliyev regime will continue to consolidate its power. Oil production and growth in the non-oil sector are not likely to increase enough to address economic and social inequalities. Moreover, price increases of oil products at the end of 2013 will result in the rise of basic commodity prices. These economic frustrations will result in growing social pressure that the regime is most likely to address by strengthening its repressive apparatus. Although oligarchs' informal control over the regions is firmly entrenched, the upcoming 2014 local elections will offer another opportunity for the opposition to mobilize and attempt to challenge the regime.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75	6.75

Although the separation of powers is guaranteed by the constitution, in reality the executive branch fully dominates both the legislature and the judiciary. The 125-seat Milli Majlis (parliament) is a rubber-stamp body with no oversight or public debate function. The fraudulent 2010 parliamentary elections further reinforced this role, as neither of the two major opposition parties, Popular Front and Musavat, won seats in the legislature. The parliament remains dominated by the New Azerbaijan Party (YAP), in power since the election of former president Heydar Aliyev in 1993.

In 2013, President Ilham Aliyev secured a third term in office through deeply flawed elections. Throughout the year, Aliyev strengthened his system of control and patronage through the distribution of budget funds to local executive branches in the regions and raising the salaries of law enforcement bodies. He also maintained his effective control over the country's strategic oil resources. Azerbaijan's natural resource wealth, which fueled a vast GDP growth in the mid-2000s, has helped assure the stability of the executive's control over the country.

Despite the economic growth of the last decade, wealth and economic power remain largely concentrated among the president, his family, and a small group of oligarchs, creating a dangerous convergence of political and economic interests. There is a significant wealth gap, and the average Azerbaijani continues to earn little.¹ The lack of a comprehensive social policy is partly compensated by the shadow economy, which contributes to the high level of corruption in the country. State employees continue to serve as a major power base for the ruling party because of their dependence on their employer through a ruling party membership and patronage networks. Their numbers remained high according to official statistics: more than 850,000 people—or by other sources, 10–18 percent of the population—are employed by the state. Salaries in the public sector increased by 6.9 percent in 2013. This symbolic raise, however, did not result in a visible improvement of living conditions, especially since the Tariff Council decided to increase the retail price of gasoline and diesel and the wholesale price of some petroleum products in December.²

Azerbaijan was at the center of increased international attention in 2013. In January, following a heated debate, the Parliamentary Assembly of the Council of Europe (PACE) voted down Special Rapporteur on Political Prisoners Christoph Strässer's report on the situation in the country. Critics debated the definition of "political prisoner" and questioned the accuracy of the report, as Strässer had been denied a visa to Azerbaijan. The Baku-based Human Rights Club released an updated list of 142 political prisoners in October and claimed the number of

politically motivated arrests increased dramatically after the failure to adopt the PACE report.³ As of 31 December, the OSCE office in Baku was replaced by an OSCE Project Coordinator at the request of Azerbaijan.⁴ The new office will operate at a more technical level, with fewer responsibilities.

Yet at its second Universal Periodic Review (UPR, a mechanism addressing the situation of human rights in all UN members) adopted on 20 September, the country received 162 recommendations, 5 times as many as in the first cycle of UPR in 2009.⁵ Except for four submitted by Armenia, the Azerbaijani government accepted or partly accepted all recommendations.

Azerbaijan is covered by the European Neighborhood Policy of the European Union (EU) and is a member of the Eastern Partnership Program (EaP) but focuses mainly on cooperation in energy-related issues. The country signed a visa facilitation agreement on the Vilnius EaP Summit on 29 November, but negotiations on a Deep and Comprehensive Free Trade Agreement (DCFTA) did not start, as Azerbaijan has yet to gain admittance to the World Trade Organization (WTO). According to the 2013 Eastern Partnership Index, Azerbaijan lags behind on a number of democratic indicators, such as fighting corruption, accountability and democratic control over law enforcement institutions, and the participation of civil society.⁶

The economy continued to grow in 2013 as oil revenues picked up after two consecutive years of decline and as the non-oil sector expanded by almost 10 percent.⁷ The country's budget is still highly dependent on oil: according to the Center for Economic and Social Development (CESD), oil sector revenues account for 66 percent of the 2014 budget.⁸ This extreme dependence on the oil sector makes the country's economy vulnerable to external shocks and contributes to the regime's insecurity, which in turn feeds repression and an increasing intolerance for dissent. Microcredits and other types of loans have become accessible to a widening share of the population; about 18 percent were repaying loans in 2013.⁹ Interest rates are often high, however, and the need to repay them forces people to work several jobs. The country's military budget continued to grow, reaching \$3.73 billion in 2013.¹⁰ Moscow began delivering around \$1 billion worth of weapons to Baku in accordance with a defense contract signed two years ago.¹¹

The absence of negotiations in 2013 in the breakaway Nagorno-Karabagh region confirmed that parties had reached a deadlock. A ceasefire brokered between Armenia and Azerbaijan in 1994 has routinely been violated.¹² The conflict was on the electoral campaign agenda, and presidential candidates addressed it during televised debates in 2013. Despite the lack of progress on the official level, civil society actors continued to hold meetings and discussions during the year.

Following the elections, the president replaced a few of his ministers, including former ministers of defense Safar Abiyev and of social policy Fizuli Alekberov. The positions of the most notorious oligarchs—Minister of Emergencies Kamaladdin Heydarov and Minister of Transport Ziya Mammadov—were left untouched, however. Other changes included the promotion of Minister of Agriculture Ismet Abbasov to deputy prime minister and the appointment of former head of the Audit Chamber Heydar Asadov to minister of agriculture.¹³

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00	7.00

Azerbaijan has had a dire track record of organizing elections during most of its post-Soviet independence. The government has extensively misused administrative resources—which have exponentially increased since 2005 due to skyrocketing oil revenues—to control and manipulate elections. International election observation missions have on numerous occasions claimed that the legal framework falls short of international standards and criticized serious irregularities during elections, including voter intimidation, carousel voting, and ballot stuffing.

Although Azerbaijan has closely cooperated with international organizations such as the Venice Commission of the Council of Europe (CoE) or the Organization for Security and Cooperation in Europe (OSCE), in reforming its electoral laws and ensuring a free and fair electoral process, the key recommendations of these international bodies have remained unimplemented. Among the problems cited are the regime's exploitation of power and resources during campaigns and voting, as well as the lack of political balance on electoral commissions, which are dominated by the ruling New Azerbaijan Party (YAP). Constitutional amendments adopted through a questionable referendum in 2009 eliminated presidential terms limits,¹⁴ allowing Ilham Aliyev to run for a third term in 2013, while regressive legal changes in 2010 reduced the length of election cycles and eliminated state financing for campaigns.

In 2013, unlike in the 2008 presidential election when the opposition boycotted the vote, the major opposition forces united under the umbrella of the National Council of Democratic Forces. The Council, representing the previously fragmented opposition landscape, amalgamated political parties and civil society activists and stood beside a joint candidate, the Oscar-winning screenwriter Rustam Ibragimbekov. Ibragimbekov's candidacy, however, was rejected by the Central Election Commission (CEC), based on his dual citizenship (Russian and Azerbaijani) and the fact that he was not a permanent resident of Azerbaijan. Before the decision, Ibragimbekov had unsuccessfully tried to renounce his Russian citizenship. The National Council replaced him with university professor and historian Jamil Hasanli. Altogether, the CEC registered nine candidates in addition to incumbent president Aliyev, though only Jamil Hasanli could be characterized as an opposition candidate. The remaining eight were representing mainly progovernment or "pocket opposition" parties established to maintain a facade of plurality.

During the campaign and in the televised debates, most of the candidates were defending the candidacy and policies of the incumbent—who himself did not participate in any of the debates—while attacking and discrediting Hasanli. In the government-controlled media, only one TV channel, the public ITV, provided Hasanli airtime, allotting him and each candidate 18 minutes per week. In the

pre-campaign period, the incumbent received 98 percent of all coverage devoted to presidential candidates, with the remaining 9 candidates receiving 2 percent.¹⁵ Although the president had announced that he would not be campaigning, the major broadcasters widely covered his regional visits, reporting about the inauguration of new schools, hospitals, and infrastructure projects. Since January, President Aliyev allocated AZN 205.6 million (\$260 million) from the Presidential Reserve Fund to 69 regions and towns, distributing AZN 2 to 7 million (\$2.5 to \$9 million) to each for the purpose of social economic development.¹⁶ The lack of transparency, however, casts doubts on whether the money was used for the indicated purpose.¹⁷

According to the CEC, the official turnout was at 71.6 percent at the 9 October elections, and 84.5 percent of votes were cast in favor of incumbent president Ilham Aliyev, with National Council candidate Jamil Hasanli receiving 5.27 percent.¹⁸ CEC and the Constituency Election Commissions (Conecs) registered nearly 46,000 party and citizen observers; however, the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) reported that while present in more than two thirds of the polling stations, local observers frequently could not recall which organization they represented.¹⁹

Local and international observers noted serious irregularities, including candidate and voter intimidation, violations of the secrecy of the vote, multiple voting, and ballot stuffing, both in the regions and in the capital.²⁰ The OSCE/ODIHR report cited clear indications of ballot box stuffing in 39 polling stations and assessed the vote count as “bad or very bad” in 58 percent of the polling stations;²¹ this is an increase from 23 percent in the last presidential election 5 years ago.²² The local monitoring organization Election Monitoring and Democracy Studies Center (EMDS) conducted monitoring in 769 polling stations and found violations in 91 percent of them.²³ In addition, a mobile election app accidentally published the “results” a day before the actual election. The government claimed the error was caused by a test run.²⁴

The Baku Court of Appeals received 18 appeals, mainly related to the televised debates, candidate registration, and the accreditation of organizations conducting exit polls.²⁵ OSCE/ODIHR monitored all hearings and cited numerous problems with the appeals process.²⁶ The local EMDC stated that the CEC, the Court of Appeals, and the Supreme Court failed to ensure a mechanism of impartial investigations of electoral violations.²⁷

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25	6.50

Conditions for Azerbaijan’s civil society have been steadily deteriorating in the past decade, with repressive laws and restrictions on the right to association and assembly leading to a dramatic decline in the past two years.²⁸ The regime has gradually

increased its control over the activities of civil society and in 2013, among other things, made the registration process more difficult, demanded the registration of grants, and imposed high fines for minor administrative offenses.

According to official data, there are more than 2,900 nongovernmental organizations (NGOs) registered with the state,²⁹ while as many as 1,000 remain unregistered.³⁰ Some of the organizations, such as the Institute for Peace and Democracy or the Election Monitoring and Democracy Training Center, have been trying to register for years.³¹ Several were denied registration in 2013 by the Baku Court of Appeals, among them the Public Union “Center to Protect Interests of Society” and the Human Rights Club.³²

The regime markedly stepped up legal restrictions on NGO activities in 2013. In a packet of legislation amending the Law on NGOs, the Law on Grants, and the Law on Administrative Offenses, the authorities required NGOs to notify them about donations exceeding AZN 200 (\$255), banning cash donations altogether except in the case of charitable organizations. The latter made it practically impossible for unregistered NGOs to receive funding legally. The March amendments—which were justified as a means to increasing transparency and preventing the international funding of terrorist organizations—also included large fines in case NGOs failed to report donations.³³ Together with 2012 amendments that set out increased fines for organizing unauthorized meetings, these measures intended to decrease political participation on the eve of the presidential elections. The Ministry of Justice prepared an additional round of amendments in December, introducing new offenses punishable by heavy fines and additional administrative requirements for NGOs. The bill, which was waiting for the president’s signature at year’s end, could potentially compel NGOs to reregister every three months with the Ministry of Justice; it also obliged foreign NGOs to appoint Azerbaijani citizens as deputy chiefs.³⁴

At the same time, however, the amount of domestic funds available to NGOs increased in 2013. While in 2012 the government transferred AZN 3.8 million (\$4.9 million) from the Reserve Fund of the President of the Republic to the Council of State Support to NGOs, this amount grew to AZN 5 million (\$6.4 million) in 2013.³⁵ Additionally, more than AZN 2 million (\$2.5 million) were transferred from the state budget to the Youth Foundation under the President of the Republic of Azerbaijan.³⁶

The regime also continued to strictly regulate social protests. Following 2012 amendments that drastically increased fines for participation in and organization of unauthorized protests, the parliament increased the time of detention from 15 days to 60 days in May 2013. The new regulations allowed authorities to effectively isolate activists before and during the elections. Several protesters who refused to pay the fines as an act of civil disobedience had their property confiscated by a court order or were sentenced to community service.³⁷ The authorities reportedly filmed activists performing community service in an attempt to discredit them.

Apart from legal measures, the regime systematically used violence to suppress social protests. On 12 January, police brutally dispersed an unsanctioned gathering

in the center of Baku that was protesting suspicious deaths in the army. On 24 January, authorities used excessive force to crack down on protests in Ismayilli, and two days later they also dispersed a rally in downtown Baku.³⁸

The regime particularly targeted youth movements throughout the year. In March and April, authorities arrested seven members of the youth movement NIDA for participating in peaceful antigovernment protests. The activists, who extensively used online tools such as Facebook and Twitter to criticize the president and the regime, were charged with inciting violence and illegal weapons possession.³⁹ In addition to NIDA members, an activist of the Free Youth Movement was also arrested. In April, the prosecutor general's office inspected and closed the Western-funded alternative education project, the Free Thought University—Azad Fikir (AFU).⁴⁰ On 30 April, AFU—which is run by NIDA and another youth movement—was deprived of its office on very short notice.

Journalists, opposition members, human rights activists, and their families were harassed and intimidated throughout the year. Ali Gulyaliyev, the 16-year-old son of Oqtay Gulaliyev—a civil activist and spokesperson for opposition presidential candidate Jamil Hasanli—was attacked and stabbed on 23 September by unidentified individuals. Also in September, the son of opposition politician Ali Kerimli was arrested and sentenced to 25 days in prison for not complying with police orders. After the elections, at the end of October, Kerimli's brother in law was sentenced to seven years and six months by the Court of Grave Crimes.⁴¹

Religious communities are also restricted through registration denials and a complex labyrinth of “legal” restrictions. Under the 2009 Religion Law, state permission is required for any group of people—that is, more than one individual—to exercise their right to freedom of religion or belief. Other restrictions include closures of places of worship; a ban on praying outside mosques; jailing believers for exercising the right to conscientious objection to military service; arbitrary deportations of foreign citizens; and severe denials of human rights in the Nakhichevan exclave. Police raids of meetings of Protestants, Jehovah's Witnesses, and Muslim followers of Turkish theologian Said Nursi routinely involve the confiscation of any religious literature considered “illegal,” even if the texts have been formally approved by the State Committee for Work with Religious Organisations.⁴²

As of 31 December 2013, 570 religious communities were legally registered, 555 of which were Islamic, 12 Christian, 6 Jewish, 2 Bahai, and 1 Hare Krishna. About 2,000 religious communities function in some form, with 406 having been registered with the Ministry of Justice before the State Committee was established in 2001.⁴³

Azerbaijan has failed to honor its commitment to the Council of Europe to pardon all conscientious objectors presently serving prison terms and to adopt a law on alternative service. For example, on 10 October 2013, Jehovah's Witness conscientious objector Kamran Shikhaliyev was seized at Baku's Nizami District Conscription Office two days after his 18th birthday. Officials denied that he had been detained and claimed he had simply been sent to a military unit.⁴⁴

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75	6.75

Azerbaijan's constitution and legislative framework guarantee freedom of expression as a fundamental right. In the last two decades, however, authorities have regularly used violence, intimidation, and criminal laws to stifle public debate and silence dissenting voices.

While pockets of free expression exist online and in print media, the government completely controls broadcast media. The president appoints the head of the National Television and Radio Council, which regulates broadcast outlets and allocates licenses and frequencies. There is one state channel, Azerbaijan Television (AzTV), and one public channel, İctimai Television (ITV). In April this year, a new director was elected to the Public Television and Radio Broadcasting Company—a statutory corporation created in 2004 to oversee ITV—but experts noted substantial violations of procedure during the election process.⁴⁵

The legislative framework became more restrictive in 2013. The Criminal Code includes strict penalties for libel and insult, which the government pledged to amend after receiving extensive international criticism. However, the problematic provisions were not scrapped in 2013, and the parliament extended the scope of defamation laws to the internet in May. The amendment, which was signed into law on 4 June, made defamatory or offensive statements online punishable by up to three years in prison.⁴⁶ The first conviction under the law happened in August, when Astara resident Mikail Talybov was sentenced to one year of “corrective labor” for creating a Facebook page critical of his former employer, Accessbank.⁴⁷ In September, deputy speaker of the parliament Ziyafet Asgerov prepared a draft bill specifically aimed at protecting the “honor and dignity” of the president.⁴⁸

Although the number of criminal defamation charges declined somewhat in the past few years, journalists are repeatedly intimidated and arrested on bogus charges. The list of charges includes hooliganism, possession of drugs, failure to cooperate with police, tax evasion, extortion, violating public order, and supporting terrorism.⁴⁹ In September, *Bizim Yol* journalist Parviz Hashimli—who also chairs a human rights NGO—was arrested and placed in custody for two months on charges of illegal possession of weapons.⁵⁰ In November, chief editor of the independent newspaper *P.S. Nota*, Sardar Alibeyli, was sentenced to four years in prison on charges of hooliganism.⁵¹ Both Hashimli and Alibeyli criticized the regime in their articles. At year's end, eight journalists were behind bars.⁵²

Apart from political pressure, critical journalists continue to face threats, blackmail, and physical attacks. According to the Media Rights Institute, an Azerbaijani NGO, there were 47 cases of attacks against journalists in the first half of 2013 alone.⁵³ The cases included beating, illegal detention, seizure of professional tools, and death threats. Impunity is widespread in law enforcement bodies; in 2013, media reported about two policemen being reprimanded for beating journalists as

the first such case in Azerbaijan.⁵⁴ There was no progress in the investigation of the murder of two journalists, Elmar Huseynov, killed in 2005, and Rafiq Tagi, killed in 2011; nor in the case of Novruzali Mammadov, who died in prison in 2009. The official inquiry into the case of investigative journalist Khadija Ismayilova—who has been a target of a smear campaign since 2012—did not move forward in 2013.⁵⁵

Exorbitant fines for defamation continued to be widely used to silence opposition media and critical newspapers. The newspaper *Azadlyq* was on the verge of closure in 2013 due to steep fines from two separate lawsuits, initiated by Baku Metro head Tagi Ahmadov and a shopping center owner.⁵⁶ Other outlets, such as *Yeni Musavat* or *Khural*, were targeted by state officials and members of parliament. The biggest fine was issued against *Yeni Musavat*—the courts ordered it to pay AZN 50,000 (\$63,000) to the Gilan Gabala food processing factory; the factory had originally sued for AZN 1,000,000 (\$1,275,000).⁵⁷ According to the Media Rights Institute, claims against media in the first half of the year amounted to AZN 5,000,000 (\$6,375,000).⁵⁸ The institute also noted the increasing number of claims against online media.

Following the elections, the Baku Metro banned newspapers from subway stations in October.⁵⁹ This move exacerbated the already difficult financial situation of media outlets, which continue to suffer from limited access to the advertising market, a reduction in the number of newspaper kiosks, and the limited number of government-dependent distribution companies. In the postelection crackdown, the authorities initiated a tax investigation against the independent publishing house *Qanun*, where most authors who are critical of the government publish their materials.⁶⁰

Access to information remains limited, and journalists run into difficulties when requesting data from state institutions. This is partly due to the lack of informational departments, but institutions often refuse to give information to opposition and independent media and have repeatedly denied them accreditation for important national and official events.

In recent years, the internet and online media have been increasingly targeted by the government. In November, a history professor at the Azerbaijan State University, Altay Geyushov, claimed he was dismissed by the university management for his “activity in social networks.”⁶¹ Besides extending the scope of defamation laws to the internet, the regime continued to intimidate and harass bloggers who challenge taboo topics, such as the prohibition of criticizing the president and his family. On 9 May, for example, police detained the well-known blogger Rashad Ramazanov, who had posted numerous critical articles on his blog and on Facebook.⁶² He was charged with drug possession and sentenced to nine years in prison in November.⁶³ According to the Institute for Reporters’ Freedom and Safety (IRFS), online media portals reported a series of distributed denial of service (DDoS) attacks in January, a day before mass protests against deaths in the army.⁶⁴

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50	6.50

The constitution of Azerbaijan provides for local self-governance, which is carried out through elected municipal authorities and the local bodies of state administration. Azerbaijan ratified the European Charter of Local Self Government in 2002, granting municipalities substantial responsibilities and decision-making authority. In practice, however, municipalities serve as arms of the country's executive branch, a reality reinforced in 2012 by a new presidential decree that significantly extended the control of state authorities over the local structures of national ministries. A group of NGOs, created to promote reform in the area of local self-governance, described the relationship between municipalities and the central government as "governed by the principles of 'dominance' and 'dependency.'"⁶⁵

The patterns of governance at the local level in Azerbaijan mirror those at the higher levels of administration. Municipal authorities align themselves with local branches of state administration, which are extensions of the ruling party and its structure. These provide access to and further distribute patronage, also ensuring electoral victory at the municipal level for individuals who comply with the ruling party's wishes. The Council of Europe criticized local governments' financial dependence on central authorities in Baku and their lack of involvement in decision-making.⁶⁶ Other observers, such as the European Commission, also noted that the government puts significant resources into improving basic infrastructure (waste management, roads, water, energy) but pays less attention to promoting a more participatory and democratic approach to local self-governance.⁶⁷

The first municipal elections took place in 1999 in Azerbaijan, but a national association of municipalities was set up only in 2006. The body, however, has existed largely as a formality so far. In 2010, in order to increase their efficiency, the Milli Majlis reduced the number of municipalities from 2,757 to 1,766.⁶⁸ The move did not result in increased powers for local government bodies vis-à-vis local executive power structures, and an EU committee expressed regret that Azerbaijan did not make a simultaneous reduction in the number of local authorities working for the state administration.

Beyond a few presidential decrees ordering the creation of maps or signing off changes in the borders or names of regions, there were no genuine attempts at decentralization in 2013, and power remained concentrated in the hands of the central government.⁶⁹ Despite a number of regional development plans adopted in the past few years, regional disparities are significant and even, according to some experts, on the rise.⁷⁰ The Absheron region, for example, constitutes only 3.9 percent of Azerbaijan's territory but produces 80 percent of overall industrial output and accounts for about 90 percent of all oil and non-oil investment. The per capita GDP in the non-oil sector of Baku is three times higher than the national average.⁷¹

Municipalities continue to be seriously underfunded and do not use the property remaining in their hands profitably. Instead of being leased it to local citizens, municipally-owned lands are often sold off. According to the Chairman of the State Committee on Land and Cartography, only a minor part of the 5 million acres—about 23.5 percent of all lands—owned by municipalities was leased to citizens.⁷² At the same time, a bill on the seasonal lease of municipal lands was delayed in 2013.⁷³

Regional inequalities, significant disparities between the rich and poor, and numerous human rights violations led to spontaneous social protests in the country's regions in late 2012 and early 2013. As several regions in Azerbaijan are run as personal fiefdoms by wealthy oligarchs close to the ruling clan, the protests were often prompted by cases of corruption and the arbitrariness of local executive power. In January, a seemingly minor car accident involving Vugar Alakbarov—the son of the Labor Minister and nephew of the regional governor—triggered mass protest and clashes with police in the town of Ismayilli. The authorities used the protests as a pretext to harass opposition activists and arrest dozens of protesters and activists before the upcoming presidential elections.⁷⁴

Given their place in the election manipulation machinery, the regions' importance grew as elections approached. Although the authorities made loud promises about the fairness of elections, the OSCE/ODIHR mission noted that citizens in a number of regions were discouraged from attending opposition rallies already during the campaign. People were told not to attend the rallies in Mingachavir on 29 September, in Shaki on 2 October, in Agdash on 3 October, and in Sabirabad on 4 October. At the same time, participants were reportedly prevented from leaving the rallies of the ruling party.⁷⁵

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50	6.50

Despite occasional demonstrations of independence, Azerbaijan's courts are largely tools of the regime, which uses them to protect its own business and political interests. The heavy influence of the executive branch undermines the judiciary's capacity to provide for citizens' equality before the law and to impartially interpret and enforce the constitution. In addition to political interference, courts are plagued by a lack of professionalism.

Fundamental to the judiciary's flaws is an entrenched structure of control, patronage, and corruption. Judges are selected on the basis of exams, a complicated process that lacks external monitoring to ensure fairness. Once they have succeeded at exams and in training, judicial candidates are put forward by the Judicial-Legal Council, chaired by the justice minister, and then appointed by the president or the parliament, depending on the court. Given the council and the parliament's allegiance to the ruling government, there are no safeguards against political

favoritism permeating the selection process. Moreover, courts are financed from the state budget, but the salaries of judges are low, which feeds into widespread corruption once judges are employed.

The courts are widely recognized as instruments for executing political orders. In a survey conducted by the Caucasus Barometer (CB), only one-third of respondents trusted the judiciary in Azerbaijan,⁷⁶ reflecting popular disappointment with an institution plagued by corruption.⁷⁷ The government has implemented several reforms in the past few years; it overhauled the system of military courts, increased the number of judges, and established administrative-economic courts in seven regions.

The reforms, however, have not reduced the high number of due process violations or politically motivated arrests. Court procedures are fraught with numerous irregularities, including refusing defendants the lawyer of their choice and keeping them in pretrial detention without evidence. In addition to these problems, allegations of beatings, threats, and other abuses are repeatedly dismissed in the prosecutorial stage without further investigation.⁷⁸

The first half of the year was characterized by the regime's severe crackdown on dissent—faced with the unification of its opposition, controversy around Aliyev's third presidential term, and spontaneous protests in the regions, the ruling elite reacted with intensified repression. Bogus charges employed to silence activists, journalists, politicians, and bloggers became more serious compared to last year.

Ilgar Mammadov, the presidential candidate of the REAL (Republican Alternative) public movement, and Tofig Yagublu, the deputy leader of the opposition party Musavat, were arrested on 4 February 2013 after visiting the town of Ismayilli to get firsthand information about protests that took place on 23 and 24 January.⁷⁹ Police first took Mammadov and Yagublu to the police station after they arrived on 24 January and released them with a warning, only to rearrest and charge them with organizing mass disorder and inciting violence 10 days later. According to their lawyers, the investigation had serious flaws and the prosecution showed no evidence that the men committed a crime.⁸⁰

The trial of Mammadov, Yagublu, and 18 other people arrested in connection with the Ismayilli riots started on 18 November at the Sheki court. Although the trial was open to the public, the court did not let journalists, opposition members, or the relatives of the accused into the courtroom because of a lack of chairs.⁸¹ If convicted, the defendants can face up to 12 years in prison.⁸² Earlier, Mammadov's lawyer filed a complaint with the European Court of Human Rights, alleging a violation of the right to liberty and security and the right to a fair trial.⁸³

The prosecution continued to serve as the government's extension after the presidential elections.⁸⁴ Opposition Musavat party adviser Yadigar Sadikhov was charged with hooliganism by a court in Lenkoran on November 5 and faces up to seven years in prison.⁸⁵ Following their critical report, the Department for Serious Crimes of the Office of the Prosecutor General started an investigation into suspected tax evasion and illegal business activities by the Election Monitoring and Democracy Studies Center (EMDS), an unregistered but active local NGO. On

16 December, the head of the organization, Anar Mammadli, was charged with tax evasion, illegal business activity, and abuse of official power and placed in pretrial detention. The arrest was harshly criticized by the international community. The charges carry a maximum sentence of five years.⁸⁶

Detainees and suspects in pretrial detention continued to be tortured and ill-treated during investigation. The Institute for Reporters' Freedom and Safety (IRFS) reported about the torture of blogger Rashad Ramazanov during custodial interrogation.⁸⁷

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75	6.75

Azerbaijan has consistently ranked in the lowest third of global corruption indices as a net result of several factors. State monopoly over oil resources, Soviet-type bureaucracy, and the oligarchic structure of the economy all contribute to low ratings, along with the absence of independent institutions and checks and balances in government.

In 2011, Azerbaijan joined the Open Government Partnership, an inter-governmental organization promoting transparency and civil society involvement in monitoring state finances. In keeping with its membership obligations, the government adopted the National Action Plan for 2012–2015 and set up a State Agency for Public Service and Social Innovations, supervising the Azerbaijani Service and Assessment Network (ASAN). As part of ASAN, nine ministries and agencies offer numerous types of services, including issuing residence permits and birth certificates. In the past, many of these services were accessible to citizens only in exchange for a petty bribe.⁸⁸

The regime has widely publicized survey results according to which 68 percent of individuals consider anticorruption measures to be effective, but the implications of such measures only affect low-level anomalies at best.⁸⁹ High-level corruption continues undisturbed despite the National Action Plan.

There is a great deal of evidence that the presidential family has amassed tremendous personal wealth. The issue of high-level corruption was central to the campaign of united opposition candidate Jamil Hasanli; however, he did not receive any official responses from President Aliyev or anyone on his behalf. The president kept silent about previous disclosures made by investigative journalist Khadija Ismayilova as well. Since revealing ownership structures and activities of businesses tied to the presidential family, Ismayilova has been facing increased harassment from government media, courts, and likely from the secret services as well.⁹⁰

The 2012 Gulargate scandal revealed the possibility of purchasing seats in parliament. A string of video recordings released by Elshad Abdullayev, a former government party lawyer and university rector, showed MP Gular Ahmadova promising a seat in parliament in exchange for a bribe. Other footage incriminated

government power brokers who, in exchange for bribes, had offered help to Abdullayev in finding his kidnapped brother—likely a victim of a feud within the regime also involving the security services. The case has not been properly investigated. However, Ahmadova was tried and sentenced in 2013, while her former assistant died under suspicious circumstances in Turkey in late 2012. High-ranking officials implicated in the videos, including head of presidential administration Ramiz Mehdiyev and government ministers, seem to have survived the scandal unharmed, despite the string of footage releases that continued until summer 2013.⁹¹

Azerbaijan joined the Extractive Industries Transparency Initiative (EITI) in 2003, which was hailed by the international community as an important move toward transparency in the oil industry. However, of 14 foreign oil and gas companies operating in the country, only BP and the state oil company SOCAR make their statistics publicly available.⁹² The civil sector is involved in the monitoring both of production and at least partly of spending income from natural resources through the National Budget Group, an umbrella watchdog organization. Overall, however, oil revenue distribution has not become more transparent, with resource-related income partly disappearing from the budget.⁹³

Assessing the implementation of the National Action Plan, local experts stress that the involvement of civil society in the Open Government Initiative remains limited due to the weakness of the organizations themselves as well as to the lack of fundamental freedoms and transparency to enable effective monitoring.⁹⁴ The implementation of the plan has also been characterized by the sluggish introduction of e-services meant to curb petty bribes and by limited anti-graft actions in corruption-prone sectors, including public procurement and tenders, urban planning and construction, auctions, and real estate transactions.⁹⁵ Despite the Open Government Initiative, high-level officials continue to defy the 2004 law against corruption and fail to declare wealth and income.

The net effect of the lack of transparency and noncompliance with existing regulations has been the continuation of past corrupt practices. The regime is able to syphon off oil revenues for its own enrichment, use the state oil fund as a budgetary lifeline, and exclude civil society from participation in the fund's management. The lack of transparency in the spending and distribution of oil revenues has strengthened political patronage, one of the critical building blocks of the regime's stability. Complicity in this system can ensure high salaries and kickbacks for select public officials, while income for most civil servants remains very low.

Political power and economic power function symbiotically in many cases. Corruption extends to issuing export and import permissions and is worsened by the increased lack of transparency in the ownership structures of companies—the outcome of a law passed in 2012 loosening the duties of enterprises to disclose information about their management. While high ranking officials may not start businesses, their family members often do and are largely immune to scrutiny, partly due to the aforementioned regulation. Transportation Minister Ziya Mammadov's son owns Transgate, the company operating much of the capital's

public transportation. He also owns 81 percent of the Bank of Azerbaijan, a major commercial bank, which has other transportation companies among its key clients. Moreover, he is board member of ZQAN, a large holding company with a significant presence in the transportation sector that has held major government contracts.⁹⁶ Recent investigative journalism has also revealed that the minister's brother and son co-own the Baghlan group, another major enterprise that was registered in the United Arab Emirates and has been successful in securing tenders from the ministry of transportation.⁹⁷

While all connections between political power and business interest remain impossible to map, new findings in 2013 suggest a pervasiveness of the phenomenon. Minister of Agriculture Yunis Abasov's son owns a large \$3,000,000 property in London and another property estimated at \$7,500,000 in Kingston-Upon-Thames, in the vicinity of London. The migration of wealth towards the west is also evident in the pro-Aliyev lobbying agency the European Azerbaijani Society, based in London and owned by Taleh Heydarov, the son of the minister for national emergencies.⁹⁸

Experts agree that artificially sustained, bribe-based monopolies and links between business and political interests, along with the non-transparent regulatory environment, create obstacles for foreign investment and regular businesses. The size of the shadow economy remains large, and competitiveness lags behind due to the difficulties of doing business in the country.⁹⁹

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Belarus

by Alexei Pikulik, Dzianis Melyantsou et al.

Capital: Minsk
Population: 9.5 million
GNI/capita, PPP: US\$16,940

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	7.00	7.00	7.00	7.00	6.75	6.75	7.00	7.00	7.00	7.00
Civil Society	6.75	6.75	6.50	6.50	6.25	6.00	6.00	6.25	6.50	6.50
Independent Media	6.75	6.75	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75
National Democratic Governance	6.75	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75
Local Democratic Governance	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00
Corruption	6.00	6.25	6.25	6.25	6.00	6.00	6.00	6.25	6.25	6.25
Democracy Score	6.64	6.71	6.68	6.71	6.57	6.50	6.57	6.68	6.71	6.71

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 Alyaksandr Lukashenka, in power since 1994, continues to preside over an authoritarian system that crushes political dissent while offering citizens an increasingly unstable standard of living. External rents, mostly from Russia, come in the form of oil and gas subsidies as well as regional customs agreements and support in deterring international pressure for democratic reform.

The two decades of Lukashenka's rule have seen several brief intervals of mild political liberalization as the ruling elite courted economic opportunities in the West, particularly when the flow of rents from Russia appeared to be in jeopardy. The last of these thaws ended abruptly with a police crackdown on protesters after deeply flawed presidential elections in December 2010. For the next two years, the regime put heavy and sustained pressure on civil society actors and the already fragmented political opposition, driving most dissenting voices deep underground.

Ongoing economic woes prompted a few attempts to create the appearance of liberalization during the year, but, as usual, these did not include systematic or lasting improvements in the sphere of political rights or civil liberties. European Union (EU) sanctions against key Belarusian regime figures continued.

National Democratic Governance. The defining features of President Lukashenka's autocratic regime remained constant during the year, with no genuine breakthrough in political liberalization. Faced with severe economic problems, the regime made new attempts to coax support out of Western governments in 2013, releasing a few political prisoners. Plans to implement technical regulations required by the Eurasian Customs Union triggered a major strike by Belarusian retailers in June. *Belarus's national democratic governance rating remains unchanged at 6.75*

Electoral Process. Elections in Belarus are largely an administrative formality conducted to validate the selection of progovernment candidates. In preparation for elections in 2014 and the 2015, the parliament adopted a number of controversial amendments to the Law on Elections and Referendums in Belarus. With virtually no space for legitimate competition between political actors or groups, *Belarus's electoral processes rating remains unchanged at 7.00.*

Civil Society. After an aggressive two-year campaign against civil society activists following the December 2010 presidential elections and protests, the year 2013 witnessed fewer government reprisals against perceived regime threats. However, there were no concrete improvements in the environment for civil society activity, nor did the reduction in arrests prompt a resurgence in political activism. At year's end, 11

political prisoners remained in custody, including Ales Bialiatski, the leader of the Viasna Human Rights Center. *Belarus's civil society rating remains unchanged at 6.50.*

Independent Media. The regime continued its systematic suppression of media freedom in 2013. Internet penetration has increased, and the government has responded by restricting and monitoring use of the medium, particularly as the influence of social media among younger Belarusians grows. Independent news websites and social-networking platforms were subject to cyberattacks from unknown sources on several occasions during 2013. In an apparent effort to improve relations with its European neighbors, the government released several prominent journalists and political prisoners during the year. *Belarus's independent media rating remains unchanged at 6.75.*

Local Democratic Governance. Civic groups at the local level commonly eschew political agendas and try to engage the authorities in non-political issues of local importance. In 2013, economic pressures prompted President Lukashenka to delegate more powers from the central to the local level of government. *Belarus's local democratic governance rating remains unchanged at 6.75.*

Judicial Framework and Independence. Due to the absence of checks and balances in the Belarusian political system, the judicial branch lacks any genuine independence, and politically motivated prosecutions are common. In 2013, the parliament adopted amendments to the Administrative Offences Code, Procedural Code, and Executive Code—all in a single session. Already empowered to impose fines for minor offences, the police now have the right to issue fines for additional administrative offences. *Belarus's judicial framework and independence rating remains unchanged at 7.00.*

Corruption. Although Belarus has a well-developed anticorruption legal framework, graft remains widespread in the country's dominant public sector. The reintroduction of the so-called "golden share" policy in mid-2013 expanded opportunities for extortion and abuse of power among officials. A number of high-level bureaucrats faced corruption charges during the year. *Belarus's corruption rating remains unchanged at 6.25.*

Outlook for 2014. Soon after the Third Eastern Partnership summit in Vilnius, President Lukashenka made a television appearance in which he declared: "The period of dictatorship has come to an end; next year we are switching to democracy."¹ Notwithstanding this promise, it is unlikely that 2014 will bring any meaningful democratic reforms in Belarus. However, with local and presidential elections on the horizon, it is possible that the regime will resume its half-hearted attempts to gain Western support by allowing some increase in non-political civil society activity or releasing more political prisoners. The Ice Hockey World Championship will be held in Minsk in May 2014, creating another opportunity for skin-deep liberalization in pursuit of external legitimacy.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.75	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75

Amended in a controversial referendum in 1996, the constitution of the Republic of Belarus established a system of unlimited presidential authority over the executive branch, local administrations, and the security apparatus. Presidential decrees overrule laws adopted by the National Assembly (parliament) and regulate the activities of the Constitutional Court. The president appoints and removes regional and local governors, all judges (with the guaranteed approval of the upper house of the parliament), 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 parliament). He also appoints the prime minister, the ministers of defense and interior, and the head of the State Security Agency (KGB). A constitutional referendum in 2004—the year President Alexander Lukashenka finished his second 5-year term in office—removed the last check on his powers by waiving presidential term limits altogether.

Lukashenka's regime has maintained power by redistributing external economic rents obtained from Russia—including energy subsidies and privileged access to the Russian market—in exchange for domestic political support.² With up to 70 percent of the population employed by the state, the government was able to purchase loyalty by bailing out insolvent sectors of state-owned economic enterprises, inflating salaries when expedient, and spending heavily on welfare services. After the flow of rents from Russia drastically declined in 2007, Belarus courted support from Europe, resulting in the appearance of brief periods of political thaw. However, the harsh government crackdown on the opposition following the 2010 presidential elections brought an end to any illusions of genuine liberalization.

Faced with severe economic problems, the regime made new attempts to coax support out of Western governments in 2013, releasing numerous political prisoners. This time, however, Western funders appeared unconvinced. In October, the Council of the European Union (EU) extended its sanctions against Belarusian authorities.³ The World Bank, too, made a statement by refusing to grant Belarus further credits unless they are tied to liberalizing reforms.⁴

Belarus also attempted to negotiate more economic support from Russia within the framework of Eurasian integration. Along with Kazakhstan and Russia, Belarus is a core member of the Eurasian Economic Area and Customs Union, a project linked to the geopolitical aspirations of the Russian establishment, as well as to the personal prestige of Russian president Vladimir Putin. The official launch

of the Customs Union's more politically ambitious incarnation, the Eurasian Economic Union, is set for January 2015, leaving Belarus and Kazakhstan another year to iron out the terms under which they will deepen their integration with Russia. In 2013, Lukashenka focused on negotiating the re-export of oil products derived from Russian crude at no fee, a potentially lucrative arrangement that could bolster economic and social stability in his country before the 2015 presidential elections. A conflict between state-owned potash company Belaruskali (Belarus's most profitable enterprise) and Russian potash producer OAO Uralkali in mid-2013 could have jeopardized these negotiations but appeared resolved at year's end (see Corruption section).

Plans to implement technical regulations required by the Customs Union on 1 July triggered a major strike by Belarusian retailers on 27 June. The regulations in question would have forced the retailers to acquire certificates on goods imported from Russia, a procedure small retail businesses consider costly and potentially harmful to them. An estimated 70 percent of all retailers at markets and shopping malls participated in the strike. A day earlier, the leader of an entrepreneurs' association, Anatoly Shumchenko, who had organized a planned strike in Minsk, was placed under administrative arrest for the "organization of an unauthorized meeting" and detained for five days.⁵ Ultimately, however, the strike prompted the government to delay the enforcement of Customs Union technical regulations until July 2014.⁶

Throughout the year, the government attempted to diversify its sources of revenue by using active diplomacy to boost Belarusian exports and by modernizing the production processes of various state enterprises. Meanwhile, the 2014 budget favors social security over other expenditures. The state claims to have cut the number of government employees by 25 percent, though it is believed that many of these were merely strategically reshuffled or immediately rehired.⁷

A growing number of Belarus's citizens are seeking employment abroad, contributing to a shortage of qualified labor at home. Estimates of the annual number of Belarusians who seek work in Russia alone range between 200,000 and 500,000 workers.⁸ As in most matters, the government's reaction to the labor drain has been extreme. In 2012, Lukashenka issued a decree that required woodworkers to get permission from their employers before quitting their jobs.

Lukashenka reshuffled several government positions in 2013 according to the government's current economic and foreign policy priorities. In June, Piotr Prakapovich (70), a former head of the National Bank, was replaced as aide to the president on economic issues by Kiryl Rudy, a young economist with a specialization in financial markets and a strong international profile. Colonel General Leonid Maltsev, a traditional hardliner, was replaced as secretary of the Security Council by parliamentary deputy Alexander Mezhuyev. Maltsev himself was appointed as the head of the State Border Committee.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	7.00	6.75	6.75	7.00	7.00	7.00	7.00

Elections in Belarus are largely an administrative formality conducted to validate the selection of progovernment candidates. Legislation fails to protect such basic tenets of free and fair elections as equal campaigning opportunities, representation of all political parties in the country's electoral commission, and transparent vote counting. No elections were held in 2013, but the government and the opposition could be seen preparing themselves for the 2014 local and 2015 presidential elections. The majority of political forces, even those that boycotted past parliamentary elections, have declared their intention to campaign and vote in 2014.

Opposition parties have no representation in the parliament, and most lawmakers are unaffiliated with any party. Lukashenka systematically destroys any potential alternative to his rule—a poll in September 2013 found that 81.5 percent of respondents could not name a single candidate who could compete successfully with him in presidential elections.⁹ Only 14.2 percent of respondents claimed to oppose the incumbent regime (down from 16.9 percent in March). Approximately 15.3 percent said they trusted opposition political parties, while 62.8 said they did not. Most people have no idea who actually sits in the parliament.

In an effort to improve the cohesiveness of the opposition and engage more citizens in political life ahead of the next elections, Belarus's leading trio of opposition movements—the Belarusian Popular Front Party (BPF), the “Tell the Truth!” campaign, and the “For Freedom” movement—launched an initiative in May 2013 for a so-called “people's referendum.”¹⁰ In October, the campaign's organizers began going door to door, collecting input on possible questions for a referendum on public needs and collecting signatures (500,000 are needed) to make the referendum happen. If the initiative succeeds, it will give the opposition an opportunity to broaden its communication with the general public before the election campaigns of 2014–15. Just as importantly, it is an opportunity to create an opposition platform based primarily on common needs and interests, rather than shared hostility to the Lukashenka regime.

In August, seven opposition groups formed a competing coalition to the People's Referendum alliance called Talaka (the “Talaka” Civil Alliance for Fair and Honest Elections for a Better Life). Talaka's founding members are the United Civil Party, the Belarusian United Left Party “A Just World,” the organizing committees of the Workers' Party, the Belarusian Women's Party “Nadzeja,” the “For Fair Elections” association, the *Belaruski Rukh* (Belarusian Movement) party, and the “Young Belarus” organization.

The two coalitions are expected to nominate candidates for the 2015 presidential election. Informal negotiations on the nomination of a joint candidate by all opposition parties have been taking place since September 2012, but no accord has been reached so far. In September, public opinion polls still showed that

42 percent of respondents would vote for Lukashenka again if an election were held tomorrow.¹¹

In November, the parliament adopted controversial amendments to the Law on Elections and Referendums in Belarus. The new legislation, which went into effect on 8 December, created regional-level electoral commissions for parliamentary elections and abolished the second round of voting in elections to the House of Representatives. Changes to campaign financing also raised the private donation cap for presidential campaigns from 3,000 to 9,000 base units (approximately \$124,000).¹² However, presidential candidates no longer receive money directly from the state budget; instead, state funds go to local and precinct-level electoral commissions, which produce and distribute candidates' informational materials among voters.¹³ If a candidate has a criminal record, this information will be carefully specified in these materials, potentially stigmatizing opposition candidates, most of whom were found guilty of "hooliganism" after the 2010 postelection protests.

Most significantly for the opposition, the recent legislation bans "acts of disruption, cancellation or postponement of the elections and referendum." The latter stipulation effectively criminalizes election boycotting, an occasional strategy of the opposition.¹⁴

None of the above amendments were discussed with experts from the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR). The Central Electoral Commission (CEC) also rejected the opposition parties' demand to organize a public discussion around the proposed changes. CEC head Lidziya Yarmoshyna's official response to the request was that public discussion of a bill can only be initiated by a state body (state official) authorized to adopt legal acts, and the CEC does not have this competence. Yarmoshyna also noted that Belarusian legislation has no provision requiring the input of the OSCE/ODIHR or the Venice Commission.¹⁵

Most independent analysts agree that even the seemingly positive amendments are largely meaningless in the current political context. For example, there is little chance that a private business would take the chance of donating officially to an opposition campaign, so the higher limit on private donations to presidential campaigns will not help.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.75	6.75	6.50	6.50	6.25	6.00	6.00	6.25	6.50	6.50

After a two-year campaign of intense reprisals against the alleged instigators of the 2010 and 2011 postelection protests, the year 2013 was comparatively quiet, with fewer politically motivated administrative arrests and many detained activists released without a trial. However, the conditions for civil society activity did not improve in any meaningful way. Belarus's law enforcement agencies continued to harass civil activists, political opponents, journalists, and other perceived threats to the current

regime. Nongovernmental organizations (NGOs) continued to face denial of state registration and restrictions on freedom of assembly remained in place as well.

In the context and aftermath of major public protests following Lukashenka's December 2010 reelection, there was a dramatic spike in the frequency of politically motivated detentions and arrests. According to the Viasna Human Rights Center, the number of administrative detentions in 2011 was 869, 323 of which resulted in administrative arrests. Figures compiled by Viasna show that those numbers went down by about two-thirds in 2012 (222 detentions, 100 arrests) and declined again in 2013 (153 detentions, 49 arrests).¹⁶ The authorities officially allowed all the traditional annual mass gatherings of the democratic opposition in Minsk in 2013. However, detentions took place during the rallies anyway, and opposition members attempting to organize similar events in the regions were prevented from doing so.

The reduction in arrests during 2013 may be explained by the Lukashenka regime's desire to improve political relations with the EU and burnish Belarus's image before the 78th Ice Hockey World Championship comes to Minsk in May 2014. Another explanation is simply that the crackdown has reached a saturation point of sorts, with most opposition activity driven deep underground. Figures collected by Viasna show that the number of prosecutions and arrests picked up slightly in the final quarter of 2013.

At year's end, the authorities continued to hold 11 political prisoners, including Ales Bialiatski, leader of the Viasna Human Rights Center; former opposition presidential candidate Mikalai Statkevich; Eduard Lobau of the unregistered Young Front political movement; and entrepreneur Mikalay Autukhovich. Four political prisoners completed their terms during the year.¹⁷ However, even after their release, they faced multiple legal restrictions on their personal freedoms. In July, a Minsk court rescinded the two-year suspended sentence of Iryna Khalip, a prominent journalist and the wife of former Belarusian presidential candidate Andrei Sannikau, for her alleged participation in protests following the December 2010 election. The authorities harass dissidents on a daily basis, forcing some, such as physician Ihar Pasnou, into psychiatric hospitals.

The Belarusian National Platform of the EU's Eastern Partnership (EaP) Civil Society Forum (CSF), which met twice in 2013, provides a framework for communication between Belarus's civil society organizations (CSOs) but still lacks the internal discipline to articulate concrete goals.¹⁸ Unlike other EaP national platforms, the Belarusian chapter has not formed thematic working groups to combine and focus members' demands. Since Belarus is not participating in the EaP's bilateral track and has very limited political relations with the EU, the Belarusian CSOs taking part in the forum have nothing to monitor or suggest to the Belarusian government in terms of its activities in EaP. Discussion at both of the platform's 2013 conferences focused a good deal on these shortcomings.¹⁹ The second conference, in November, led to the platform's adoption of propositions and amendments to a draft Strategy of the Civil Society Forum for the 2014–15 period. The primary aim of the Strategy is to strengthen the CSF's role in the political decision-making process.

Another sizable gathering of civil society advocates and activists took place in Vilnius, where some 110 human rights activists representing 25 organizations gathered in October for the Third Belarusian Human Rights Defenders' Forum. The last forum, held in 2010, had brought together representatives of only 17 organizations. Forum delegates discussed strategies for the human rights defenders' community and reached agreement on the definition of "political prisoners."²⁰

While overtly political or rights-focused civil society activity saw no resurgence during the year, actors involved in ostensibly cultural pursuits benefitted from the relative lull in the regime's crackdown on nongovernmental activity. In late June, the International Association of Belarusians "Bačkaŭščyna" was able to bring together 254 delegates representing the Belarusian diaspora from 20 countries for a two-day conference in Minsk that became a major cultural event. The main theme of the 6th Congress of Belarusians of the World was the status of the Belarusian nation in the context of globalization. However, the delegates did call upon the Belarusian authorities—a number of whom attended the event—to release political prisoners.²¹

Belarus's two official state languages are Belarusian and Russian, but the latter is increasingly dominant, especially in urban areas. The government makes no attempt to preserve or cultivate the Belarusian language, but some nongovernmental associations have taken up the cause. In 2013, a group of language enthusiasts launched a series of free Belarusian language courses called "Mova ci Kava"—a word-play in Belarusian meaning both "Language or Coffee" and "Language Is Interesting." The courses were organized simultaneously in Minsk and Moscow and had met with no official interference at year's end.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.75	6.75	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75

According to the Belarusian Association of Journalists (BAJ), total state subsidies for governmental media outlets amounted to at least €60 million in 2013.²² Unlike independent media, they are guaranteed distribution through state-monopolized press distributors Belposhta and Belsoyuzdruk.

In the absence of elections or significant political events for most of 2013, the regime had no special cause to escalate its systematic suppression of independent media activity. Efforts to mitigate Belarus's economic woes by improving relations with the West even led to some positive developments.²³ In June, state security officials announced that the criminal investigation into the so-called teddy bear stunt of 2012—in which hundreds of teddy bears carrying signs supporting free speech were airdropped in the capital and surrounding areas by a Swedish advertising firm—was closed. Charges against Anton Suryapin, a blogger and photojournalist who was the first to capture the incident on film, were dropped. Suryapin had been facing up to seven years in prison for alleged complicity in an

illegal border crossing. In July, a Minsk court lifted the two-year suspended sentence handed down to journalist Iryna Khalip, a correspondent for Russia's *Novaya Gazeta* newspaper, which she had received in May 2011 for taking part in the 2010 postelection protests. Two other journalists arrested after the protests, Sergei Vozniak and Alexander Feduta, saw their prison terms expire in July. In September, a court in the western city of Hronda threw out the 2011 sentence received by Andrzej Poczobut, a correspondent for the Polish national daily *Gazeta Wyborcza*. In July 2011, Poczobut had been sentenced to three years in prison, with two years suspended, for allegedly libeling the president in a series of articles he published in several independent outlets. An additional charge of libeling the president that was filed in 2012 was dropped in March 2013. The beleaguered monthly cultural magazine *ARCHE* also saw criminal charges against it dropped in March. The magazine's bank accounts—frozen since October 2012 over allegations of “financial irregularities”—were unblocked, and its registration was finally reinstated in May.²⁴ *ARCHE* will be re-included in the Belposhta press catalogue and available by subscription as of January 2014, as will *Borisovskie novosti*, a newspaper that has been excluded from Belposhta's pages since before the 2006 presidential elections.

Norwithstanding these individual concessions, everyday conditions for independent journalism remained highly restrictive, and a number of new arrests took place. Over the course of the year, the police detained at least 45 journalists and bloggers while they were attempting to cover protests or other political events. In April, six journalists were arrested while covering an annual march—which had been approved by the government—to commemorate the 1986 Chernobyl nuclear disaster. Radio Racyja reporters Alexander Yaroshevich and Gennady Barbarich were detained for three days. Journalists Oksana Rudovich and Irina Arekhovskaya from the independent newspaper *Nasha Niva* were arrested when they attempted to film plainclothes officers beating another protester. They were taken to a local police station, where officers examined their cameras and memory cards before releasing them. In October, at least 10 journalists were detained at the Minsk train station while waiting for the arrival of Pavel Sevyarynets, a political prisoner who had just been freed. The journalists were released only after Sevyarynets left the train station. Members of the BAJ appealed to the head of the Minsk Internal Affairs Department in this matter but were informed that there had been faults on both sides and turned away.²⁵ In November, Minsk police detained journalists Anastasia Reznikova and Vyacheslav Peshko and filmmaker Olga Nikolajchik. They were waiting near a detention center to cover the release of Yury Rubtsov, who had been arrested for refusing to take off an anti-Lukashenka T-shirt.

In September, the 2007 Law on Countering Terrorism²⁶ was used against a publication for the first time. The Information Ministry decided to strip the Minsk-based publishing house Logvinov of its license for publishing a book of photos deemed “extremist.”²⁷ The album in question showcased the results of the Belarus Press Photo 2011 photojournalism contest. Logvinov filed a complaint to the Supreme Economic Court, which confirmed the authorities' decision to revoke the license.²⁸

According to the International Telecommunications Union (ITU), Belarus had an internet penetration rate of 54.17 percent in 2013, compared with 46.91 percent in 2012.²⁹ A report by BAJ notes that the majority of users go online for email and search engines, rather than online news outlets.³⁰ The government has responded to increasing internet penetration in Belarus by restricting and monitoring online activity, particularly as the influence of social media among younger Belarusians grows. In December, Lukashenka issued a decree appointing his aide and the head of the Department of Ideology, Vsevolod Janchevsky, as coordinator of all internet media activity and television broadcasting.³¹ In this role, Janchevsky will also approve all regulations in the spheres of information, information and communication technology, and telecommunications, as well as state investment projects in these and other areas.

The state-owned telecommunications company Beltelekom, Belarus's sole internet service provider (ISP), controls all international data transfers and blocks some critical websites, while the KGB reportedly monitors internet communications and is believed to be behind the use of Trojan viruses to steal passwords from editors of critical websites. Government attempts to reduce the readership of independent news websites like Charter97.org and BelarusPartisan.org resulted in a 2011 resolution requiring ISPs to block access to these and dozens of other sites from all state, cultural, and educational institutions. Independent news websites and social-networking platforms were subject to cyberattacks from unknown sources on several occasions during the year. In April, BelarusPartisan.org and the website of human rights NGO Viasna were both hacked; the same week, a distributed denial-of-service attack was launched on the BAJ website.

At a November 2013 ministers' meeting, Deputy Information Minister Dmitry Shedko proposed that the most popular online news platforms be given mass media status, making them more accountable for their content under the media law. This would also allow their registration to be revoked if they are found in violation of the law.³² The only positive effect of this change would be to make it easier for online journalists to become accredited.³³

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75

President Lukashenka directly appoints heads of Belarus's regional and district administrations. Progovernment political forces also dominate directly elected local councils. The next round of local elections, scheduled for March 2014, will take place under a revised election code that imposes still more restrictions on alternative candidates' ability to campaign effectively. Opposition groups have a weak presence outside of Minsk and concentrate most of their activities at the national level.

Local officials have extensive responsibilities in carrying out central government programs, especially in the areas of health, administration, and infrastructure; only

a few services, such as institutions of higher education and medical clinics, are directly administered by central government bodies. However, local governments are often underfunded due to the lack of local revenue sources. The system of local governance in Belarus also includes local units of self-government,³⁴ which serve as consultative bodies to local councils. These can be formed on a voluntary basis with no funding from the budget.

As the economic situation deteriorated in 2013 and the central government struggled to find competent administrators, the state appeared inclined to delegate additional powers to local authorities. When he appointed new regional governors in November, President Lukashenka called upon them to take more responsibility and initiative, encouraging local authorities to work directly with the responsible government ministries on issues related to the modernization of state enterprises. This set of rights obviously exceeds the one originally granted by the constitution and by the Law on Local Governance and Self-governance. Announcing the changes, Lukashenka said: “You [governors] are like presidents: in charge of the land you’ve been given. You have broad rights. Go for it! You are accountable only to the president.”³⁵

Civic groups at the local level commonly eschew political agendas and try to engage the authorities in non-political issues of local importance. In August, the activists of the “Tell the Truth” movement successfully filed complaints on behalf of local residents of the Brest region regarding pavement and street construction.³⁶ However, even focusing exclusively on non-political issues does not always prevent the authorities from treating local NGOs as opposition groups, especially if the NGOs are known to have broader political goals.

Local councils and their administrations are responsible for hearing locals’ complaints. Many believe that the central government allows criticism at the local level in order to monitor and contain public frustrations before they reach national political discourse. Often, public hearings are just opportunities for local officials to voice and reinforce views articulated by the government. When “Tell the Truth” activists proposed a local referendum over the construction of a Chinese-funded industrial complex outside of Minsk,³⁷ local council members merely passed along assurances from the central authorities and continued with plans for the complex.³⁸

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00	7.00

Due to the absence of checks and balances in the Belarusian political system, the judicial branch lacks any genuine independence. Judges and prosecutors regularly defer decision-making to the executive branch for fear of jeopardizing their careers.

President Lukashenka himself appoints and dismisses all judges based on recommendations by the justice minister and by the chairman of the Supreme

Court—both of whom are also appointed by the president.³⁹ Judges are appointed initially for five years and then reappointed, either permanently or for another five-year term. The criteria for permanent reappointment are not defined in the Code on Structure of Courts and Status of Judges. The presidential administration also determines judges' salaries and benefits, while local authorities control their housing privileges. Mikhail Pastukhou, a former member of the Constitutional Court, told journalists: "As far as their status is concerned, the judges are state officials."⁴⁰

Representatives of human rights organizations and the regime's political opponents are regularly targeted for administrative arrest, usually on dubious charges ranging from swearing in public to disorderly conduct of which conviction is all but guaranteed. In August, Tatsiana Raviaka and Uladzimir Labkovich were detained and fined for handing out postcards in support of the jailed human rights activist Ales Bialiatski.⁴¹ In March, the Legal Transformation Center "Lawtrend" published the results of court-hearing monitoring conducted by its experts in 2012 that showed violations of procedural guarantees in most cases, as well as restriction of the freedoms of assembly and expression. Lawtrend representatives attended 33 hearings in 12 district courts related to administrative offenses such as participation in unsanctioned public events, hooliganism, and resistance to police actions. Frequently, the experts were blocked from attending the hearings.⁴²

On 20 June, the deputy chairman of the Mahilyou Kastychnitski District Court, Mahamed Umarau, and lawyer Anatol Homanau were detained on bribery charges.⁴³ In November, Deputy Chief Prosecutor Aliaksandr Arkhipau was sacked and then detained for alleged bribe-taking and abuse of office.⁴⁴ For years, Arkhipau had participated zealously in the prosecution of protesters and opposition members, as a result of which he received an EU travel ban.

According to Viasna, at the beginning of 2013, there were 12 political prisoners in jail, while 40 more individuals not actually in detention were subject to random police visits, travel restrictions, and other violations of their political rights and civil liberties.⁴⁵ Four political prisoners completed their terms during the year: "Tell the Truth" campaign activist Vasil Parfyankou, Young Front leader Zmitser Dashkevich, anarchist movement member Alyaksandr Franckievich, and Belarus Christian Democracy Party co-chair Pavel Sevryynets. Meanwhile, human rights organizations agreed to recognize Andrei Haidukov—arrested in 2012 for allegedly "making a cache of information that could interest [other governments'] foreign intelligence agencies"—as a political prisoner. In December, civil activist Uladzimir Yaromienak was sentenced to three months' incarceration for allegedly violating the terms of his preventative supervision. Parfyankou, who had been released earlier in 2013, faced yet another set of criminal charges and was sentenced to a year at a labor colony for the same crime. As a result of these events, the total number of political prisoners was back up to 11 at year's end.

Prison conditions in Belarus are notoriously poor. Speaking before the United Nations Human Rights Council in June 2013, the UN Special Rapporteur on the situation of human rights in Belarus, Miklós Haraszti, expressed concern that the

conditions of Belarusian prisoners' incarceration, as well as the psychological and physical pressures on them, might amount to abuse and sometimes even torture.⁴⁶ Haraszi was not given an opportunity to visit the country in 2013. In August, Igor Ptichkin died on his third day in a Minsk pretrial detention facility, where he had been held on charges of illegal driving. Human rights advocates and Ptichkin's family allege that his death was caused by torture and other physical abuse. As a result of public pressure and mass protests staged outside the prison, the Prosecutor's Office was forced to initiate a criminal case, ongoing at year's end, against the guards responsible for the murder.⁴⁷ In September, inmate Mikalay Autukhovich—a civic activist who was jailed in 2008 for "illegal handling of arms and explosives"—cut his own stomach with a razor in an act of protest against abusive treatment by prison administrators.⁴⁸

In April, the parliament adopted some technical reforms though the Law on Constitutional Law Administration but took no steps to increase citizens' access to the Constitutional Court. Currently, only authorized bodies (the Office of the President, the Council of Ministers, both chambers of the parliament and the Supreme Court) have the authority to refer a case to the Constitutional Court. Not a single case has reached the Constitutional Court in the last five years.⁴⁹

In November, the parliament adopted amendments to the Administrative Offences Code, Procedural Code, and Executive Code, all in a single session. Already empowered to impose fines for minor offences, the police now have the right to issue fines for some more administrative offences. Defendants have the option of turning to a court instead, knowing that this will probably mean spending some time in custody before their case is heard. Former lawyer Tamara Sidarenka—who was disbarred in 2011 after defending the two presidential candidates arrested in December 2010—has spoken out against the recent expansion of police authority, saying that it may result in arbitrary detentions by police.⁵⁰

Also in November, Lukashenka announced plans to merge all general, economic, and martial courts into a single court system, a stipulation of the Eurasian integration process. The merger will require changes to the constitution, which calls for the existence of the Supreme Economic Court. Legally, amendments to the constitution require a public referendum, but the deputy head of the presidential administration, Uladzimir Mitskievich, said the report could be changed without an amendment.⁵¹

The application of the law usually emphasizes procedure over substance or international human rights norms. For the first time since 2009, the Supreme Court repealed a lower court's ruling in October, overturning a death sentence in a brutal murder case and sending the case back to its original province-level court for a new hearing.⁵² The deputy head of Viasna, Valiantsin Stefanovich, asserts that the Supreme Court would only have made such a decision based on a close review of all the evidence.⁵³ Anti-death penalty advocate Andrei Paluda agreed that the decision was likely due to procedural violations during the investigation and the initial hearing, as well as the defendant's alleged mental disorder. Human rights defender Hary Pahaniayla noted that the Supreme Court may have been trying to avoid the

increased public and international scrutiny that cases involving defendants with mental disorders have received.⁵⁴

In November, the UN Human Rights Committee (UNHCR) ruled that the Belarusian state had violated numerous articles of the International Covenant of Civil and Political Rights during the trial and execution of Andrei Zhuk in 2010.⁵⁵ There are four more such appeals pending at the UNHCR relating to death sentences handed down by Belarusian courts. Three of the executions have already been carried out.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.25	6.25	6.25	6.00	6.00	6.00	6.25	6.25	6.25

Belarus's legal anticorruption framework is quite well developed. It contains a test for the corruption potential of draft laws planned for consideration by the parliament, as well as legislation defining and banning conflicts of interest. In 2003, the government issued the State Program on the Struggle against Crime and Corruption, an action plan intended to better coordinate the activities of all law enforcement bodies.

Nevertheless, corruption remains widespread. According to the Office of the Prosecutor General, the number of registered corruption offenses during the first half of 2013 increased 13.2 percent compared to the same period in 2012.⁵⁶

Belarus's public sector dominates the economy, generating more than half of GDP,⁵⁷ and the vast discretionary power of bureaucrats to regulate economic activities creates ample opportunities for extortion. This is especially true in profitable and overregulated sectors such as trade, exports, construction, and petrochemicals.⁵⁸ In addition, the process of privatizing state property suffers from a lack of transparency.

The introduction of the so-called "golden share" policy in mid-2013, which was previously in effect from 1997 to 2008, expanded opportunities for extortion and abuse of power among officials. The law allows the state to "protect" minority shareholders in enterprises with governmental shares of less than 50 percent by sending a government representative to vote on their behalf in any shareholder meetings they are unable to attend. The authorities can also appoint a government representative in enterprises without any governmental share. The representative has the power to overturn shareholders' decisions in the cases where "the implementation of these decisions is contrary to the public good and safety, harms the environment, or infringes on the rights and legally protected interests of others."⁵⁹ In addition to increasing state regulation of business operations, the "golden share" policy can be easily used to expropriate assets through extortion and pressure on minority shareholders.

The government's capacity to influence business operations and property rights in Belarus is already very high. Early in the year, the wool fabrics manufacturer

Sukno issued additional shares and transferred them to the government, reducing minority shareholders' stake in the company from 35 percent to less than 20 percent and giving the government a controlling interest in one of the country's largest light industry enterprises.⁶⁰ According to minority shareholder Yuri Pashinin, the decision was undertaken without a shareholders' meeting, and the protocol "proving" that such a meeting had taken place was forged.⁶¹ The minority shareholders, including a number of Russian citizens, tried to challenge the decision before the Supreme Economic Court of Belarus, which declined their claim on the grounds that they had missed the filing deadline.⁶²

In August, the Belarusian government seemingly put its own business interests ahead of one of its most precious (and volatile) assets, good relations with Russia. Belarus authorities arrested the director of Uralkali, Russia's largest potash fertilizer producer, shortly after the company broke off its consortium with state-owned monopoly Belaruskali, depriving Belarus of significant revenue and causing a 15–20 percent drop in global potash prices.⁶³ The committee tasked with the investigation alleged that Uralkali's director, Vladislav Baumgertner, had concealed information about the Uralkali-Belaruskali cartel's finances and manipulated information on potash market prices for personal gain.⁶⁴ Baumgertner, who had arrived in Minsk on 26 August at the invitation of Belarusian prime minister Mikhail Myasnikov, was detained at the airport shortly after the meeting's conclusion and kept under house arrest for several months. Lukashenka ultimately agreed to extradite Baumgertner to Russia on the condition that Russia would press criminal charges against him, which it did in late October. Baumgertner finally returned to Moscow after Uralkali sold a minority share to a Belarusian business owner. Belarus also put out warrants against Uralkali's four top managers and its largest shareholder, Russian oligarch Suleiman Kerimov. Baumgertner remained under house arrest (in Russia) at year's end, and the warrant for Kerimov's arrest remained open.

Throughout 2013, the absence of customs controls at the Belarus-Russia border contributed to the existence of profitable money-laundering schemes. Under the rules of the Eurasian Economic Area and Customs Union—which included Russia, Belarus, and Kazakhstan in 2013—an importer need only to show a waybill (which can be easily forged) in order to receive goods from across the border. Over the last several years, a high number of bogus import companies have been created in Belarus and Kazakhstan in order to launder illegal funds from Russia. Analysts agree that the prolonged existence of such bogus companies would be impossible without the complicity of Belarusian officials. The Central Bank of the Russian Federation estimated the total amount transferred through such financial operations by Belarusian companies in 2013 at \$15 billion.⁶⁵

Corruption sweeps are not uncommon in Belarus; they keep Lukashenka's allies loyal and also show citizens who is to blame for the country's economic woes. The year 2013 saw an unusually large number of criminal charges against high-level bureaucrats and head executives of government-owned enterprises. In February, the media reported that three unnamed officials from the Office of the President had come under investigation for alleged embezzlement.⁶⁶ In April, the deputy minister

of sport and tourism, Sergey Nered, was arrested for bribery.⁶⁷ In July, the KGB detained Sergei Sidko—the chairman of Belkoopsoyuz, one of the government’s largest multisector enterprises—along with several of his subordinates on suspicion of bribery. According to the State Security Committee’s information, the amount of bribes taken by Sidko and his subordinates reached up to \$500,000.⁶⁸ Finally, in October, police arrested the deputy director of the state-owned company “Belneftekhim,” Vladimir Volkov, for allegedly accepting a \$19,000 bribe.⁶⁹

A recent Transparency International study on corruption in defense and security gave Belarus a grade of D- due to its nontransparent procurement processes, particularly where defense and security spending is concerned.⁷⁰ In March 2013, UN experts accused Belarus of selling Su-25 military aircraft and S-8 “air-land” missiles to Sudan, bypassing the UN’s embargo on arms sales to that country.⁷¹

Belarus’s ranking improved by one place (from 64 to 63) in the World Bank’s *Doing Business* report for 2013. The report notes a reduction in requirements for dealing with construction permits, starting a business, and getting electricity. At the same time, Belarus’s ranking in the area of bankruptcy procedures declined quite dramatically, from 56th to 74th place.⁷²

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Bosnia-Herzegovina

by Dino Jahić

Capital: Sarajevo
Population: 3.8 million
GNI/capita, PPP: US\$9,650

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.25	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25
Civil Society	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Independent Media	4.00	4.00	4.00	4.25	4.50	4.50	4.75	4.75	4.75	4.75
National Democratic Governance	4.75	4.75	4.75	5.00	5.00	5.25	5.25	5.50	5.50	5.75
Local Democratic Governance	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Judicial Framework and Independence	4.25	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	4.25
Corruption	4.50	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.75	4.75
Democracy Score	4.18	4.07	4.04	4.11	4.18	4.25	4.32	4.36	4.39	4.43

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

EXECUTIVE SUMMARY

A longstanding political crisis continued to paralyze state-level governance in Bosnia and Herzegovina (BiH) in 2013. Crucial reforms stalled while the economy floundered, prompting European Union (EU) officials to cut down on funding and suspend discussion of future grants.

The country's first population census since 1991 was conducted in October, after years of delay. Full census results, which the government says will be published no sooner than the end of 2014, may trigger changes in the electoral process and the representation of different ethnicities in state- and entity-level institutions.

Discrimination against minorities and segregation in some schools persists. The year saw no major achievements in anticorruption efforts, hampered in part by a highly politicized judiciary. In June, the public pushed back against negligent state-level governance with a series of protests over legislative delays that prevented newborns from receiving identification documents.

National Democratic Governance. Politicians in BiH remain unwilling or unable to compromise for the sake of achieving short- or long-term goals, even the ones they claim to share. All year, personal and interparty disputes sidelined important economic and social questions. Even the completion of the 2013 population census—Bosnia's first since 1991, and an important milestone—was deeply politicized and partly marred by accusations of irregularities. Unfulfilled promises to the EU prompted significant funding cuts. As BiH politicians fail to reach consensus on key issues and jeopardize their country's progress towards EU membership, *BiH's national democratic governance rating declines from 5.50 to 5.75.*

Electoral Process. Campaigning for the 2014 general elections began in 2013. Legislators failed to adopt two key electoral amendments based on recent Constitutional Court rulings and proved unable to agree on changes to voting and vote counting procedures. The EU may not recognize the 2014 election results because leaders failed to amend the constitution in line with a 2009 European Court of Human Rights (ECHR) verdict on protecting minority rights. *BiH's electoral process rating remains unchanged at 3.25.*

Civil Society. When stalled legislation threatened the lives of newborn infants, protests erupted in Sarajevo over the political infighting that has hijacked the country for years. The demonstrations spread to other cities and towns but never grew into a nationwide antigovernment movement. Though active, nongovernmental

organizations (NGOs) struggle financially, depending on funding from local governments and international donors, and have little influence over political decision-making. The education system remains ethnically divided. *BiH's civil society rating remains unchanged at 3.50.*

Independent Media. The media market is overcrowded and divided along ethnic, entity, and political lines. Journalism education and training are weak, resulting in low standards that make it easy for political elites to manipulate coverage. Though most media struggle financially, 2013 saw the proposal of a new public broadcaster. The changeover from analog to digital is behind schedule. *BiH's independent media rating remains unchanged at 4.75.*

Local Democratic Governance. The year saw efforts to strengthen local self-governance through new legislation to clarify the role of municipal authorities. However, local administrations remain financially and politically dependent on entity and state-level governing bodies. Launched in January, an internationally backed effort to reform the Federation of Bosnia and Herzegovina (FBiH) constitution led to several proposals for streamlining the entity's notoriously complex governance structure. None were implemented by year's end. *BiH's local democratic governance rating remains unchanged at 4.75.*

Judicial Framework and Independence. The EU "Structured Dialogue on Justice," a key reform process aimed at increasing judicial independence, efficiency, and accountability, continued in 2013. Several changes are under discussion, including a new state appellate court, but the dialogue has yielded few concrete results, and politicians continue to propose changes outside the talks. Case backlogs remain high. Some war crimes cases must be retried under a Yugoslav-era criminal code following a July ECHR ruling. Public trust in the judiciary is low, partly because politicians rarely face justice for corruption and other crimes. *BiH's judicial framework and independence rating remains unchanged at 4.25.*

Corruption. There were no significant anticorruption achievements in 2013. The international community and NGOs still do more to fight graft and misconduct than local officials. Abuse-of-office investigations were launched against FBiH President Živko Budimir and FBiH Deputy Prime Minister Jerko Ivanković Lijanović, but there is broad concern that the charges are political. Anti-corruption legislation remains weak, and implementation of the Strategy for the Fight Against Corruption is behind schedule. Organized crime and weapons trafficking are key problems. *BiH's corruption rating remains unchanged at 4.75.*

Outlook for 2014. Before the 2014 general elections, BiH politicians will probably make key legislative changes necessary to conduct the polls, but implementation of the 2009 ECHR ruling is doubtful. Campaigning will dominate the political stage while key budgetary, social, and other challenges languish. Governments at all levels

face high deficits, loans are coming due, and the suspension of talks on EU assistance funding will further strain public finances. Strikes and public demonstrations are likely, due to persistent high unemployment, among other economic concerns. BiH will continue to miss EU accession deadlines while political and economic reforms flounder.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	4.75	4.75	5.00	5.00	5.25	5.25	5.50	5.50	5.75

Eighteen years since the end of the Bosnian War, the two-entity federation of Bosnia and Herzegovina (BiH) remains fragile and politically dysfunctional. Throughout 2013, an on-again, off-again political stalemate prevented effective governance at the national level and impeded progress toward European Union (EU) and NATO membership goals. Personal disputes dominated politics and public discourse, overshadowing important social and economic questions.

Under the constitution, which was written as part of the 1995 Dayton Peace Agreement (DPA), BiH is divided into largely autonomous administrative units, making it difficult to implement nationwide reforms. BiH operates under international supervision as an asymmetrical federation between the centralized, Serb-dominated Republika Srpska (RS); the Federation of Bosnia and Herzegovina (FBiH), which is divided into 10 cantons with Bosniak or Croat majorities; and Brčko District, a separate administrative unit in the northeast with its own governing institutions. The stability of BiH remains dependent on the Office of the High Representative (OHR), which is responsible for the civilian implementation of the DPA, and the European Union (EU) Delegation to BiH, which guides the country towards EU accession. The EU Delegation is increasingly influential and is slowly taking a leading role in talks with local politicians.

BiH's complex political system includes a rotating, tripartite presidency with one Bosniak, one Serb, and one Croat representative. The Council of Ministers operates as a state-level government with nine ministries but does not administer certain key policy areas such as industry, education, or culture. The Parliamentary Assembly of BiH comprises two houses: the House of Representatives and the House of Peoples, each representing two entities and three dominant ethnicities. Both entities have their own governments and parliaments. Each canton in FBiH has a government and a parliament.

Mirroring the behavior of their FBiH counterparts the previous year, politicians in the RS entity also reshuffled government positions and changed coalition partners in 2013. The government led by Prime Minister Aleksandar Džombić resigned in late February, acting on instructions from RS President Milorad Dodik, who is also the leader of Džombić's Alliance of Independent Social Democrats (SNSD) party. The outgoing prime minister said his cabinet had proved unable to effectively combat the global financial crisis and high unemployment rate.¹ Replacements were appointed about 15 days later, with Željka Cvijanović becoming the first woman to lead an RS government. The move proved largely cosmetic, resulting in no significant policy changes during the year.

Conflicts between RS parties affected the makeup and functioning of state-level governing bodies, as well. In September, the SNSD broke off its coalition with the Serb Democratic Party (SDS), saying the latter had violated the terms of the coalition agreement. In a power grab, President Dodik dismissed SDS members from the BiH Council of Ministers, resulting in the replacement of BiH Minister of Foreign Trade and Economics Mirko Šarović in October, as well as two SDS deputy ministers; an additional member of their party, Ognjen Tadić, was dismissed from his post as president of the House of Peoples in November.

Throughout the year, interparty conflicts also paralyzed governing institutions in the FBiH. Having broken its coalition with the Party of Democratic Action (SDA) in 2012, the Social Democratic Party (SDP) formed a new partnership with the Alliance for a Better Future (SBB) and two Croat Democratic Union parties, HDZ and HDZ 1990. This coalition was unstable from the beginning and, as the year came to an end, it became clear that another reshuffle was imminent. In December, SBB President Fahrudin Radončić announced that his party was leaving the coalition.² In February, the House of Representatives of the FBiH parliament attempted to dissolve the FBiH government through a vote of no confidence, continuing efforts to eject ministers from the SDA and two smaller Croat parties—the People's Party Work for Betterment (NSRzB) and the Croat Party of Justice (HSP). However, Bosniak delegates in the House of Peoples preempted the dissolution by initiating a so-called vital national interest protection procedure,³ landing the case before the FBiH Constitutional Court. At year's end, no decision had been reached on this or two other challenged parliamentary decisions—the appointment of former FBiH vice-president and Court of BiH judge Sahbaz Džihanović to the Constitutional Court of FBiH⁴ and the requested dissolution of the managing board of FBiH's national broadcaster. All three decisions require approval by the Council for Vital National Interest Protection of the Constitutional Court but are blocked because the council is not operational. FBiH President Živko Budimir and FBiH Deputy Prime Minister Jerko Ivanković Lijanović have blocked the appointment of one of its members.⁵

While political leaders spent another year attempting to oust one another, efforts with regard to EU membership stagnated. The Center for Civic Initiatives (CCI), an organization that monitors the efficiency of governments and assemblies at all levels of power, noted in its October 2013 report that the ineffectiveness of the BiH Council of Ministers and Parliamentary Assembly make them an obstacle rather than an engine on the country's road toward the EU.⁶ According to the report, in the first nine months of the year, state ministries achieved less than half of what they had each planned, while the Parliamentary Assembly did not adopt a single new law. By comparison, legislators in Montenegro adopted 55 laws during the same period, Serbia adopted 90, and Croatia adopted 235. The European Commission's 2013 Progress Report notes that BiH is at a standstill in the European integration process, while other countries in the region are moving ahead.⁷

BiH and the EU signed a Stabilization and Association Agreement (SAA), a pre-accession instrument, in June 2008, but the SAA is not yet in force because of

unfulfilled commitments, including important constitutional changes. Currently, BiH's constitution limits representation in the tripartite state presidency and House of Peoples to Bosnia's three main ethnic groups—Croats, Serbs, and Bosniaks—effectively discriminating against Jews, Roma, and other minorities. In the 2009 *Sejdić-Finci* case, the European Court of Human Rights (ECHR) ruled that this stipulation violates the European Convention on Human Rights. In 2012, most influential BiH politicians agreed to reform the constitution in line with the court's ruling as part of a “roadmap” of deadlines and obligations BiH must meet on its way to EU accession. The other important component of the roadmap is the establishment of an effective coordination mechanism on EU matters between all levels of government. Lack of progress on both issues in 2013 prompted the EU to cut Instrument for Pre-accession Assistance (IPA) funding for projects ranging from judicial reform to demining by 54 percent, or €47 million.⁸ Discussions on a new IPA (2014–20) were put on hold. In December, the Prosecutor's Office of BiH launched an investigation to determine who is to blame for the failure to implement the *Sejdić-Finci* ruling and the resulting EU funding cut.⁹ RS President Dodik, meanwhile, said he had no regrets about losing the money because it was for the state—not entity—level government.¹⁰ In December, he reiterated that the RS aims to become independent.¹¹

BiH also failed to register immovable military property and place it under BiH the Defense Ministry's control—a key step toward full NATO membership.

The delay in passing the state-level Law on Single Reference Numbers epitomizes the increasingly dysfunctional nature of state-level governance in BiH. In May 2011, the state Constitutional Court ruled that the Law on Single Reference Number was not in tune with the Constitution since RS changed the names of some municipalities. The Court ordered the Parliamentary Assembly of BiH to update the law by February 2013, when the old version would expire. For two years, leaders were at loggerheads over the law that, among other things, enables newborns to obtain ID numbers so they can travel and receive public services such as health care. Bosniak, Croat, and Serb legislators could not agree on the assignment of ID numbers, particularly on an RS request that its citizens receive a separate set of numbers.¹²

The RS government adopted regulations on issuing ID numbers for that entity in May, but no measures were taken in FBiH. Public protests began in June after reports that a sick newborn could not travel abroad for urgent medical treatment because her parents could not get her a passport without an identification number. In response, the Council of Ministers adopted a motion allowing infants to acquire temporary IDs. Unsatisfied, thousands of Bosnians took to the streets on 6 June, blockading the Parliamentary Assembly. Bosnian Serb legislators used the protests as an excuse not to attend parliamentary sessions for a month,¹³ and parties from FBiH seemed equally happy to take a month off. The full version of the state-level Law on Single Reference Numbers was finally adopted in November. It defines nine registration areas divided by entity borders, as RS politicians have demanded from the beginning.¹⁴

Another longtime casualty of political gridlock has been the BiH state census. Until October 2013, the population data guiding many decisions within Bosnia's complex territorial and political structure were based on estimates and prewar (1991) statistics. Gridlock between political parties over the nature and use of population data—specifically as regards ethnicity and language—prevented a new census from being held for nearly two decades after the war. New survey data reflecting the demographic aftermath of the 1992–95 bloodshed could affect the formation (ethnic representation) of future governing structures—thus, all ethnicity-based political parties have a stake in the survey's outcome.

Bosnia's state statistical agency declared the 2013 census a success,¹⁵ though some reports cast doubt on the reliability of collected data. There were census takers who claimed that they had been offered money to falsify data;¹⁶ others were caught interviewing citizens in restaurants, rather than going door-to-door. Many people were left unlisted, while other households reported 20–30 members. Throughout the pre-census campaign, politicians urged Bosniaks, Serbs, and Croats living abroad to register in Bosnia to inflate headcounts.¹⁷ It was also discovered that census takers were storing both blank and completed census materials at their homes because storage spaces had not been prepared in time; this not only created opportunities for census fraud but also left personal data, such as ID numbers, unprotected.¹⁸ There were reports that some census materials were destroyed, while others inexplicably went missing, forcing the Agency for Statistics to print an additional 50,000 packets of material for use in the RS, mid-census.¹⁹ The census had to be repeated in some parts of the Srebrenica municipality after state border police discovered two attempts to transport blank census materials across the border—first from BiH to Serbia, and then from Serbia to BiH. Political power in Srebrenica, the site of a huge massacre of Bosniaks during the war, is hotly contested between Bosniaks and ethnic Serbs, making the census results very important for all sides.²⁰

According to the survey's preliminary results, BiH currently has 3,791,622 inhabitants—nearly 600,000 fewer than in 1991.²¹ Data on ethnic representation were not yet available at year's end.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25

Municipal and parliamentary elections are held every four years in BiH, in cycles two years apart. It has been suggested that local and national elections merge onto a single schedule to reduce campaigning and costs, but this will not happen before the 2014 parliamentary polls. There is concern that the EU will not recognize the election results because of the government's failure to implement the Sejdić-Finci ruling.²²

Due to the frequency of elections, there is little break between campaign seasons. After elections, considerable time is wasted while the parties form coalitions, at which point it is campaign season again. In 2013, census campaigning exacerbated

this dynamic, and, with partial results expected in 2014, there is concern that the parties will use the census as a campaign tool to appeal to their ethnic bases. The census results could also spur changes to the electoral process.

Electoral legislation in BiH still needs to be amended in line with two Constitutional Court rulings. In May 2011, the court ruled that state-level electoral law must be updated to reflect changes in the names of several RS municipalities after the war. Meanwhile, the city/municipality of Mostar has been unable to hold municipal elections since a mid-2012 ruling that it is discriminatory and unconstitutional for an area of the city with a population of almost 30,000 citizens to elect the same number of delegates to the city council as an area with 7,000 inhabitants.

Three nearly identical amendments were proposed for parliamentary debate to address the RS name issue in 2013—two by the SNSD and one by the SDS. The House of Representatives of the state parliament adopted the amendment proposed by the SDS, but, 11 days later, the House of Peoples voted to accept one of the SNSD's proposals.²³ The issue was unresolved at year's end. In May, the Council of Ministers adopted amendments to address Mostar's legislation, but, due to objections from Bosniak parties, these were rejected (twice) by the Parliamentary Assembly's constitutional commission.²⁴ According to the Central Electoral Commission (CIK), legislation pertaining to Mostar need not be amended in order to hold the 2014 elections; however, the RS municipality names must be updated soon so that the CIK can adopt some 40 bylaws by the election announcement deadline in May 2014.²⁵

The Council of Ministers proposed other electoral amendments during the year, including a stipulation—part of an SDP-SNSD agreement—that ballots would now be counted locally rather than at the national level. Another proposed amendment would have introduced closed election lists, with voters casting ballots for parties only and leaving the choice of parliamentary deputies to the parties themselves.²⁶ These amendments were rejected, as critics claimed that they would increase party power at the expense of state institutions.²⁷

In November, the CIK joined the tripartite Supervisory Board of the new Association of World Election Bodies, with Hadziabdić as president.²⁸ Still, at home the CIK faced strong criticism from the BiH chapter of Transparency International. The watchdog slammed the CIK for suspending proceedings against the SNSD and other political parties for accepting prohibited contributions, misusing budget funds during campaigns, and other violations of the Law on Financing Political Parties after the Court of BiH repeatedly dismissed related CIK sanctions. Considering that sanctions are already low for such transgressions, Transparency said, the CIK's decision could encourage parties to violate the law.²⁹

A newcomer to the BiH political scene, the Democratic Front BiH was founded in April by the Croat member of the BiH Presidency, Željko Komšić, who left the SDP in 2012. In March, FBiH President Živko Budimir left the Croat Party of Justice (HSP) to form the Party of Justice and Confidence. Its reputation suffered early after several members were investigated and arrested for corruption and other charges.

During 2013, elections were only held for the mayor of Kresevo, in December, after the incumbent stepped down to focus on his business.³⁰

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50

Bosnian citizens rarely unite around a single issue or cause, but 2013 saw a notable exception when mass protests formed to demand the right of newborns to receive official identification numbers.

Initially, many in BiH saw the government's failure to update the Law on Single Reference Numbers by February as just another example of political incompetence and infighting, but outrage erupted after the reports that a 3-month-old baby could not travel abroad for urgent medical care. On 5 June, a small protest group spontaneously blocked entrances to the state parliament, prompting the Council of Ministers to pass a measure allowing newborns to receive temporary identification numbers. Unhappy with this short-term fix, thousands of people took to the streets the next day, surrounding some 1,500 parliamentarians, staff, and international guests in the parliament building. The blockade lasted until the early morning of 7 June, when Valentin Inzko, high representative for BiH, helped negotiate a settlement.³¹

Nationalists of all stripes attempted to undermine the protest's significance as a unified show of civil disobedience blind to ethnicity. The movement nevertheless gained huge support nationwide as demonstrations spread to other cities and towns, even in the RS, where the government had updated the ID legislation in May. People from all over the world also expressed support, and gatherings were held in solidarity with the Bosnian protesters across the Balkan region. In Sarajevo, protests continued for weeks over the government's feeble response and, more broadly, the dysfunctional political and economic climate. The movement lost momentum after a planned July protest that was supposed to overtake Sarajevo only drew a few thousand people. Other small-scale protests popped up throughout BiH over a range of issues but never represented an organized popular antigovernment movement.

In BiH, the term "civil society organization" covers everything from sports clubs and veterans' groups to humanitarian organizations. In 2013, the government slightly increased consultation with foreign and domestic NGOs in drafting legislation on public procurement, whistleblower protection, and other areas, though only after considerable lobbying by these groups.³² Foreign-financed NGOs are watchdogs in key areas such as anticorruption, and some played an important role in monitoring the census. However, NGOs could not survive without funding from international donors and local government budgets. The allocation of public funds is opaque: procurement procedures within state institutions are unclear, and many receiving organizations do not submit financial reports. In 2012, authorities allocated some €50 million for NGOs; all the funds were distributed, though only about €17.5 million was allocated via public tenders and procurement procedures.³³

The education system is shaped and divided by ethnicity. In the RS, for instance, only a Serb curriculum (language, history, religion) is taught. Bosniaks in Konjević Polje, a town in northeast RS, protested this system in 2013 by pulling their children out of school and demonstrating outside the OHR building in Sarajevo. By year's end, the children had not attended school since September. Bosniaks from the RS town of Vrbanjci also kept their children out of school for the fall semester.³⁴

Some parts of the FBiH still employ the “two schools under one roof” system in which Croat and Bosniak children study in the same building but have separate entrances, classrooms, and curricula. In April 2012, the Mostar Municipal Court ruled the system discriminatory in schools in the towns of Stolac and Čapljina, following a lawsuit by the *Vaša Prava* (Your Rights) NGO. The court ordered the schools to integrate classrooms, but a cantonal education ministry and two schools appealed. In June, the Mostar Cantonal Court dismissed the Municipal Court decision on procedural grounds, saying that only parents, teachers, and students could file suit, not NGOs.³⁵

Higher education continues to face accusations of corruption, poor standards, overproduction of graduates in certain professions, and other issues. In December, the RS government boycotted the EU's ERASMUS student exchange program over the creation of a statewide agency to coordinate with other participating countries. The RS Education Ministry said the body represented an unacceptable transfer of authority to the state level. In the end, the RS agreed to partial participation, following student protests.³⁶

Before the 2013 census, politicians, religious leaders, and others participated in campaigns to influence citizens' responses. The battle was especially heated between those who pressed citizens to identify themselves as “Bosniaks”—a term emphasizing religious (Muslim) identity above citizenship—and proponents of the denomination “Bosnian,” a civic identity, rather than a religious or ethnicity-based one. NGOs were divided on this issue, as well. Some of them distributed census campaign videos via social media with children to acting out the roles of adult census voters.³⁷

Discrimination against the LGBT community is widespread, and activists face threats and harassment.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	4.00	4.00	4.25	4.50	4.50	4.75	4.75	4.75	4.75

Freedom of speech and other media rights are guaranteed but often abused by the press itself. Media coverage is often biased, as journalists are susceptible to outside pressure due to low pay and benefits, as well as intimidation by media owners and their political allies. As a result, media are widely viewed as political puppets, not watchdogs. The outlets that remain independent—mostly online media with relatively low readerships—face harsh criticism and threats from politicians or

criminals. Most media coverage in BiH is of the tabloid variety, and many reporters and editors are ill equipped to handle sensitive issues because journalism education in the country is weak.

BiH has 9 daily newspapers, 7 news agencies, and more than 100 periodicals, from news magazines to agricultural papers.³⁸ Several journalism associations exist, but they rarely cooperate. Of the 49 television and 147 radio stations, roughly a third of television and nearly half of radio stations are public, including the local outlets.³⁹ Regional, cantonal, and municipal media are funded by local budgets and so face pressure from authorities who interfere with editorial policies, base editorial and management appointments on political and ethnic—rather than professional—concerns and stack supervisory boards with allies who limit freedom of the press.⁴⁰

Media face widespread political pressure. In May, the Association of BiH Journalists reported that some members of local public media had their jobs threatened, among other scare tactics, after coalition changes in local parliaments. In the Una-Sana Canton, politicians publicly identified some journalists as “[their] enemies” and tried to block media access to public information and reporting on certain topics.⁴¹

Financial pressure is also widespread. In June, employees at Radio-Television East Sarajevo went on strike because they had not received salaries since April (for January), nor benefits since 2011.⁴² As with their public counterparts, private media often rely on financing from local authorities, and money is tight at most outlets.

In 2013, the Agency for Protection of Personal Data of BiH drafted changes to the Law on Freedom of Access to Information. Journalists, NGOs, and media experts criticized the proposals for stipulating that government institutions may limit access to information they deem threatening to privacy or other rights.⁴³ In May, the BiH Ministry of Justice received the proposals for review, but none had been adopted by year’s end.

The digitization of BiH’s media is far behind schedule and unlikely to happen by the end-of-2014 deadline. Due to bureaucratic red tape, mostly in public procurement, the suppliers of technical equipment for public broadcasters are still being chosen. After the Procurement Review Body of BiH canceled two previous supply tenders, the Ministry of Communications and Transport launched a third one in February. It received six applications, but no decision was made by year’s end. The changeover is supposed to be managed by a joint corporation between the three public broadcasters that make up the Public Broadcasting System (PBS)—state radio and television BHRT, and the entity radio and television broadcasters RTRS and RTV FBiH. However, neither the heads of these broadcasters nor the parliament have taken the steps necessary to create the corporation.

Public broadcasters are under constant pressure as political parties try to install pliant management and dictate coverage. After BHRT reported on the June protests, politicians lashed out. RS President Dodik called BHRT “trash” after a report on the use of social media to organize demonstrations in Banja Luka and elsewhere.⁴⁴ At a subsequent management meeting, a BHRT editor commended his staff for “taking the side of citizens and not politicians.”⁴⁵ In the RS, several

parliamentarians threatened to sue media outlets for “inflaming the population against Serbs.”⁴⁶

From a media standpoint, the Sarajevo protests were significant for their use of social networks and modern mobile technology. Activists organized the parliament blockade on Facebook and Twitter, and in the coming days more information was available on social networks than in traditional media. There are 2,184,500 Internet users in BiH, according to the BiH Communications Regulatory Agency (CRA).⁴⁷

In January, the Council of Ministers proposed a new public broadcaster, a Croatian-language channel. Despite support from Croatian political parties, some say the new channel would undermine the modernization of public broadcasting—already moving slowly—while creating more ethnic division.⁴⁸ Meanwhile, in September the CRA decided to limit advertising time for public broadcasters from six to four minutes per hour, starting in January 2014. All three broadcasters questioned this decision, citing already tight finances.⁴⁹ It was not implemented by year’s end. In December, the Parliamentary Assembly of BiH finally appointed members of the CRA Council after over four years without permanent appointees. The CRA director-general has had a caretaker mandate since 2007.

In October, the RS National Assembly adopted changes to the Law on RTRS, granting the broadcaster additional funding from the entity budget and empowering the assembly to appoint its managing board. Critics called this another attempt to politicize RTRS and a blow to the PBS.⁵⁰ RTRS was already heavily influenced by the SNSD and RS government, which also funds private media, undermining independence. In 2012, the RS government gave €900,000 to public and €750,000 to private media outlets. Almost a third of the private funding went to two newspapers, *Nezavisne novine* and *Glas Srpske*, owned by Željko Kopanja, a friend and former business partner of President Dodik.⁵¹ In FBiH, the media market is much more divided between the ruling and opposition political parties.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75

The rights of cities and municipalities, the lowest levels of government in BiH, are regulated by entity constitutions, as guaranteed by the European Charter on Local Self-Government. RS has 57 municipalities and six cities: Banja Luka, Prijedor, Trebinje, Dobo, Bijeljina and East Sarajevo, which has six municipalities of its own. FBiH has 78 municipalities and two cities, Mostar and Sarajevo.⁵² FBiH also has 10 cantons, a level of power between the municipalities and FBiH entity. In October 2013, the RS National Assembly adopted amendments to the Law on Local Self-Government that clarify the role of municipal authorities and their post-election appointment procedures. In an effort to address similar issues, the FBiH government sent amendments to the Law on Principles of Local Self Government

to its parliament in September, but the legislation was rejected in October. Cantons have slowly started to harmonize their legislation with this law.

According to preliminary census results, only six BiH cities have more than 100,000 inhabitants. Sarajevo (which has four municipalities) leads the group with 291,422, followed by Banja Luka with 199,191; Tuzla with 120,441; Zenica with 115,134; Bijeljina with 114,663; and Mostar with 113,169.⁵³ The results also revealed huge differences between FBiH cantons. While the most heavily populated—Tuzla and Sarajevo—have 477,278 and 438,433 inhabitants, respectively, Bosnia-Podrinje and Posavski count only 25,336 and 48,089.⁵⁴

The distribution of power between the entities, cantons, and municipalities is unclear and often overlapping. In the FBiH, the cantons' bloated bureaucracies drain budgets, so reform is needed to cut costs and make the entity more sustainable. However, politicians and many public administrators disagree on the way forward. Cutting cantons, for instance, would send many administrators into the ranks of the already 500,000 unemployed in BiH and mean a loss of potential voters for the parties in power.

In January, the U.S. Embassy in BiH established an expert group to draft proposals for reforming the FBiH constitution. Their recommendations, including proposals for streamlining the entity's complex and costly governance structure, were presented to the public and international community. The FBiH House of Representatives discussed them in June, but parliament did not hold a vote. In August, the FBiH government formed another working group that had not submitted any draft amendments at year's end.⁵⁵

In FBiH, political crises at the entity level trickled down to the cantons and municipalities as coalition shakeups led to personnel changes in local governments. In cantons such as Tuzla or Una-Sana, the frequency of these changes paralyzed governance, with real consequences for citizens. At the end of summer, even Sarajevo suffered interruptions in public transportation, gas, and regular water supply at various intervals as an indirect consequence of local leadership's unavailability and incompetence.

Throughout BiH, state officials wield huge influence over local politicians. Often, they are all members of the same few ruling parties. Even if local officials are from different parties, they must still fall in line or risk losing state financing for local projects, a serious blow to economies already beset by high unemployment and other issues.

In a rare positive development, in January the Sarajevo Canton Assembly adopted amendments harmonizing the Cantonal Constitution with the Sejdić-Finci verdict. In practice, this allows BiH minorities to form their own caucus and have representatives in the Assembly Management.

Interethnic relations were generally stable in 2013, with occasional incidents, such as the beating of a Bosniak returnee in Zvornik (RS) on the last day of Ramadan.⁵⁶ Some cities remain ethnically divided, including Mostar, where a Croat-majority population lives in the west and Bosniaks dominate the east.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	4.25

BiH has four separate court systems. The State Court of BiH has criminal, administrative, and appeals departments and jurisdiction over specific types of crimes, including war crimes, financial crimes, and crimes against the state. The entities have their own judicial systems, with constitutional and supreme courts. In FBiH, there are cantonal and municipal courts; in the RS, district and “basic” (minor offense) courts. Brčko District has a separate court system. The complexity of this multi-layered system leads to frequent conflicts over jurisdiction. Investigations and trials can also last years, often beyond the statute of limitations.

The “Structured Dialogue on Justice” between BiH and the EU began in 2011 under the SAA, aiming to consolidate the judicial system and strengthen its independence, effectiveness, and accountability in accordance with EU standards. Many reforms are being discussed, including new draft laws on courts in BiH and the High Judicial and Prosecutorial Council (VSTV), prepared by the BiH Ministry of Justice. They propose changes to VSTV appointment procedure and a new state-level appellate court to handle appeals from the Court of BiH. Outside the dialogue, Serb-oriented parties continue to back changes to undermine state-level judicial institutions and increase political control over them. One, agreed upon by the SNSD and SDP in 2012, would shift responsibility for appointing prosecutors from the VSTV to state and entity-level parliaments. At year’s end, no changes had been adopted, within the dialogue or otherwise.

Public trust in the competence and independence of the judiciary is low, partly because politicians appear above the law. For example, cases against officials are often dismissed on dubious technicalities. In 2013, HDZ President Dragan Čović and six others were cleared of abuse of office while serving in the steering committee of state-owned Mostar Telecom. The Supreme Court of FBiH ruled that the statute of limitations on some of their activities in question expired in 2009, a year before they were indicted. However, the Center for Investigative Reporting in Sarajevo discovered that prosecutors had all the evidence in 2003 and waited seven years to press charges.⁵⁷ Judicial bodies and personnel also face strong political pressure. In 2013, BiH Prosecutor Goran Salihovic repeatedly raised this issue, adding that the judiciary is not sufficiently consulted in the legislative process.⁵⁸

Case backlogs remain high at all levels due to limited human and financial resources. Cases of unpaid utility bills account for about 80 percent of the total 2.3 million-case backlog.⁵⁹ The war crimes backlog is falling because cases are being transferred from the state level to courts in the entities and Brčko district. In general, though, efficiency is a problem. When the FBiH Supreme Court received some 2,000 complaints from veterans over the entity’s decision to cut their pensions, the court president said all the complaints could not be resolved because handling a single case takes 45 months.⁶⁰

In July, the ECHR ruled against BiH on appeal of the war crimes convictions of Abduladhim Maktouf and Goran Damjanovic. In 2006, Maktouf was sentenced to five years for crimes against Croats in 1993. A year later, Damjanovic received an 11-year sentence for participating in the beating of a group of captured Bosniaks in Sarajevo in 1992. The ECHR ruled that the men had been wrongfully prosecuted under the 2003 BiH Criminal Code retroactively, rather than the 1976 Yugoslav version, which would have carried shorter sentences.⁶¹ Damjanovic was retried in 2013 and sentenced in December to 6.5 years in prison, and Maktouf was awaiting a new trial at year's end. Other convicted war criminals sentenced under the 2003 Criminal Code were released after a subsequent decision by the BiH Constitutional Court based on the Maktouf/Damjanovic case.⁶²

Several ongoing high-profile organized crime and corruption cases⁶³ will reflect the judiciary's ability to handle these issues. Its track record to date is poor, with procedural mistakes often undermining police investigations. In December 2012, police arrested two brothers allegedly involved in organized crime and drug trafficking, but the prosecutor released the suspects despite the risk that they might pressure witnesses. The FBiH police filed a complaint against the prosecutor with the VSTV, which ruled that the prosecutor had acted correctly. In April 2013, the brothers were again arrested, this time for planning to murder a police commissioner in the West-Herzegovina Canton.⁶⁴

In 2013, BiH signed cooperation agreements with Serbia and Croatia on prosecuting war crimes. It also signed extradition agreements with Serbia and Macedonia on prosecuting major criminal cases, though they do not include war crimes. Similar agreements were made with Croatia and Montenegro in 2012.

Construction of a state prison still has not started after eight years of planning. BiH is trying to reduce prison overcrowding through new infrastructure and alternative penalties.⁶⁵

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.50	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.75	4.75

BiH has harmonized some of its laws with international conventions on corruption, but the legal framework to fight graft and misconduct remains insufficient. While state and entity legislatures are considering several anticorruption bills and amendments, adoption is slow due to weak political will and institutional paralysis. In general, corruption, bribery, and nepotism are common in education, healthcare, and other areas of public administration. Officials are rarely prosecuted for corruption.

In 2013, the entities worked on several pieces of corruption-related legislation. The FBiH parliament debated a bill on whistleblower protection already adopted at the state level. In the RS, a similar law is included in the draft Strategy for the Fight Against Corruption 2013–2017. However, some observers fear the three laws will not be harmonized, potentially undermining implementation, as happened with

state and entity laws on freedom of access to information. In December, after weeks of infighting, the FBiH parliament rejected bills on the seizure of illegally acquired property and suppression of corruption and organized crime.⁶⁶ While the RS has had a Law on Seizure of Illegally Acquired Property since 2010, the Parliamentary Assembly of BiH rejected similar legislation in February. Across all levels of government, public procurement and conflict of interest legislation is insufficient.

Implementation of the 2009–14 anticorruption strategy is behind schedule, partly due to delays in launching a key body, the Agency for the Prevention of Corruption and Coordination of the Fight against Corruption. The agency only received funding in 2012, with the first staff hired in April 2013. Much of the strategy will not be implemented by 2014.

In 2013, two major corruption investigations drew public attention, both involving abuse of office by high-level FBiH officials. In April, Živko Budimir, president of the FBiH and the Party of Justice and Confidence, was arrested for allegedly taking bribes from convicted criminals in exchange for early release. During the arrest, police found an unregistered firearm in Budimir's office, so he was also indicted for illegal weapons possession. (This separate case is ongoing at the Sarajevo Municipal Court.) In the bribery case, Budimir maintained his innocence, was released after a month in jail, and remained FBiH president.⁶⁷ In November, the BiH prosecutor indicted Budimir and six others, including FBiH Justice Minister Zoran Mikulić and Željko Arsić, an FBiH parliamentarian.⁶⁸ However, the Court of BiH said the case was outside its jurisdiction.⁶⁹

In the second case, FBiH Prime Minister Nermin Nikšić filed criminal charges for misuse of public funds against his deputy, Jerko Ivanković Lijanović, who is also the minister of agriculture, water management, and forestry, as well as the president of the NSRzB. FBiH police investigated Lijanović for using his position to amend laws that allowed him and his allies to issue agriculture incentives in return for votes in the 2010 elections. Lijanović allegedly allocated FBiH budget funds for urgent and unplanned cases to members of his own party, while in 2012, €1.35 million out of a total €11.5 million in agriculture subsidies went to his party members, relatives, or shell companies.⁷⁰ In July 2013, the State Investigation and Protection Agency (SIPA) also began a money-laundering and tax evasion investigation of several companies and individuals with ties to Lijanović's family business.⁷¹

In the past, media and NGOs have reported on Lijanović's alleged abuse of office—for instance, when he used €1.7 million in taxpayer money for a ministry campaign in which he was prominently featured during the 2012 elections.⁷² The Court of BiH dismissed the 2012 charges, citing insufficient evidence.

Lijanović and Budimir, as well as some NGOs, said they were under political attack due to a power struggle between their parties and Prime Minister Nikšić's SDP over control of the FBiH government. Since 2012, Budimir has been blocking SDP attempts to reshuffle the government.⁷³

The year saw several smaller political corruption cases. In December, police arrested Midhat Osmanović, an FBiH parliamentarian, for accepting a bribe to guarantee someone a job. The director of the Tuzla Health Insurance Institute was

also arrested in the operation.⁷⁴ While the RS saw no major corruption arrests, the District Court in Banja Luka sentenced Milovan Čerek, the former mayor of Brod and a Socialist Party member, to 44 months for taking bribes.⁷⁵

Nevertheless, watchdogs say corruption is not prosecuted effectively. In July, Transparency International published a report noting that while the number of corruption cases is on the rise (1,464 in 2012 from 829 in 2011), only 223 of the 2012 cases were indicted. The Brčko District notwithstanding, corruption convictions fell nationwide in 2013, with only seven prison sentences for bribery and nine for abuse of office.⁷⁶

Several major investigations and trials on organized crime are ongoing, mostly related to drug and weapons trafficking, money laundering, and other felonies. Organized crime groups collaborate across the region, often with the help of corrupt police officials. In August, the State Ministry of Security published a report noting that some officials, police, and security officers are in the pocket of criminals that, in some cases, have infiltrated government structures.⁷⁷ In a rare case of discovering and penalizing criminal behavior of officials, Ramo Brkic, a former police commissioner of Una-Sana Canton, was sentenced to 11 years for corruption, abuse of office, and production and trade of narcotics in December 2013. In May, Naser Kelmendi, placed on a blacklist by the U.S. State Department in 2012 as a drug kingpin, was arrested in Kosovo on a BiH warrant for allegedly running a high-profile organized crime group. He probably will not be extradited to BiH.

BiH is a source of domestic and international weapons trafficking, thanks mostly to leftover stockpiles from the war. In July, SIPA discovered a cache of weapons buried near the town of Tešanj. Also, an investigation found that a company from Bugojno took money from the BiH Defense Ministry to destroy surplus weapons and ammunition but instead sold the munitions to another company for export onto Bangladesh. Two Ministry of Defense officials and the company director were indicted in June.⁷⁸

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Bulgaria

by Maria Spirova

Capital: Sofia
Population: 7.3 million
GNI/capita, PPP: US\$15,000

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.25
Civil Society	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25
Independent Media	3.50	3.25	3.50	3.50	3.75	3.75	3.75	3.75	4.00	4.00
National Democratic Governance	3.50	3.00	3.00	3.00	3.25	3.25	3.50	3.50	3.50	3.75
Local Democratic Governance	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	3.25	3.00	2.75	2.75	3.00	3.00	3.00	3.25	3.25	3.25
Corruption	4.00	3.75	3.75	3.50	4.00	4.00	4.00	4.00	4.00	4.25
Democracy Score	3.18	2.93	2.89	2.86	3.04	3.04	3.07	3.14	3.18	3.25

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

EXECUTIVE SUMMARY

Since the collapse of communism, Bulgaria has consolidated a system of democratic institutions, joining its neighbors as a member of the North Atlantic Treaty Organization (NATO) in 2004 and the European Union (EU) in 2007. A number of general, presidential, and local elections have been held freely, fairly, and without disturbance. Before 2013, the country had enjoyed more than a decade of stable, full-term governments.

These successes notwithstanding, Bulgaria's democratic institutions display a number of problematic weaknesses. Inefficiency and graft within the political system as a whole—and within the judiciary in particular—are still considered major obstacles in the country's fight against high-level corruption and organized crime. Public trust in democratic institutions is low, and ethnic minorities face discrimination. Developments in 2013, including the appointment of a wealthy media mogul as national security chief, which elicited widespread protests, underscored these problems and exposed close ties between political leadership and various economic interests.

National Democratic Governance. Widespread popular protests against the rising cost of electricity forced Bulgaria's center-right government to resign in February. When early elections in May resulted in a hung parliament, the center-left Bulgarian Socialist Party (BSP) formed a coalition government while relying on support from the extremist party Ataka. The appointment of a media mogul to head the Bulgarian security agency provoked a new wave of antigovernment demonstrations in June that continued until December. Despite protests, calls for political reforms from the nongovernmental sector, and political deadlock in the parliament, the cabinet remained in office. Due to political instability and resulting legislative deadlock, *Bulgaria's national democratic governance rating declines from 3.50 to 3.75.*

Electoral Process. Only four parties—the Citizens for European Development of Bulgaria (GERB), BSP, the liberal Movement for Rights and Freedoms (DPS), and the extremist Ataka—won seats in the early parliamentary elections held in May. At 51 percent, voter turnout hit an all-time low, and one-fourth of votes went to parties that did not receive any seats in the parliament. Though the elections were declared free and fair, observers noted numerous irregularities, including serious accusations of administrative mismanagement, unequal media coverage, intimidation, and vote buying. The process was further marred by the discovery of 350,000 illegal ballots in an official printing facility. As a result of serious irregularities, *Bulgaria's electoral process rating declines slightly, from 2.00 to 2.25.*

Civil Society. Civil society has become increasingly active and dynamic as a result of EU support and the expansion of social media and the internet. In early 2013, the increased cost of electricity prompted the biggest protests in 15 years, leading to the resignation of Prime Minister Boyko Borisov's government. Demonstrations resumed following the appointment of a media mogul as chief of the national security agency in June and continued, on and off, throughout the year. The protests, which created an opportunity for citizens to express deeply felt frustration with the growing overlap between political and economic power, put tangible pressure on political decision-makers. Due to increased mobilization of civil society actors and their apparent impact on domestic political processes, *Bulgaria's civil society rating improves from 2.50 to 2.25.*

Independent Media. Partisanship and the concentration of media ownership continue to erode the quality and diversity of Bulgaria's newsmedia. In 2013, outlets owned by the New Bulgarian Media Group (NBMG) and the television channel TV7 published or broadcast reports discrediting various political figures. The digital switchover in September 2013 left 40,000–60,000 people without access to public broadcasting. *Bulgaria's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. The municipality remains the only level of local governance in the country. Municipalities have gained power over time but still lack sufficient resources to exercise a full measure of self-governance. In 2013, local elections were held in five municipalities. Most of the mayoral seats were won by BSP or DPS, further concentrating power in the hands of the major national parties and lowering the percentage of municipalities led by local political parties. The year's protests spread outside the capital and led to the resignation of Kirill Iordanov, longtime mayor of Bulgaria's third largest city, Varna. Iordanov's resignation was seen as a victory against the patronage networks controlling the city. *Bulgaria's local governance rating remains unchanged at 3.00.*

Judicial Framework and Independence. A number of scandals in 2013 demonstrated unethical behavior by high-ranking members of the judiciary. In April, a wiretapped conversation between Prime Minister Borisov, former minister of agriculture Miroslav Naydenov, and chief prosecutor of Sofia Nikolay Kokinov revealed their attempt to influence the course of a corruption investigation against Naydenov. Civil society groups drew attention to potential flaws in the courts' method of randomized case allocation. *Bulgaria's rating for judicial framework and independence remains unchanged at 3.25.*

Corruption. Pervasive corruption and close ties between political leaders and economic groups—especially media owners—came under closer scrutiny in 2013. In June, the appointment of media magnate and DPS member Delyan Peevski as head of the national security agency became a symbol of state capture by oligarchs, sparking massive protests. Demonstrators in Varna also gathered to decry

the political connections of the city's biggest employer, the TIM group, which is popularly believed to be involved in smuggling, drug trade, and prostitution. In late 2013, the governing majority prepared a bill intended to control offshore tax evasion. With the state making no meaningful progress in curbing organized crime or dismantling Bulgaria's extensive patronage networks, *Bulgaria's corruption rating declines from 4.00 to 4.25.*

Outlook for 2014. With public discontent persisting and elections to the European Parliament scheduled for May 2014, policymaking for a government that does not have majority in parliament will be increasingly challenging. Potential calls for early elections and an institutional struggle between the president and parliament will likely add to political tension.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.00	3.00	3.00	3.25	3.25	3.50	3.50	3.50	3.75

Bulgaria is a parliamentary republic with three branches of power and a clearly defined system of checks and balances. The National Assembly (parliament) selects the prime minister and some of the members of the highest judiciary organs. The parliament itself is popularly elected. An independent Constitutional Court serves as a check on all branches of power. The country's constitutional and legal framework allows for the free formation of political parties and for citizens' participation in political and governance processes through elections, legislative consultations, civil society organizations, and the media.

The president of Bulgaria has no strong formal powers but has often played an important role in domestic politics. The directly elected office is independent of the other branches of government and provides a check on their power. In the midst of antigovernment protests in July, President Rosen Plevneliev took a strong position, urging the government to "listen to the people."¹ The president also vetoed revisions of the 2013 budget in early August, demanding more transparency in public spending and a commitment to higher rates of tax collection.² At the time, Plevneliev's critics claimed he had partisan reasons for voicing objections that benefitted or echoed those of his former party, the Citizens for European Development of Bulgaria (GERB), while the president's supporters insisted he was acting in the interest of fair politics.³

Public anger over rising electricity prices, corruption, and declining living standards ignited mass protests nationwide in early 2013, with protesters demanding the resignation of Prime Minister Boyko Borisov and the Citizens for European Development of Bulgaria (GERB) government. The protests appeared to take GERB—Bulgaria's most powerful political force for the last 6 years—by surprise. Following clashes between demonstrators and police, the Borisov government resigned on 19 February, becoming the first administration to leave office early in Bulgaria since 1997. President Plevneliev accepted Prime Minister Borisov's resignation and appointed a caretaker government headed by a former diplomat, Marin Raikov. Early elections were scheduled for mid-May, and as protests subsided, the caretaker cabinet governed without any major problems for the next three months, even solving some long-standing issues with Brussels.⁴

GERB won more seats (97 of 240) in the May elections than any other party, but not enough to form a government. After two weeks of negotiations, a coalition government formed between the center-left Bulgarian Socialist Party (BSP)—leader of the electoral alliance Coalition for Bulgaria, which won 84 seats at the polls—

and the Movement for Rights and Freedoms (DPS), which primarily represents the country's Turkish minority and controls 36 seats.⁵

The new government led by former finance minister Plamen Oresharski (BSP) faced strong public opposition almost from the very beginning. The June appointment of media mogul and DPS party member Delyan Peevski to head the Bulgarian security agency provoked immediate antigovernment protests that continued for most of 2013. The appointment itself was revoked shortly after the protests began, but it resonated in the public's consciousness as a symbol of deeper problems in Bulgarian politics—namely, the lack of transparency in political decision-making and the political elite's dependence on economic power groups. The demonstrations continued throughout the summer and reignited in the fall, when students staged sit-ins at Sofia University, demanding another change of government. President Plevneliev, who was elected on the GERB ticket in 2011, endorsed the rallies and urged government leadership to consider early elections,⁶ but the Oresharski cabinet remained in office.

Parliamentary deadlock and the chaotic political environment effectively paralyzed the BSP-DPS government, and no significant steps were taken to address corruption or the lack of citizen participation in the political processes denounced by protesters. As Oresharski's ruling coalition controls only half the seats in the legislature, it relies heavily on the 23 delegates from the nationalist-extremist Ataka (Attack) party in order to pass laws. In fact, with MPs from GERB often boycotting parliamentary sessions, MPs from Ataka are necessary to pass any laws.⁷

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.25

Bulgaria's president is directly elected, and seats in the national parliament are distributed according to a proportional representation system, with a 4 percent threshold required for a party to enter parliament. There are no special provisions for the representation of minority groups in the country, and the constitutional ban on ethnic parties makes the representation of minorities difficult. Bulgaria's Turkish minority has been represented in parliament since 1990 through the liberal Movement of Rights and Freedoms (DPS), while the less populous and poorly organized Roma minority has not been able to secure legislative representation. Since 1991, international observers have deemed all Bulgarian elections free and fair, but in recent years allegations of vote buying and other irregularities have become more common. Many such irregularities were observed in the May 2013 snap elections.

A widely criticized electoral code adopted in 2010 raised campaign spending limits and increased the number of signatures required for the establishment of an electoral coalition at the national level. It also created a residency requirement

for those voting in European Parliament elections, introduced preferential voting, and eliminated direct election of mayors in small settlements. These changes have made campaigns more expensive and elections more difficult for small parties and alliances to enter.⁸

In early February, the parliament adopted amendments to the electoral code in order to address problems raised by local and international observers ahead of the next election. A report by the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) praised the amendments for increasing electoral transparency by providing for live broadcasts of electoral commission sessions and guaranteeing observers' right to monitor the electoral process.⁹ However, the report also noted that the new law left other issues unaddressed, including problems with media coverage and electoral advertising in minority languages.¹⁰ In a highly controversial move, the legislation also repealed preferential voting, which was supported by protests earlier.¹¹

Following the government's resignation in February, snap elections were scheduled for 12 May. More than 36 parties appeared on the ballot, compared to 22 in the 2009 elections.¹² Still, only four parties won seats in parliament and no new party formations reached the 4 percent threshold. GERB remained the most popular choice, receiving 30.53 percent of the vote, followed by the BSP-led coalition of center-left parties, Coalition for Bulgaria (26.61 percent); the party of the Turkish minority, DPS (11.31 percent); and the nationalist Ataka (7.3 percent).¹³

For the first few weeks, the campaign was dominated by the social issues that had fueled protests early in the year—declining standards of living, poverty, and corruption. At first, the appointment of a caretaker government allowed GERB to distance itself from its recent failures while in power and engage in policy debates in a non-defensive way; however, as election day approached, allegations that the GERB government's Interior Ministry had wiretapped journalists and state officials changed the tone of debate, and both GERB and BSP embarked on a negative campaign.¹⁴

In the preelection period, 350,000 illegal ballots were discovered in the official printing facility, suggesting plans to manipulate the voting process. GERB was accused of electoral fraud, and the investigation resulted in a court case against Rosen Zhelyakov, the general secretary of the Council of Ministers, who was responsible for supervising ballot printing. The case was ongoing at year's end.¹⁵

Turnout on election day was 51.33 percent, the lowest in independent Bulgaria's history.¹⁶ The election also recorded a higher-than-usual number of "wasted" votes—more than 24 percent of ballots were cast for parties that did not receive any seats in parliament.¹⁷ Though low turnout and wasted votes are not unusual in European elections, these figures raise questions about the representativeness of Bulgaria's government and legislature.

Election monitors from Transparency International (TI) Bulgaria reported an increase in irregularities over previous elections. Around 60 percent of complaints registered with TI dealt with administrative problems, but there were also numerous

incidents of vote buying and so-called “controlled votes,” i.e. votes obtained through various forms of intimidation, such as the threat of being fired. Reportedly, pressure of this nature and other forms of unlawful campaigning were often exercised by local government officials.¹⁸

The OSCE/ODIHR also recorded widespread allegations of controlled votes and vote-buying, as well as shortcomings in election administration. The monitors’ report noted that GERB was overrepresented in the leadership of electoral commissions. While the report acknowledged some progress in addressing recommendations from previous years, it also asked for further efforts to counter vote buying and ensure the impartial administration of elections, the use of bilingual election materials, and the transparency of media ownership.¹⁹

Both the OSCE/ODIHR and the TI monitoring reports emphasized the need to create a more level playing field among campaigning parties, particularly with regard to media coverage. All forms of campaign advertising are paid for by candidates and parties, which gives an advantage to parties eligible to receive campaign financing from the state.²⁰ Meanwhile, independent candidates rely on private donations to fund their campaigns. In mid-December, BSP introduced a bill providing for media access to all contestants. The bill, still under parliamentary review at year’s end, would also reintroduce preferential voting and tighten controls over the printing of electoral ballots.²¹

After the elections, numerous formal complaints were filed with the Central Electoral Commission (CEC) and other public offices. GERB requested an annulment of election results, citing violations of “campaign silence,”²² obstacles faced by diaspora voters in Turkey, and administrative irregularities. The appeal reached the Constitutional Court, which ruled against it.²³

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25

Bulgarian civil society has become increasingly assertive and dynamic in recent years, as evidenced by widespread demonstrations against perceived government corruption and mismanagement of the economy in 2013. Early in the year, the increased cost of electricity prompted Bulgaria’s biggest protests in 15 years, leading to the resignation of Prime Minister Borisov’s government. Demonstrations resumed following the appointment of a media mogul as chief of the national security agency in June, spurring public debate on political reform for the remainder of 2013.

Civil society organizations mushroomed in the postcommunist period, partly due to the expansion of internet access and online social networks and European Union (EU) support for nongovernmental and grassroots associations. According to the central register of the Ministry of Justice, there were more than 11,000 entities defining themselves as public interest organizations at the end of 2013.²⁴ An independent web portal for nongovernmental organizations (NGOs), launched

in 2010, contained 5,691 entries in 2013, compared to 5,576 in 2012 and 5,302 in 2011. The top five self-defined activities of organizations on the portal were education (951), social services (572), culture and art (553), economic development (367), and youth issues (330).²⁵

There were no major changes to the legal framework concerning civil society organizations in 2013. Registration and tax processes remained relatively simple and stable. Late in the year, the government introduced a bill intended to formalize volunteer work, which would, for the first time, give volunteering a legal status and provide for legal protections.²⁶

The first antigovernment rallies of 2013 began in February, when tens of thousands of citizens gathered in Sofia and other large cities to protest rising electricity and fuel prices. Demonstrators quickly raised a wide range of additional grievances, from monopolistic business practices to environmental concerns. Soon they began demanding the resignation of the Borisov government, seen as responsible for many of these problems. Protests on 18 February were followed by small-scale clashes with the police, resulting in arrests and injuries.²⁷ In February and March, there were at least four self-immolations resulting in deaths as well—a previously unknown phenomenon in Bulgaria.²⁸ Prime Minister Borisov submitted the resignation of his government on 20 February, saying he was returning power to the people.²⁹

After the government stepped down, protesters' demands evolved into systemic goals, beginning with institutional adjustments, such as a new electoral system or amendments to the constitution, and ultimately aiming for wider citizen participation in political processes.³⁰ The movement organized into two political entities, both of which declared support for early elections. However, they did not manage to produce a joint candidate list for May or join the mainstream political process.³¹

In mid-June, the new, Socialist-led government appointed 32-year-old Delyan Peevski of DPS to chair the Bulgarian State Agency for National Security (DANS). To many, the appointment of Peevski—a controversial figure, whose mother used to head the national lottery and who now leads a growing media empire with strong political and economic connections to the leadership—sent a strong signal that the new government would be no less beholden to powerful private interests than its predecessors. Over the years, Peevski has been accused of involvement in various forms of corruption, including misuse of his influence over the security apparatus for political purposes,³² as well as contributing to the overconcentration of media ownership.

Protesters rallied for days after Peevski's appointment, chanting "mafia" and calling for another change of government.³³ Peevski was removed from his new post within days, and Prime Minister Oresharski told the parliament: "I made a political mistake, for which I apologize not only to you, but to the thousands of people who took to the streets to protest."³⁴ Nevertheless, the antigovernment protests continued until the end of the legislative session in late July, affirming that the public's frustration and desire for change went far deeper than a single political misstep. Protesters' demands reverberated in clashes between the president and parliamentary parties and in internal conflicts within the BSP.

Protests reignited in mid-October with a series of sit-ins by students calling themselves “Early Risers” who “occupied” the main building of Sofia University, demanding cleaner politics, an end to corruption in the political sphere, and the resignation of the current government. Peevski remained an important theme of the Early Risers’ protest campaign, which was soon joined by various other groups, including university professors and artists. Participation received another boost when the deputy leader of DPS and deputy speaker of parliament, Hristo Biserov, resigned after coming under investigation for possible tax fraud and money laundering.³⁵ By late December 2013, media were reporting that protests had been ongoing for more than 190 days.³⁶

The long-term impact of the year’s demonstrations—their effect on government practices, transparency, and legislative decision-making—was still difficult to predict at year’s end. What was clear was the emergence of a more politically engaged public, prepared to force dialogue on important issues with its elected officials.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.25	3.50	3.50	3.75	3.75	3.75	3.75	4.00	4.00

Media freedom is legally protected in Bulgaria, with citizens enjoying unrestricted access to a variety of news sources. The right to information is also enshrined in the constitution and in the Law on Access to Public Information. Nevertheless, the independence of the sector has been steadily deteriorating for the past decade. The circulation of print media has declined, outlets have become concentrated in the hands of a few owners, and political influence has remained high, despite the emergence of numerous scandals revealing close ties between politicians, media owners, and businessmen.

Media ownership continued to be a contentious issue in 2013. Much of the attention focused on the New Bulgarian Media Group (NBMG), which entered the print market in 2009 and has since expanded into the electronic media market, acquiring control over TV stations and a number of other outlets. NBMG is owned by Irena Krasteva, former head of the state lottery and mother of DPS MP Delyan Peevski. There have been persistent allegations that NBMG is financed by the Corporate Commercial Bank (KTB), a small private bank that handles the finances of other state-owned enterprises. This connection raised speculations of indirect public funding.³⁷

Allegations, however, go beyond the issue of media ownership and independence and paint a dismal picture of deeply integrated patronage networks concentrated around leading political parties. NBMG’s owners have stakes in the tobacco industry, which has been traditionally linked to the DPS because it employs Turkish tobacco farmers, who have historically favored the party. Some argue this connection explained the willingness of the government to reconsider

the ban on smoking, which would guarantee profits for NBMG not only from its media outlets but from tobacco sales as well.³⁸

Media outlets owned by NBMG were involved in various politically motivated accusations during “media wars” that took place last year between several media moguls. Reports discrediting various political figures and accusing them of illegal behavior continued in 2013. After siding with the protesters—who demonstrated against the BSP–DPS coalition—several times, President Rosen Plevneliev was accused of corrupt dealings by TV7 in mid-October. Other questionable publications included a story about the (then allegedly) illegally printed ballots in April 2013, which the incumbent GERB claimed was used to discredit the government right before the elections.³⁹

Collusion between media owners and politicians was addressed by several observers, including the Bulgarian Helsinki Committee and the German Ambassador to Bulgaria, and was also raised by international media.⁴⁰ In addition, President Plevneliev organized a public forum attended by civil society representatives. The forum, however, did not result in specific policy proposals and was not attended by media owners.⁴¹

The switchover from analog to digital television was scheduled for 30 September. Analog channels were supposed to be replaced completely by digital television; however, by the time of the scheduled transition only 95 percent of the country was covered by digital network, leaving between 40,000 and 60,000 people without access to public broadcast.⁴² Other problems related to digitalization included unforeseen costs such as subsidizing the purchase of digital decoders for poor households.

Nationwide, Bulgarian TV channels are concentrated around four networks: the Bulgarian public television, BNT, which has three national channels and one global satellite channel; bTV and other five channels owned by Central European Media Enterprises; Nova Televiziya and an additional five channels owned by Modern Times Group; and four channels, including TV7, owned by Alegro Capital. These 20 channels have nation-wide coverage but only 7 of them—the biggest of each group—were transmitted for free until September 2013.⁴³ Citizens also have access to numerous regional channels.

Three radio stations have national coverage, two stations of the Bulgarian National Radio (BNR) and one private station, Darik. The largest cities of the country have access to a variety of radio stations, including several music stations, and BNR has regional stations in nine major cities.⁴⁴ Both radio and television are regulated by the Council for Electronic Media (CEM), an independent body, whose members are jointly elected by the parliament and media organizations. It has been reportedly subject to political pressure, especially when appointing the directors of the public television and radio.⁴⁵

The financial crisis has strained profits for most private media, making them ever more dependent on government advertising and other favors from the state. Reliance on public funds has led major media outlets to perpetuate the problem of self-censorship, as they have toned down their criticism of the government.

Fortunately, the public broadcasters, especially BNR, have avoided many of the negative trends occurring in the private sector, and institutional guarantees have generally succeeded in protecting their independence. Consequently, public radio has become a major source for objective information.

Libel remains a criminal offense punishable by fines of up to \$10,000. Though defamation suits remain common, the courts tend to interpret the law in favor of freedom of expression, and convictions are relatively few.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

The 1991 constitution guarantees the principle of local self-government and divides the country into regions and municipalities. It identifies the municipality as the principal subunit and provides municipalities with certain rights and powers, such as the right to own property or set the budget independently. The constitution also allows citizen participation in local government through elections for mayors, city councils, and voting on local referenda.

The 264 self-governing municipalities with directly elected governments constitute 28 regions (*oblasts*). The regions are headed by a governor appointed by the prime minister, acting as the local extension of the central government. The governors are responsible for implementing laws, guaranteeing the rule of law, protecting national interests, and preserving public peace.

Power at the municipal level is divided between the mayor and the municipal council, with the latter acting as a policymaking body. Municipal councils address issues connected to local infrastructure, social welfare services, some educational and healthcare institutions, cultural development, environmental protection, and trash collection.

Municipalities still remain highly dependent on the central state financially, and regional governors have the power to annul mayoral decisions. Since Bulgaria entered the EU, however, municipalities have been more actively involved in national policymaking on local development. When negotiating with the state and with the EU, municipalities are represented by the National Association of Municipalities in the Republic of Bulgaria (NAMRB), which provides a forum for voicing local governments' concerns and also provides a venue for sharing best practices and improving administrative capacities. A similar role is played by various nongovernment organizations specializing in aiding local governments and improving their capacity.

In 2010, amendments to the electoral law eliminated direct elections for mayors in settlements with less than 350 inhabitants and cut the number of local councilors by about 20 percent in large municipalities—thus effectively increasing the electoral threshold. In the last local elections in 2011, GERB won the majority

of mayoral seats. This not only secured its power but also reversed, at least to some extent, the previous trend toward the proliferation of local political parties and coalitions.⁴⁶ In 2013, local elections were held in five municipalities. Most of the mayoral seats were won by BSP or DPS, diminishing GERB's lead but further lowering local parties' share.

Mayoral elections in Varna—Bulgaria's third largest city and main Black Sea port—also shed light on a novel phenomenon in 2013: the emergence of civic initiatives outside Sofia. The February protests against GERB and high energy prices spread to other larger cities besides the capital. In Varna, they were aimed at the city's mayor, Kiril Jordanov, who won his fourth term in 2011 with the support of GERB. The demonstrations evolved into the most populous protest in the city since 1997, with protesters demanding an end to the monopoly on energy distribution, an audit of all privatization deals of the last decade, and a general cleanup of the city's politics.⁴⁷ Protesters also demonstrated against the Varna-based company TIM, which is the biggest employer of the city, operating several businesses—including TV stations, newspapers, and branches dealing in crude oil and chemicals—and which had allegedly been involved in organized crime.⁴⁸ The company also supported Mayor Jordanov when he was first elected. The protests culminated in a self-immolation by 36-year-old Plamen Goranov, who died 12 days later.

Following the protests, GERB withdrew its support for Jordanov and the mayor resigned a few days later. Elections were scheduled for June 2013, but, by then, public enthusiasm had waned, and turnout was only 26 percent.⁴⁹ GERB's narrow victory was disputed by the BSP-supported opponent, but the Supreme Administrative Court declared the results valid.⁵⁰ While the protests' long-term impact on city politics and TIM's influence on it was uncertain at year's end, they represented a major mobilization of the citizenry against a strong local political figure, who symbolized the long-criticized clientelist model of local governance.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.00	2.75	2.75	3.00	3.00	3.00	3.25	3.25	3.25

The Bulgarian constitution guarantees the independence of the judiciary, whose primary role is to “safeguard the rights and legitimate interests of all citizens, legal entities, and the state.” In the performance of their functions, “all judges, court assessors, prosecutors and investigating magistrates shall be subservient only to the law.”⁵¹

The court system is made up of the Constitutional Court (KS), the Supreme Court, the Supreme Court of Cassation, the Supreme Administrative Court (VAS), the appeals courts, military courts, and district courts. The 12 members of the Constitutional Court are elected for one nine-year term. The court ensures that laws conform to the constitution and has been involved in resolving numerous

controversial situations over the years. In October 2013, for example, the court was called upon to decide whether Delyan Peevski should be allowed to remain a member of parliament and hence protected by parliamentary immunity (the court ruled that he should).⁵²

The Supreme Judicial Council (VSS), which was established to guarantee judicial independence, is possibly the most criticized institution of the judicial system. This 25-member body, whose members are elected for five-year terms, has the power to appoint, promote, demote, reassign, or dismiss the justices, prosecutors, and investigating magistrates. Half of its members are elected by the parliament, which allows for political influence over the selection of judges.

Bulgaria's judiciary has benefited from reforms associated with EU accession, but the 2012 European Commission report found that institutional and legal improvements have not led to practical gains in efficiency or accountability. In early 2013, several reports pointed to the continuing problem of nontransparent and uncompetitive appointment procedures in the highest judicial bodies. Both Bulgarian NGOs and the Council of Europe stressed the importance of this particular issue for Bulgaria's democracy, noting that a change would require courage to challenge vested interests.⁵³ As Bulgaria's rule of law is under close scrutiny by the European Commission through the Cooperation and Verification Mechanism (CVM), positive developments in the field are generally valued as a demonstration of political will to Brussels.

During 2013, there were several scandals involving illegal wiretapping and unethical behavior by high-ranking members of the judiciary. Media leaks of wiretapped documents revealed various attempts of public officials to circumvent justice, conclude advantageous deals, and gain undue influence. Central to these scandals was Tsvetan Tsvetanov, interior minister in the Borisov cabinet. Although he publicly denied any wrongdoing, in the leaked conversations he was accused of ordering the illegal wiretapping of numerous businessmen, politicians, and public officials during the 2011–2013 period.⁵⁴ In April, a wiretapped conversation between Prime Minister Borisov, former minister of agriculture Miroslav Naydenov, and chief prosecutor of Sofia Nikolay Kokinov revealed their attempt to influence the course of a corruption investigation against Naydenov.⁵⁵ Kokinov was dismissed by the VSS in July 2013; the delay in his dismissal was criticized as a sign of VSS's weak commitment to reforming the judiciary.⁵⁶

In July 2013, for the first time since 1991, the VSS dismissed one of its members, former deputy chief prosecutor Kamen Sitnilski. Sitnilski was found guilty, together with two other judges, of violating the principles of judicial independence and the judicial code of ethics. The allegations were made on the basis of wiretaps conducted by the security services.⁵⁷ In October, the VSS promoted Sofia City Court Chair Vladimira Yaneva to the rank of chief justice, despite allegations that she had committed administrative and procedural violations of the judicial code and despite her personal connections with Tsvetan Tsvetanov.⁵⁸

The election of a new chief inspector of the VSS requires the support of at least two-thirds of the parliament. GERB was unable to garner enough support for its

proposed candidates in 2012, but in late 2013, the BSP and DPS shortened the nomination procedure and nominated only one candidate, amidst allegations of lowering competition.⁵⁹

The process of random case allocation has been criticized by many observers. A study by the Bulgarian Institute for Legal Initiatives (BiLI) in 2013 drew the public's attention to security flaws in the software used by the Supreme Administrative Court and Sofia City Court to assign cases, making the process vulnerable to manipulation.⁶⁰ NGOs and professional organizations joined forces later in the year to lobby the VSS to reconsider the procedure.

One controversial decision by the VSS was reversed in 2013. In July 2012, the VSS dismissed Miroslava Todorova, chair of the Bulgarian Judges Association (BJA), on alleged disciplinary grounds. The dismissal was broadly seen as political revenge by then interior minister Tsvetanov, whom Todorova had sued for libel for accusations of supporting organized crime. The dismissal was first upheld in early 2013; however, following strong criticism from NGOs, the European Commission, and the U.S. State Department, the Supreme Appellate Court reversed the decision in July.⁶¹

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	3.75	3.75	3.50	4.00	4.00	4.00	4.00	4.00	4.25

Despite repeated promises by successive governments to eradicate corruption, graft is still widespread in Bulgaria, organized crime remains powerful, and political appointment processes are largely nontransparent. A troubling overlap between political and monopolistic business interests remained in evidence throughout 2013, even after protesters denouncing economic mismanagement and political corruption brought down the GERB government in February.

Respondents to Transparency International's 2013 Corruption Perceptions Index named the judiciary as Bulgaria's most corrupt public institution, followed by the political parties and the healthcare sector.⁶² The European Commission's July 2012 progress report found that acquittal rates were disproportionately high in corruption cases against senior government officials. An example of such was the acquittal of former minister of defense, Nikolai Tsonev, of bribery charges in a case where he had allegedly tried to get a positive outcome in an investigation against him. Two other defendants—a judge, Petar Santirov, and the Chief Secretary of the Ministry of Finance, Tencho Popov—were also acquitted in the case.⁶³ Although it should be noted that such statistics can be skewed by high unemployment, estimates for the last two years show Bulgaria's untaxed "shadow economy" accounting for roughly one-third of the country's GDP, the highest rate in the EU.⁶⁴

The 2013 World Competitiveness Yearbook of the IMD World Competitiveness Center has substantially downgraded Bulgaria's competitiveness ranking since

2009,⁶⁵ even though the cost of living and doing business in Bulgaria is among the lowest in Europe and there is no direct government intervention in the economy. A study by the Sofia-based Center for the Study of Democracy lists the hidden economy and corruption in the business sector as two of the key obstacles affecting competitiveness in the country.⁶⁶

According to the European Commission and the EU's criminal intelligence agency, Europol, Bulgarian organized crime groups are among the most widespread in Europe and specialize in human trafficking and credit card fraud. Within Bulgaria, these groups are also linked to a high number of contract killings, few of which have been prosecuted in court and even fewer of which have resulted in convictions.⁶⁷

Analysts often describe the Bulgarian government as a closed-off system in which only a very limited circle of actors has access to political and economic power.⁶⁸ The quickly reversed nomination of Deljan Peevski to DANS set off major protests in 2013 because it was seen as symbolic of broader corrupt collusion among the political and economic elite. Peevski's NBMG media group consistently supports whatever party is in power, and its rapid expansion has been backed by the Corporate Commercial Bank (KTB), owned by the influential entrepreneur and financier Tsvetan Vassilev. The bank receives much business from state-owned enterprises. Peevski's appointment as DANS director was rushed through following a 15-minute debate in parliament.

Unhealthy ties between political and economic power also became the target of the public protests in the city of Varna. In addition to public outcry over the abuse of power by Varna mayor Kiril Jordanov, the protests represented the culmination of public dissatisfaction with the dominance of a company, the TIM group, over the city's economic and political life. TIM owns over 50 different businesses in the city and the region and has allegedly been involved in numerous illegal activities, including extortion, money laundering, and drug trafficking in the 1990s and early 2000s. According to its most vehement critics, the company has been instrumental in determining who wins elections in Varna.⁶⁹

Partly in response to persistent EU criticism over the last decade, Bulgaria has developed an institutional framework designed to fight corruption on the state level. Each branch of the government has a specialized anticorruption body, and there are inspectorates for allegations of corruption, conflicts of interest, and abuse of power under the Council of Ministers and in all regional offices. The Center for Prevention and Countering Corruption and Organized Crime (BORKOR) under the Council of Ministers is tasked with curbing corruption and providing expertise and liaisons where necessary. However, the constitutional independence of the different branches of power means that, in effect, there is no common center of command or coordination of activities for these anticorruption bodies. They also have no explicit shared goals or expectations. Consequently, the various units can avoid responsibility for achieving results by blaming their counterparts' inactivity.

In late 2013, the Council of Ministers changed its internal regulations requiring BORKOR's approval of all proposed bills. The new government also

began decreasing certain excessive bureaucratic regulations, publishing a list of these changes at year's end.⁷⁰

Following several scandals that exposed the role of offshore companies in the Bulgarian economy and several government officials' involvement,⁷¹ the government decided to ban these companies from getting licenses in 28 sectors, including banking, media, sports clubs, mobile phone operators, and insurance. The companies in question were also prohibited from participating in public procurement and privatization deals. The bill—which was co-sponsored by Peevski—passed its first reading at year's end. Critics have described it as a watered-down initiative with loopholes, drafted in a hurry to quash antigovernment protests.⁷²

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Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GNI/capita, PPP: US\$18,780

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.75
Independent Media	3.75	3.75	4.00	3.75	4.00	4.00	4.00	4.00	4.00	4.00
National Democratic Governance	3.50	3.50	3.50	3.25	3.50	3.50	3.50	3.50	3.50	3.50
Local Democratic Governance	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50
Corruption	4.75	4.75	4.75	4.50	4.50	4.50	4.25	4.00	4.00	4.00
Democracy Score	3.75	3.71	3.75	3.64	3.71	3.71	3.64	3.61	3.61	3.68

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

EXECUTIVE SUMMARY

Croatia joined the European Union (EU) on 1 July 2013 after a decade of difficult political and economic reforms. Calling Croatia a bridge to a better future for the region, Prime Minister Zoran Milanović pledged to help the country's Balkan neighbors realize their EU ambitions. However, the historical milestone belied troubles at home. The economy continued to struggle with double-digit unemployment and low investment despite a raft of ultimately unsuccessful reforms by the center-left government led by Milanović's Social Democratic Party (SDP). This allowed the center-right opposition Croatian Democratic Union (HDZ) to rebound somewhat after losing the 2011 parliamentary elections amid corruption investigations that implicated its leadership. In a strategic overhaul in 2013, the HDZ challenged the SDP's "communist" policies while appealing to the strong strain of social conservatism in Croatian society by refocusing on charged issues such as Serb minority language rights, gay marriage, and sexual education in schools, often with the support of conservative civic groups and the Croatian Catholic Church. While polarizing, this strategy seemed effective given the HDZ's relatively strong performance in the May local elections.

A longtime focus in annual assessments of Croatia's progress on EU reforms, the judiciary played a key role in the ideological confrontations of 2013. Specifically, the Constitutional Court declined to rule on the legality of an ultimately successful referendum to amend the constitution to define marriage as exclusively between a man and a woman, effectively handing a victory to opponents of gay marriage and, more generally, LGBT rights. There is concern that referendums will now be abused to circumvent the legislative process, particularly by conservative groups seeking to restrict minority rights. Referendums challenging Serb minority language rights and the right to an abortion are already on the table and gaining support.

While political infighting within the ruling coalition and between the SDP and the resurgent HDZ distracted the government from addressing many key challenges in 2013, anti-corruption efforts moved forward with new high-profile arrests. The media landscape remains immature, with low standards and opaque ownership structures. Though dynamic, civil society too often aligned with socially conservative—if not retrograde—causes such as the marriage referendum that are undermining human rights in Croatia.

National Democratic Governance. EU membership notwithstanding, the government made little progress on tackling the country's many economic and political challenges in 2013. Privatizations and other reforms intended to shore up the economy foundered as public frustration over unemployment and other issues grew. The ruling SDP drew criticism not only for its handling of the economy but also its stance on social issues such as minority rights. In a rebranding effort,

the opposition HDZ attacked the SDP-led government as “communist” while shifting focus to a socially conservative agenda backed by veterans, conservative civic groups, and the Croatian Catholic Church, including a national referendum to effectively ban gay marriage. The EU threatened Croatia with financial sanctions after the Croatian parliament pushed through an amendment to the European Arrest Warrant in a move widely seen as intended to protect a Yugoslav-era secret police chief from extradition to Germany for questioning in a murder case. *Croatia’s rating for national democratic governance remains unchanged at 3.50.*

Electoral Process. Croatia held its first elections for the European Parliament in April, followed a month later by local elections. The polls were well organized even as low turnout reflected growing voter apathy. The HDZ presented a strong challenge to the ruling SDP in both elections in a sign of its comeback after losing the 2011 parliamentary elections. The year also saw two referendums. *Croatia’s rating for electoral process remains unchanged at 3.25.*

Civil Society. In Croatia, nongovernmental organizations (NGOs), labor unions, religious groups, and other civic organizations remain active and extremely effective compared to civil society in many Balkan countries. In 2013, these groups pursued initiatives on everything from the environment to a successful referendum to define marriage as between a man and a woman. However, the latter effort, spearheaded by a conservative group allied with the Croatian Catholic Church, reflected a broader conservative turn in Croatian civil society toward stances and policies on issues such as gay rights, sexual education, and abortion that are at odds with European ideals and norms on minority rights. Due to this shift, *Croatia’s rating for civil society declines from 2.50 to 2.75.*

Independent Media. Croatia’s media landscape suffers from a lack of independent, quality outlets with high reporting standards. Hrvatska Radio Televizija, the public broadcaster, remains the most-respected source of news despite management problems and a complex financing structure that the government has been trying to reform for years. Private television is too focused on entertainment, while quality investigative journalism is scarce in a print media market dominated by a few murky conglomerates with little interest in improving standards. Digital media outlets are emerging but so far unable to fill the quality gap. *Croatia’s rating for independent media remains unchanged at 4.00.*

Local Democratic Governance. Despite a relatively small population, Croatia has an extremely complex local governance structure with over 400 municipalities. In 2013, leaders made no progress on longstanding efforts to streamline local government. Implementation of a 2012 decentralization plan was hindered by the fact that rules granting more powers to mayors were not harmonized with national labor legislation, among other laws. The city of Vukovar’s move in November to effectively block implementation of national legislation on minority language rights

reflects longstanding tension between local and state-level government. *Croatia's rating for local democratic governance remains unchanged at 3.75.*

Judicial Framework and Independence. Despite over a decade of reform efforts, the judiciary remains Croatia's weakest institution. In November, the Constitutional Court upheld a parliamentary vote to hold the aforementioned marriage referendum following a successful signature-gathering campaign by a conservative civic group. However, the court declined to rule on the referendum's legality despite the explicit request of liberal-leaning citizen and civic groups. A debacle from the beginning, the Constitutional Court review revealed an immature, listless judiciary and will probably encourage more referendums on polarizing conservative social issues. In addition, the Finance Ministry fought with the courts for control over bankruptcy proceedings. The European Arrest Warrant (EAW) controversy, sparked within days of EU membership, reflected lingering issues with rule of law. Due to the judiciary's failure to take an active role in protecting minority rights, *Croatia's rating for judicial framework and independence declines from 4.25 to 4.50.*

Corruption. A key part of the EU accession process, the government's aggressive anticorruption campaign continued in 2013 with the ongoing trial against former prime minister Ivo Sanader and the HDZ in the Fimi Media case—the largest corruption investigation in Croatia's history. Authorities also launched another high-profile case, charging the longtime head of the Croatian Chamber of Commerce with embezzlement. At the same time, critics say the prosecutor's office has too much power and a mixed track record of prosecutions. *Croatia's rating for corruption remains unchanged at 4.00.*

Outlook for 2014. The government will probably seek the EU's help on the economy and the looming ideological battles over issues such as minority rights. However, the European Commission has signaled reluctance to intervene in minority rights and other social issues, leaving the government to hope that its economic reforms will begin to take hold in 2014 to bolster its image and credibility with an increasingly skeptical public. The odds of an economic rebound are long, though, so the HDZ will probably continue its resurgence amid mounting political apathy and ideological clashes.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.50	3.50	3.25	3.50	3.50	3.50	3.50	3.50	3.50

Despite realizing the milestone of European Union (EU) membership 1 July, Croatia struggled at home in 2013. Led by the Social Democratic Party (SDP), the government pursued reforms to shore up the flagging economy amid political clashes over polarizing social and ethnic issues championed or supported by the opposition Croatian Democratic Union (HDZ), the resurgent center-right party founded by Franjo Tuđman, Croatia's first president after independence from Yugoslavia in 1991. However, the ultimately unsuccessful economic reforms contributed to a perception that leaders lack a vision for tackling the country's many challenges.

EU membership notwithstanding, Croatians have soured on the political elite. Support for the SDP and HDZ, the country's two main political parties, hit historic lows in December: 24.1 percent and 21.1 percent respectively.¹ The public's complaints are mostly economic: Croatia's unemployment level is the third-highest in the EU, youth joblessness is a staggering 50 percent, investment is low, and taxes are rising. In response, Finance Minister Slavko Linić pursued what he called an aggressive reform agenda that included privatizing the country's last state-owned bank and tackling the grey economy by, for instance, cracking down on tax evasion by forcing companies to use computer generated receipts and follow new revenue reporting rules.² However, the reforms were as unpopular as they were ineffective—perhaps none more so than a requirement that outdoor green markets use cash registers in order to generate the receipts—because they primarily affected small businesses while large enterprises such as Agrokor, the Croatian food and drinks conglomerate, were protected by their close ties to the state. Agrokor has especially strong government links—state-owned companies often pay employee bonuses in coupons to Agrokor grocery stores.³ The application of tighter fiscal controls to Agrokor, or the Europress Holding media conglomerate—which is also closely tied to the state—is difficult to imagine.

In addition, critics faulted the government's revenue raising efforts for focusing on privatizations rather than courting new investment outside the tourism industry. Some accused the SDP-led government of abandoning its social democratic values. In September, the government's image suffered another blow over its response to a massive healthcare strike. On 18 September, some 46,000 nurses and doctors stayed home over cuts to overtime pay and other benefits.⁴ The strikers demanded the benefits be reinstated, but the government took a tough stance, and the two sides were still at an impasse at year's end. The year also saw disputes with labor unions over ongoing attempts to amend the labor law, among other issues.

Against this background, the HDZ steadily rebuilt after a string of setbacks going back to 2011. That October, prosecutors expanded the so-called Fimi Media case, the biggest corruption investigation in Croatia's history, to include the HDZ as a legal entity alongside existing charges against Ivo Sanader, the former prime minister and longtime HDZ head, and other party members for allegedly funneling money from public companies to a slush fund from 2003 to 2009. It was Croatia's first legal case against a political party and contributed to the HDZ's defeat in the December 2011 parliamentary elections and the subsequent ouster of then prime minister Jadranka Kosor as party leader. (She was later ejected from the HDZ altogether.) Kosor's successor, the more conservative—and, some critics say, autocratic—Tomislav Karamarko has spearheaded the HDZ's strategic shift. Under his leadership, the party tried to evoke Croatia's Yugoslav past by labeling the SDP-led government and its policies as "communist." At the same time, the HDZ began distancing itself from the economics and politics of the Tudman and Sanader years—widely blamed for Croatia's current economic troubles—by shifting focus to high-profile social issues such as Serbian minority language rights and gay marriage. In 2013, the party opposed implementation of a law requiring Cyrillic alongside Latin script on public buildings in areas where ethnic Serbs comprise over one-third of the population. It also supported a national referendum for a constitutional amendment to define marriage as between a man and a woman. The HDZ's socially conservative agenda appeared to help carry the party to a strong finish in the 2013 local elections, addressed in detail in the following section.

Aside from the economy, two issues dominated the political and media landscape in 2013. One involved the fall implementation of the aforementioned law on bilingual signs, which the government passed in 2002, in line with European standards on protecting minority rights. The law was particularly controversial in Vukovar, which was nearly destroyed during a three-month siege by Serb forces in 1991 and saw protests led by veterans and other ad hoc groups both before and after the signs were put up in September.⁵ Most of the signs were broken or removed. As a result, the government suspended implementation of the law in Vukovar. The other issue was Brussels' demand that Croatia repeal an amendment to the European Arrest Warrant (EAW)—adopted right before EU membership—that exempted crimes committed before 2002 from the purview of the warrant. The move was seen as intended to prevent the extradition of Josip Perković, a communist-era Yugoslav secret police chief accused of ordering the 1983 murder of a defector, to Germany. After the European Commission threatened sanctions, the Croatian parliament repealed the amendment in December.

In October, President Ivo Josipović traveled to Belgrade for his first state visit to Serbia and addressed the parliament. However, there were no major breakthroughs in bilateral relations, and both countries continued to press mutual genocide charges from the 1990s conflict at the International Court of Justice.⁶ The court was to begin hearing arguments in the cases in March 2014.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

In April, Croatia held its first elections for the European Parliament (EP), followed by local elections a month later. In both contests, the SDP and HDZ finished neck-and-neck amid low voter turnout, signaling the citizenry's frustration with the political class.

In the EP elections, the HDZ-led coalition won a plurality with 32.86 percent and six seats. The SDP-led bloc took 32.07 percent and five seats, followed by the Croatian Labor Party with 5.77 percent and one seat. Voter turnout was 20.83 percent, reflecting a general decline in turnout nationwide and a hangover from the sheer frequency of polls in recent years, including parliamentary elections in 2011 and the 2012 referendum on EU membership. Many voters were also ambivalent, if not cynical, about an election widely seen as affecting only the political elite.

The HDZ's slight upset of the SDP likely reflected its association with European integration efforts under Sanader and Kosor. The candidates themselves were also key, as the elections were the first held under "open lists" that allow voters to choose a person rather than just a party. Some said the HDZ-led bloc owed its victory to Croatian Party of Rights leader Ruža Tomašić, a widely popular politician despite a euroskeptic, strongly conservative bent.⁷ She secured the bloc's victory by receiving the most votes on the HDZ list, even though she was the sixth name on their list. More experienced if less charismatic, former foreign minister Tonino Picula placed first for the SDP-led bloc.

In the May local elections, the HDZ demonstrated its comeback by effectively tying the SDP.⁸ As usual, it performed well in rural areas while the SDP won in Split, Rijeka, and most other big cities. While the SDP and coalition partners took two cities and one county (*županija*) more than HDZ, its advantage was relatively small. The SDP also had to contend with several strong independent candidates. In the capital Zagreb, longtime independent Mayor Milan Bandić's personal brand again proved stronger than the SDP. Presenting himself as an everyman, Bandić benefited from the SDP's national retreat from social issues, winning a strong 66 percent majority in the second round of voting. The HDZ signaled its tacit support for Bandić by running a previously unknown candidate. In the coastal city of Split, the SDP was more successful. It managed to sideline Ivan Grubišić, the popular center-left retired priest who had planned to run for mayor as an independent, by promising to support his bid for county prefect (*župan*) instead—a contest Grubišić ultimately lost to the HDZ in arguably the biggest upset of the May polls.⁹ However, Grubišić's exclusion from the Split mayoral race cleared SDP candidate Ivo Baldasar's path to victory over the increasingly unpopular incumbent Željko Kerum of the Croatian Civic Party.

In the May polls, there were 4 percent more women on the ballots than in the 2009 local elections.¹⁰ The region of Istria and Zagreb had the most women candidates.

Addressed in detail in the Civil Society section, two referendums were also held in 2013. In April, a vote to prevent tourism development in the coastal city of Dubrovnik failed due to low turnout. In December, however, voters backed a constitutional amendment to define marriage as exclusively between a man and a woman.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.75

From labor unions with influence over government policy in areas like healthcare to groups and organizations focusing on social policy, Croatian civil society is dynamic and effective. Broadly speaking, civil society is divided into two groups. One group identifies as socially liberal and focuses on human rights, gender issues, labor rights, and the environment.¹¹ The other, more conservative bloc includes organizations affiliated with the Catholic Church, veterans, and ethnically defined cultural groups. While both groups were politically active in 2013, the conservatives were far more successful and appear ascendant as they pursue a socially conservative agenda on issues such as gay rights, sexual education, and abortion that is in many cases at odds with European norms and ideals.

In 2013, the conservative bloc's key initiative was a national referendum to add a constitutional amendment stipulating that marriage be defined as between a man and a woman. The campaign leading to this referendum was spearheaded by In the Name of Equality, a coalition of church-affiliated and socially conservative civil society organizations (CSOs). Their actions were partially triggered by a sexual education program that the government had introduced in schools in January and that, because of the inclusion of homosexuality in its curriculum, received strong opposition from the HDZ and the Croatian Catholic Church. The group gathered over 740,000 signatures in support of the referendum, well above the 450,000 required to force a parliamentary vote.¹² On 8 November, the parliament voted to hold the referendum despite opposition from some parliamentary deputies and citizens' groups that asked the Constitutional Court to review its legality. After a controversial two-day session, the judges said they had found no reason to overrule the parliament, and the referendum went ahead on 1 December.¹³ Some 66 percent of voters supported the amendment, with 33.51 percent opposed. Turnout was approximately 38 percent.¹⁴

Although the referendum was arguably the most successful civic initiative in Croatia's history, its ramifications for LGBT rights are unclear, as the government has pledged to pursue legislation strengthening civil partnerships. Overall, there was little progress on LGBT rights in 2013. Under tight police security, LGTB pride parades were held in Zagreb and Split without major incidents for the second year after violence at the 2011 Split event. Now in its 12th year, the Zagreb parade has become a fixture supported by the mayor and major political and civic leaders. In Split, the third annual parade was held with the public support of Mayor Baldasar, whose predecessor had not supported the two previous rallies.

However, the referendum's significance transcends LGBT rights as the lynchpin of a larger set of coordinated initiatives by conservative CSOs, the Croatian Catholic Church, the HDZ, and other center-right political parties against what they see as the SDP-led government's overly liberal leanings/inclinations. In a campaign at clear odds with European ideals, these groups launched a PR war with strident antigay rhetoric against the aforementioned sex education program. In a newspaper interview on the program, a prominent theologian said that "lesbians and fags will destroy Croatia." Deputy Bishop Valentin Pozaić called the "baleful" program a tool of indoctrination and demanded Prime Minister Milanović's ouster.¹⁵

Abortion was another key issue for the conservative bloc. Over the summer, the Croatian Catholic Church intervened on behalf of Jaga Stojak, a nurse fired from the Knin hospital after refusing to assist in an abortion. The case garnered considerable media coverage after church authorities publicly called for "Catholic religious rights." Stojak was ultimately reinstated, and in August, the Croatian Catholic bishop urged the parliament to outlaw abortion.¹⁶ The church and conservative CSOs say they will push for a referendum on an amendment banning abortion.

Another issue caught between the liberal and conservative sides of civil society was the law on bilingual signs. Veterans' groups in Vukovar continued to pressure the government against the implementation of the law, and vandalism of the signs continued. Veterans' groups, meanwhile, played a key role in pressuring the government to suspend implementation of the law on bilingual signs in Vukovar.

Against this backdrop, the more liberal groups of civil society struggled in 2013. A major example is the initiative of Srdj is Ours, a Dubrovnik-based coalition of NGOs and citizens, against a government-supported proposal to build a golf resort on Srdj hill above Dubrovnik's coastal old town. The coalition pushed for a referendum in April 2013 after years of opposition and protest by locals and environmentalists, who worried that Dubrovnik would become overdeveloped. However, despite overwhelming voter opposition to the resort, the referendum failed because, at 31.5 percent, turnout was well below the 50 percent threshold. In July, the Dubrovnik city council approved the project.¹⁷

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	3.75	4.00	3.75	4.00	4.00	4.00	4.00	4.00	4.00

The media landscape in Croatia suffers from poor standards, limited financing, and a lack of independent outlets. The national broadcaster, Hrvatska Radio Televizija (HRT), is the most influential news source in the country. It emerged from Jugoslavenska radio televizija as one of the most respected branches in the former republic before becoming a government mouthpiece during the 1990s conflicts. Today, HRT is once again respected, popular, and influential regionally, if partly due to low standards in other Balkan media markets.

Despite the HRT's strong reputation regionally, the government has been trying to reform the broadcaster for years to improve its financing, independence, and management. However, it has made no headway on streamlining HRT's complex financing structure: a combination of viewer subscriptions, advertising revenue, and state budget allocations. Efforts to improve professionalism through key staff changes in 2012 foundered, partly because the newly appointed HRT Director Goran Radman saw his first year consumed by controversies over everything from his staff appointments to undeclared assets and an alleged conflict of interest.¹⁸ Radman's choice of Željko Rogošić to lead the HTV1 program caused a stir after revelations that Rogošić's application included misleading (if not false) information on his journalism experience. HRT nevertheless remains the most important source of political news and analysis in Croatia, while popular, private television stations such as Nova and RTL are geared more toward entertainment, with a steady roster of soap operas, sports, and reality shows.

The quality of print journalism remained low in 2013. The Rijeka-based daily *Novi List*, the Serb minority weekly *Novosti* (published by the Serbian National Council), and a handful of other publications are trusted independent sources of investigative journalism, but most press coverage is sensationalist and partisan. The biggest market players are EPH, the German-Croatian conglomerate; Austria-based Styria Media Group; Todorić's Agrokor; and a few smaller subsidiaries of these companies. This dominant group remains focused on using its print media holdings for other business dealings, and professional standards suffer as a result. It also has close government ties that seem to lead to preferential treatment. For example, in August, EPH asked Finance Minister Linić to "forgive" up to 40 percent of its 508-million kuna (\$89.5 million) tax debt—a controversial request given the government's pledge to crack down on tax offenders.¹⁹

EPH owner Ninoslav Pavić is believed to control almost half of the market, but the share may well be greater, as Pavić's business partners and connections are murky. Some believe he maintains close ties to Agrokor's Todorić, as well as twice-convicted entrepreneur Miroslav Kutle. For at least a decade, these three men were connected through privatization and post-privatization scandals relating to media, real estate, and advertising ventures, mostly through secret deals that were never publicized. Former Prime Minister Kosor's government called a session of the National Security Council in June 2011 to discuss the lack of transparency in national media ownership, but the current government has not pursued the issue.

Internet penetration and use continue to rise as coverage improves in urban areas. Household computer access is also up.²⁰ However, digital journalism has failed to fill the quality gap in the Croatian press. Internet news portals such as Index.hr and T-portal compete with the websites of print publications such as *Večernji list* and *Jutarnji list* for the same stories and find it hard to support and give more space to investigative pieces. While quality news and analysis can be found on smaller sites, their readership is expected to remain small.²¹

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

For a population of fewer than 4.3 million people, Croatia has 429 municipalities, 126 cities, and 20 counties (*županija*). It has been suggested that Franjo Tuđman created this system to better control the country during the 1990s conflict, but as time went on, *županija* administration officers served primarily to consolidate the president's power and that of the HDZ. In 2013, there were few developments in local democratic governance as plans to restructure municipal government stalled amid mounting tension over decentralization efforts.

Over the past decade, a stream of proposals for reorganizing Croatia's expensive, inefficient local governance system have been put forward by different experts, political parties, and the EU, including a plan to reconfigure 20 counties into between two and five regions. However, the geography of Croatia and disputes between cities vying for regional city status present many political challenges. The question of whether Zadar, Split, or Knin will be the capital of Dalmatia is a sensitive issue fueled partly by competition over EU loan allotments.²² Additionally, the public generally opposes reducing the number of municipalities. People prefer to have their villages called towns, which employ at least a few people in local administration. Villages do not get funding for these positions.

In 2013, the government began to implement a decentralization plan that shifts significant power and responsibility to local mayors and county prefects. Mayors elected in 2013 have more direct responsibility for public companies supported from city budgets, including the power to name their executives. In addition, a new legal mechanism was created for sanctioning poor mayoral performance. It empowers local councils to oust mayors who fail to produce acceptable city budgets every year. In the event of a protracted conflict between a mayor and his or her local council, both face early elections. However, the regulations to increase mayoral oversight proved difficult to implement, partly because they are not harmonized with labor and other legislation. In November, Split Mayor Baldasar said he lacked the legal authority to make staff changes in a local administration performing well below expectations.²³ At year's end, the government had made no progress on legislative harmonization.

Despite the shortcomings in decentralization efforts, mayors and local administrations are often powerful and can significantly affect local reform efforts. Stipe Petrina, the independent mayor of the coastal city of Primošten, renamed the President Franjo Tuđman road in protest of what he described as Tuđman's "economic pillaging" of the country through privatization.²⁴ Petrina is also widely seen as controlling the successful development and tourism economy in Primošten due to his strong leadership of the town. In early November, meanwhile, the Vukovar city government adopted a temporary measure banning Cyrillic script on public buildings in direct opposition to Zagreb's efforts to implement the law on minority languages. At year's end, the ban remained in effect.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.50

Judicial reform in Croatia faced a number of unexpected challenges in 2013. In addition to longstanding problems such as a large case backlog and ethnic bias in court rulings, a dispute with the European Commission (EC) and balance-of-power issues between the courts and executive revealed a weak, at times listless judicial system clearly in need of further reform.

While the judiciary and rule of law are longstanding weak points for Croatia, the country's direct confrontation with the EU over the Josip Perković case came as a shock. Three days before joining the EU, the government adopted a law exempting crimes committed before 2002 from the purview of the European Arrest Warrant (EAW), a move seen as intended to prevent the extradition of Perković, a communist-era Yugoslav secret police chief wanted for questioning in Germany on allegations that he ordered the 1983 murder of a defector. Under EU pressure, the government offered to repeal the change by July 2014, which EU Justice Commissioner Viviane Reding saw as foot dragging. After the threat of financial sanctions in September, Zagreb backed down. In December, the parliament amended the new legislation so the EAW would apply without exceptions from the beginning of 2014. Critics from the opposition accused Prime Minister Milanović of trying to buy time with a domestic investigation of Perković in order to prevent his extradition.²⁵

In addition to reopening old questions about the politicization of the Yugoslav-era secret police and Perković's role in the Tuđman-era secret services, the EAW controversy highlighted several longstanding issues regarding rule of law and the judiciary. First, legislators pass laws without fully considering their internal and external implications. Second, Croatia lacks a legal framework to address war and state-sponsored crimes, which has slowed their prosecution. In a positive note, the EAW dispute demonstrates that the government is responsive to external pressure.

While the courts were not directly implicated in the EAW controversy, they played a key role in the gay marriage referendum, only the third national plebiscite in Croatia's history.²⁶ Under current regulations, any issue is open to a referendum. Less clear is who can legally bring cases to the Constitutional Court for review and the mechanisms by which the parliament would apply the court's rulings—a legislative gap that created considerable confusion in the run-up to the referendum. After the parliament voted on 8 November to allow the referendum, former prime minister Kosor—who became an independent MP after being ousted from the HDZ—proposed that the Constitutional Court review its legality. While the parliament roundly rejected her proposal, civic groups like Kontra and Iskorak successfully pressured for a constitutional review. After a two-day session, the court found no reason to overrule the parliamentary vote. However, the judges did not consider the constitutionality of the referendum because, they said, the parliament had not explicitly asked them to do so. They even suggested that the referendum must be constitutional because parliament approved it. Both murky, the ruling and the

appeal for review further muddled the Constitutional Court's place in the balance of powers. In addition, referendums are likely to proliferate as a way to circumvent the legislative process. After the Vukovar city government ban on bilingual signs in November, NGOs representing veterans announced plans for a referendum on the issue. Other referendums on social and ethnic issues are expected.

The application of the Financial Business and Pre-bankruptcy Settlement Act also raised balance-of-power concerns. Adopted in September 2012, then revised and applied in 2013, the law is designed to enable the government to assist companies facing bankruptcy by reviewing their cases in an expedited manner and assessing whether they are worth saving. However, in 2013, Finance Minister Linić tried to use it to effectively replace municipal and economic courts as the arbiter of bankruptcy cases. In some instances, the ministry tried to revoke the business licenses of private entrepreneurs, including large construction companies that were entering bankruptcy. This led to outright confrontation with the judiciary in July, when a Zagreb commercial court suspended the pre-bankruptcy settlement proceedings in a case involving the Dalekovod construction firm. The judge said some provisions in the Financial Operations and Pre-bankruptcy Settlement Act were unconstitutional and asked for a Constitutional Court review. He also said the act's application was tantamount to abuse of power because some creditors were offered more favorable conditions for the payment of their claims.²⁷ The Constitutional Court rejected the judge's appeal, and Linić criticized him for politicizing the case and questioning the executive's right to take over bankruptcy proceedings.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	4.75	4.75	4.50	4.50	4.50	4.25	4.00	4.00	4.00

In 2013, Croatia continued an aggressive anticorruption campaign with the investigation, arrest, or prosecution of several former high-profile officials, including former prime minister Sanader and Nadan Vidošević, a businessman and politician who led the Croatian Chamber of Commerce for 18 years. In December, the Criminal Code was updated under EU standards to help the judiciary tackle big cases of graft and misconduct.²⁸

From day one, Sanader has been the key target in the government's anti-corruption efforts. His initial arrest in 2010 signaled a new era in prosecuting corruption. The multiple trials that followed and Sanader's conviction in 2012 for accepting a €5 million bribe from Hungarian energy group MOL in return for guaranteed rights in Croatia's state oil company INA sent a clear signal. At the end of 2013, meanwhile, Sanader's trial in the Fimi Media case was ongoing. He and the HDZ stand accused of siphoning off 70 million kuna (about €9.25 million) from state companies through the Fimi Media marketing agency during his tenure as premier from 2003 to 2009. Sanader is also awaiting more trials: one on charges

that he took a 17 million kuna (€2.25 million) kickback in a property deal and another for allegedly securing cheap electricity and loans for an associate's company.

In 2013, the government widened its net beyond Sanader with other high-profile investigations. In January, then head of military intelligence Darko Grdić was dismissed, and, along with several associates, accused of allegedly misusing some €734,000 in public funds from 2009 to 2012. In October, authorities arrested five officials and business leaders on charges of allegedly laundering 40 million kuna (€5.2 million) through a state road company from 2005 to 2011.²⁹ A month later the aforementioned Vidošević, known as the "Balkan George Clooney," was detained on charges that he allegedly embezzled 33 million kuna (€4.2 million) from the Croatian Chamber of Commerce through a complex scheme involving fake invoices for advertising and marketing services.³⁰ He also stands accused of war profiteering and involvement in dubious privatizations. Vidošević, the former head of the Kraš chocolate company and an unsuccessful presidential candidate in 2010, has been involved in almost every aspect of Croatian political and economic life over the past 20 years. His arrest marked a shift in Croatia's anticorruption campaign, as prosecutors had in the past reduced or quashed charges against mid-level officials in exchange for cooperation in the ongoing Sanader trials. Several other suspects were arrested alongside Vidošević in November, and the case will probably lead to more investigations.

Though key to Croatia's successful EU bid, the government's anticorruption campaign has faced criticism. Some say the state prosecutor has too much power, pointing out that the number of cases under investigation always seems to rise around the time of the office's annual fall parliamentary report. Critics also point to a less-than-stellar track record. In the two and a half years since the adoption of a law abolishing the statute of limitations on crimes related to war profiteering and privatization, 8 people were sentenced in first-level courts, 44 charges were filed, and 10 people remain under investigation.³¹ Critics also say the prosecutor's office selectively leaks information on key cases, affecting public opinion and probably court rulings.³²

However, anticorruption efforts have had to contend with the political and economic complexities of post-independence Croatia. Croatia's emergence under wartime conditions allowed former President Tuđman to effectively control the new state institutions through his HDZ. After decades of a socialist-based economy, political patronage was hardly novel, but the conflict demanded creative ways of financing both the country and the war effort, as well as loyal managers to run those companies still deemed at least somewhat viable. The government extended economic opportunities to those it deemed politically loyal to Tuđman's vision of the Croatian state, creating a new elite that went on to finance the HDZ, sharing many of its interests.

In practice, the new system was not a huge change from the socialist era, but it was effectively undocumented and unregulated. Sanader's files suggest this led to two decades of rigged public tenders, tax evasion, monopolies, and other issues. For example, there is increasing evidence that all major construction projects where the

state was the investor were fixed, which explains why most of the major investments from the past decade are now under investigation. Today, this further undermines an already lackluster investment climate and economy beset by bankruptcies and foreclosures.

Understanding this legacy, however, offers little by way of a strategy for addressing these entrenched interests or finding justice. For example, the HDZ remains a viable political party despite being indicted for corruption in the Fimi Media case. Anticorruption efforts, while moving forward, will always have to contend with this complex legacy.

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Czech Republic

by David Král

Capital: Prague
Population: 10.5 million
GNI/capita, PPP: US\$25,530

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	2.00	2.00	1.75	1.75	1.50	1.50	1.25	1.25	1.25	1.25
Civil Society	1.50	1.50	1.50	1.25	1.50	1.75	1.75	1.75	1.75	1.75
Independent Media	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75
National Democratic Governance	2.50	2.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75	3.00
Local Democratic Governance	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Judicial Framework and Independence	2.50	2.25	2.00	2.00	2.25	2.00	2.00	2.00	1.75	1.75
Corruption	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50
Democracy Score	2.29	2.25	2.25	2.14	2.18	2.21	2.18	2.18	2.14	2.25

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

New political will in the fight against high-level corruption contributed to a turbulent year in Czech politics, culminating in the arrest of several senior officials on corruption charges and the subsequent resignation of Prime Minister Petr Nečas. A conflict between the parliament and newly elected president Miloš Zeman, who took office in March, also destabilized governance throughout 2013, preventing progress on key legislation. After Nečas's resignation, President Zeman appointed former minister of finance Jiří Rusnok, whose caretaker government failed to win the confidence of the parliament in August. Early elections in October once again redrew the Czech political scene, challenging established parties and bringing new ones to power. No single party won enough parliamentary seats to form a government, and the parties were in the process of negotiating a coalition agreement at year's end.

National Democratic Governance. A series of negative developments paralyzed governance for most of 2013. The government of Prime Minister Nečas resigned in June after an intricate spying and corruption scandal. Former president Vaclav Klaus passed a broad amnesty ending criminal proceedings in a number of controversial cases before leaving office in January. Klaus's successor was expected to be a unifying figure but instead took steps to promote his own party's interests, which fueled antagonism between the parliament and Prague Castle. Due to a general paralysis caused by the year's scandals and political infighting, *the Czech Republic's national democratic governance rating declines from 2.75 to 3.00.*

Electoral Process. The Czech Republic's first direct presidential elections were held in January. Early legislative elections in October brought significant changes to the configuration of the parliament, further reducing the strength of traditional parties like the Civic Democratic Party (ODS) and the Social Democrats (ČSSD) and bringing new movements to power. The second electoral "revolution" in three years reflects the Czech electorate's disillusionment with the established political elite and a growing desire for change. The nature and speed of these changes, however, may compromise the stability of the political system in the longer run, strengthening anti-systemic parties. *The Czech Republic's rating for electoral process remains unchanged at 1.25.*

Civil Society. Czech civil society remains vibrant, and its impact is increasing in many domains. Uncertainties regarding several provisions of the new Civil Code, including the tax status of some nongovernmental organizations (NGOs), led to several rounds of talks with the government in 2013. However, the growing

influence of the civil sector is counterweighed by enduring anti-Roma sentiment and growing radicalism within society. *The Czech Republic's civil society rating remains unchanged at 1.75.*

Independent Media. Czech media are independent and diverse; however, the concentration of major print dailies in the hands of a few magnates in recent years poses a risk to the independence of the industry. Billionaire and political leader Andrej Babiš's acquisition of MAFRA, one of the leading publishing houses, in June prompted fears of "Berlusconization" in the country. In October, worrisome instances of censorship and attempts to curb editorial freedom in public television during the electoral campaign damaged the reputation of one of the most renowned public service outlets of Central Europe, the Czech Television (CT). Due to political and economic pressures, *the independent media rating of the Czech Republic declines from 2.50 to 2.75.*

Local Democratic Governance. The Communist Party's inclusion in local government coalitions following last year's elections prompted protests in the first half of the year. Though a reasonable framework for local government exists and functions in the Czech Republic, corruption, nepotism, and the mismanagement of public funds at the regional and local levels still represent a serious problem. Prosecutions in a few such high-profile cases that started in previous years continued in 2013. *The Czech Republic's local democratic governance rating remains unchanged at 1.75.*

Judicial Framework and Independence. The commitment of the Prosecutor General's Office to pursuing politically sensitive cases continued in 2013, leading to several high-profile arrests and prosecutions, including a June raid on the offices of the prime minister and the subsequent arrest of eight people. A new law limited the immunity of politicians and judges in April, but legislation intended to boost the prosecution's independence could not be adopted due to the resignation of the government in June. Former president Klaus's controversial amnesty in January cast a shadow over the otherwise remarkable performance of the prosecution. *The Czech Republic's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. An extraordinary spying and corruption scandal brought down the government in June, shedding light on the existence of high-level graft in the country despite continuous attempts to eradicate it. The Nečas government—whose parties had campaigned on an anticorruption ticket in 2010—adopted a bold anticorruption strategy in January and started drafting key anticorruption legislation in the first half of the year, but its initiatives ran aground in all but one case after the June raid. Due to evidence of persistent corruption at high levels of government and the authorities' inability to adopt anticorruption legislation, *the Czech Republic's corruption rating declines from 3.25 to 3.50.*

Outlook for 2014. The coalition government of ČSSD, ANO 2011, and the Christian and Democratic Union–Czechoslovak People’s Party (KDU–ČSL) will begin work in early 2014. Although the government will have a solid majority in the parliament, the presence of a new political movement could complicate its day-to-day functioning. The government’s program is likely to focus on economic growth, but passing key legislation drafted by its predecessor, such as the Civil Service Act and legislation geared toward increasing transparency, will also be high on its agenda.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75	3.00

The institutions of governance in the Czech Republic are stable and democratic. No single party dominates the political scene, and regular rotations of power occur at national and local levels. Political parties generally agree on the nature and direction of democratic change, with one major exception—the largely unreformed Communist Party (KSČM), which has not served in a post-1989 national government. Developments in 2013, including the resignation of the Nečas government following a scandal and controversial decisions taken by both the outgoing and the incumbent president, undermined political stability and shook the institutional underpinnings of the political system.

The three-party coalition government—composed of the Civic Democratic Party (ODS), TOP 09, and the Public Affairs (VV)—that emerged after the 2010 general election gradually lost its drive for reform and turned into a lame duck by the first half of 2013. Following the split of the smallest coalition party, VV, and the departure of a few rebels from ODS, the government lost its majority in 2012. By January 2013, the coalition faced its fifth confidence vote, initiated by the opposition Social Democrats (ČSSD). The post of the minister of defense remained unoccupied until March 2013, as the coalition could not agree on a suitable candidate to replace Karolína Peake, who had been let go only eight days after her appointment in December 2012. Despite its extremely low public approval ratings, the government managed to push through a few important initiatives in 2013, including an agreement on the restitution of church property in February¹ and restrictions on parliamentarians' and Constitutional Court judges' immunity in March.²

An unprecedented police raid on the offices of Prime Minister Nečas forced him to resign on 17 June and started a series of events that led to early elections in October. Police seized about CZK 150 million (\$8 million) in cash, gold, and large quantities of documents and arrested and charged eight people, including Nečas's chief of staff Jana Nagyová.³ The prosecution accused Nagyová of corruption and abuse of the military intelligence service to spy on the prime minister's wife. Prime Minister Nečas—who was elected on an anticorruption ticket in 2010—initially rejected any involvement and dismissed allegations against his staff members. After a few days, however, he decided to step down and also resigned from his position as the leader of ODS. In a move that some interpreted as an attempt to avoid prosecution, Nečas and Nagyová married in September.⁴

President Václav Klaus, a divisive figure in Czech politics, left his office in March after serving for 10 years. His last decision in January to grant a far-reaching amnesty, halting criminal proceedings in a number of controversial cases involving

corruption, created tension and was strongly criticized by politicians as well as legal experts.⁵ The amnesty resulted in the first impeachment in modern Czech history, initiated by the Senate in February. The senators voted to charge the president with high treason, accusing him of violating the constitution by granting the amnesty and by refusing to ratify international treaties or nominate Constitutional Court judges. The Constitutional Court, however, cleared him of the accusations in March on the grounds that Klaus was no longer in office.

Klaus was succeeded by Miloš Zeman, the first Czech president to be directly elected. Experts hoped Zeman would be a more unifying figure than his predecessor, but the newly elected president's open hostility to the Nečas government and his support for the Party of Civic Rights (SPOZ, a party he founded in 2009) quickly swept away such hopes.

Continuing with the practice of former president Klaus, Zeman stalled the appointment of new ambassadors, pushing for his protégées instead. Despite opposition from Minister for Foreign Affairs Karel Schwarzenberg, the president proposed in March that Livia Klausová, the wife of Václav Klaus, take the post of Czech ambassador to Slovakia. Critics speculated the move was in exchange for the Klausés' support during the presidential campaign.⁶ In May, Zeman also refused to appoint an openly gay university professor, Martin C. Putna, breaking the convention whereby presidents always respected universities' nominations. The rector of Charles University considered the incident an unprecedented encroachment on academic freedom.⁷ Zeman refused to provide an explanation, although he did say he found the sign Putna had carried during a Pride Parade "inappropriate."⁸ Some commentators, however, speculated that the reason behind his veto was Putna's support for Schwarzenberg in the presidential race.⁹ Zeman also refused to invite two rectors to a national celebration in the Prague Castle in October, which resulted in a boycott by a number of other university rectors.¹⁰

The president's most controversial move took place after the resignation of Prime Minister Nečas in June. While the ODS-led coalition nominated Parliamentary Speaker Miroslava Němcová, President Zeman decided to appoint his own nominee, Jiří Rusnok, the former minister of finance and a onetime adviser to Zeman's SPOZ party. The president claimed that the coalition had no right to form a new government and called for a government of experts.¹¹ Rusnok's government was nevertheless appointed in July, but it did not have the necessary support in the Chamber of Deputies and included people close to the president.¹² The government received a vote of no confidence in August, after which the parliament dissolved itself and Zeman scheduled early elections for October.¹³

After the October elections, protracted coalition talks involved winning party ČSSD, the new movement ANO 2011, and the Christian Democrats (KDU-ČSL). In December, President Zeman signaled his intention to veto some of the ministers proposed by designated prime minister Bohuslav Sobotka of ČSSD if he considered them incompetent.¹⁴ Several lawyers argued that this would be in breach of the Constitution and could be interpreted as an attempt to tilt the balance of power toward a semipresidential system.¹⁵

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	1.75	1.75	1.50	1.50	1.25	1.25	1.25	1.25

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 an absolute majority.

In 2013, two major elections had the potential to significantly redraw the Czech political landscape. In January, the country held its first ever direct presidential elections, and in October, people voted in early parliamentary elections following the fall of Prime Minister Nečas's government in June.

Between 1993 and 2011, an electoral college composed of both houses of the parliament had elected the president. Following much debate, the parliament passed a constitutional amendment in December 2011 introducing direct presidential elections.¹⁶ The amendment did not change the scope of presidential powers; some, however, argued that direct elections would result in a stronger president, tilting the balance of power away from the government.¹⁷

Following several disqualifications on procedural or legal grounds, nine candidates ran for president, three of them women. One of the disqualified candidates, Senator Tomio Okamura, submitted a complaint to the Constitutional Court earlier in December. Okamura argued that the requirement to collect 50,000 signatures in case a candidate is not supported by a group of parliamentarians is discriminatory. The Court did not agree and refused to postpone the elections.¹⁸

A number of media outlets, both public and private, as well as non-governmental organizations (NGOs), organized presidential debates that mobilized the Czech electorate. The turnout reached a solid 61.31 percent in the first round on 11–12 January and 59.1 percent in the second round on 26 January; two candidates, former ČSSD leader Miloš Zeman and Minister for Foreign Affairs Karel Schwarzenberg, advanced to the second round.¹⁹ Former caretaker prime minister Jan Fischer dropped out of the race, coming third in the first round despite his popularity in earlier polls. Following a heated campaign period, where contentious or sensitive issues—including the Beneš decrees and Schwarzenberg's family background—were discussed,²⁰ Zeman won with 54.8 percent of the vote.²¹

After the fall of the Nečas government in June and the dissolution of the parliament at the end of August, President Zeman called early parliamentary elections for 25–26 October. The Social Democrats won with 20.45 percent, followed closely by Andrej Babiš's new movement, ANO 2011 (18.65 percent), and trailed by the KSČM (14.91 percent) and TOP 09 (11.99 percent).²² The turnout of 59.5 percent—the second lowest in the history of the Czech Republic—underlined a general disillusionment with the functioning of the political system.²³

Except for KSČM, all established parties experienced a drop in support following the year's events, with the outgoing coalition suffering the biggest losses. ODS registered its lowest support ever at 7.72 percent, TOP 09 received 4 percent less than in 2010, and the third coalition partner, Public Affairs (VV), decided not to run at all. Even the winner, ČSSD, lost 10 percent of its voter base compared to 2010.²⁴

Two newcomers—ANO 2011 and Senator Tomio Okamura's Úsvit přímé demokracie (Dawn of Direct Democracy)—fared surprisingly well, capitalizing on the electorate's disillusionment with the political class and winning almost 30 percent of the votes together. Their success, however, triggered concerns about the long-term stability of the Czech political system and the perpetuation of anti-system parties as viable alternatives.

The party ANO 2011 was founded by businessman and billionaire Andrej Babiš, who transformed the ANO movement—*Akce nespokojených občanů* (Action of Dissatisfied Citizens), “ano” meaning “yes” in Czech—into a centrist-liberal political party in 2011. During the campaign, ANO 2011 focused on fighting corruption and abolishing politicians' immunity from prosecution. The party lacked a comprehensive political program, however, and allegedly had close links to AGROFERT, an agricultural conglomerate owned by Babiš.²⁵ Despite these accusations, the party was very successful in gathering protest votes and managed to mobilize disenchanted voters as well as those who feared a potential coalition between ČSSD and KSČM.²⁶ Although this brought new faces to the political scene, coalition talks following the elections highlighted traditional parties' wariness of entering into agreements with new movements—especially after the instability of VV in the previous coalition government.

The success of Úsvit, which also entered the parliament for the first time, came as a surprise to many. The party campaigned for direct democracy by emphasizing a single issue, the adoption of a general referendum act;²⁷ however, its campaign had populist, anti-Roma, and xenophobic overtones as well. The party overtly supported by President Miloš Zeman, Party of Citizens' Rights–Zemanovci (SPOZ), did not win any seats in the elections, partly because several of its candidates were members of the caretaker government.²⁸

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.25	1.50	1.75	1.75	1.75	1.75	1.75

Civil society in the Czech Republic is vibrant, with a large number of different actors, including civic associations, foundations, trust funds, public benefit organizations, and trade unions. The sector has been growing steadily in recent years, with approximately 84,400 civic associations, 500 foundations, 1,323 trust funds, and 2,571 public benefit organizations operating in the country in 2013.²⁹ Most Czechs see NGOs as influential organizations that help solve social problems

and are essential to a functioning democracy. Environmental and humanitarian organizations, in particular, have earned widespread respect among the Czech public.

The regulatory environment is permissive and transparent toward civic organizations, banning only the stipulation of anti-constitutional goals in NGO statutes. Regulations are more stringent for other types of NGOs, resulting in significantly lower numbers. For-profit activities are permitted as long as they do not constitute the principal goal of an organization. Courts offer remedies against administrative overreach.

Currently, the greatest regulatory challenge to NGOs is the new Civil Code, coming into force on 1 January 2014, which requires some adaptation on the part of already existing organizations. The code clarifies the legal status of civil society organizations according to their function, modifying some current categories and creating others.³⁰ The term “public benefit status” created by the new law proved to be too vague, and NGOs were working with the government and the Ministry of Finance to specify the scope and tax implications of the status at year’s end. Also, under the new law, NGOs aiming to keep their current benefits will have to demonstrate their eligibility to receive “public benefit status” before the courts. A bill introduced to resolve the problem failed to secure a majority in the Senate in September.³¹ A central registry of civil society organizations is still lacking, despite its potential to improve the sector’s transparency and increase its ability to attract donations.

Under President Klaus, who had been a longtime critic of NGO involvement in policymaking, NGO initiatives had often been labeled as lacking legitimacy or motivated by party politics. With his departure, however, civil society organizations started to engage in a more intensified dialogue with the government. According to the government-maintained Database of Consulting Organizations, 315 entities have participated or expressed an interest in participating in regulatory impact assessment dialogues with the government.³² At the same time, the agenda of these meetings are still set by the government.

Anticorruption NGOs played an important role in 2013 and were instrumental in creating an anticorruption department in the prime minister’s office. A number of business leaders and especially politicians standing for parliament were successfully engaged by campaign activists, with many of them pledging to support future anticorruption regulations. Czech NGOs continued to be actively involved as consultants to the government on a number of other issues as well, including the situation of the Roma and other minorities, people living with disabilities, and sustainable development.

Following its accession to the Open Government Partnership, the government launched its 2012–2020 Action Plan to promote transparency and accountability in public institutions. One of the benchmarks set in the Action Plan is to provide better access to information and improve the availability of data, an aim that many NGOs have been pursuing. Most commitments in the Action Plan, however, remained unfulfilled in 2013 due to the resignation of the Nečas government and the inability of the newly elected parties to agree on a coalition by year’s end.

The state remains the largest source of funding for NGOs, providing extensive financial support through grants and coordinating nonprofit activities via the Council for NGOs. This creates an economic vulnerability that was confirmed by the austerity measures introduced by the government in 2011 and 2012, which cut funds for the sector. Corporate grants and individual philanthropy remain underdeveloped resources for civil society except for issues with broad appeal and popular resonance, such as disaster relief or the social rights of children and people with disabilities. A very limited tax incentive structure likely plays a role in the relative stagnation of nongovernmental domestic funding. At the same time, millions of euros available through the European Union Structural Funds have to some extent replaced the resources offered by various foreign foundations and governments in the wake of democratization. While competition for such funds is fierce, NGOs are undergoing a learning process, acquiring skills and capacities to absorb EU grants.

Following an eruption of ethnic unrest in 2011 and the subsequent rise of extremist formations especially in northern areas of the country, anti-Roma sentiment remained an issue in 2013. Anti-Roma marches occurred in several parts of the country, chiefly as a result of the activities of far right groups such as Free Resistance.³³ Some demonstrations ended with violent clashes requiring police intervention to separate the parties.³⁴ An initiative to show solidarity with the Roma minority, organized by Europe Roma International in several European countries, met with little public support.³⁵ The rise of extremism, both right and left-wing, was mentioned as an important issue in the annual report of the Czech domestic intelligence service. At the same time, the August Prague Pride, the main annual event of the LGBTI community, saw more participants than in previous years, and the week-long Pride program, including the march itself, took place without major incidents.³⁶

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75

Press freedom has long been secure in the Czech Republic, with a diverse selection of print (around 5000 outlets), online (around 1500 internet sites), and broadcast media (more than 400 radio and TV channels).³⁷ News outlets present a variety of opinions, with analytical and independent coverage as well as views that clearly favor one side of the political spectrum. Public television and the national print media provide quality coverage of the most important national and international developments, which proved especially important in the politically turbulent year of 2013.

The falling revenues of Czech print media have been a concern for years. Most of the major publishing houses (Economia, MAFRA, VLP, Borgis) reported losses in the past few years due to declining profits from advertising, which moved to online

and broadcast platforms. Publishers have tried to offset the losses by developing online divisions for their newspapers, but deteriorating economic performance led to personnel cuts and a decline in the quality of reporting, with less insightful and analytical content.³⁸ A few newspapers openly endorsed a candidate during the presidential elections, which some analysts viewed as an unwelcome development.³⁹

Declining profits in print media also paved the way for a boost in acquisitions and mergers on the Czech media market.⁴⁰ An increased concentration in the hands of business magnates at the same time has prompted concerns about the independence of outlets and the long-term prospects of the industry. In April, the billionaire owner of the *Economia* publishing house, Zdeněk Bakala, bought Centrum Holdings—the third biggest online portal on the Czech media market.⁴¹

Fears about the Czech media's "Berlusconization" became especially strong after AGROFERT—an agricultural, food processing, and chemical giant owned by ANO 2011 leader and billionaire Andrej Babiš—announced the acquisition of MAFRA, one of the biggest publishing houses and the publisher of three important dailies (*MF Dnes*, *Lidové Noviny*, and *Metro*) in June. Previously, the media speculated that Babiš would buy Ringier Axel Springer CZ, the Czech branch of the international giant Ringier AG and the publisher of popular tabloids and the weekly magazine *Reflex*.⁴²

Babiš's critics saw MAFRA's acquisition as an attempt on behalf of ANO's leader to build media support before the next elections, and the billionaire announced in September that he was planning further acquisitions after the early elections in October.⁴³ While Babiš promised not to interfere with content production in the newspapers, he called the editor of the domestic section of *Lidové noviny* shortly after the acquisition to enquire about the coverage of an ANO press conference.⁴⁴ Subsequently, he apologized for the move and proposed the drafting of an ethical codex, clarifying the relationship between the publisher and editorial board.⁴⁵ The departure of a number of respected journalists from the publishing house since its acquisition, however, indicates that changes in editorial policy might not be acceptable for many critically-minded journalists.⁴⁶

Public television and radio stations have contributed to the country's high rankings in press freedom indexes. Czech Television (CT) has set the example for public television channels across Central Europe with its in-depth, highly analytical, and critical reporting and its ruthless scrutiny of politicians and public figures. CT covered the presidential elections without major complaints, except for an investigation by the Council for Radio and TV Broadcasting for presenting one of the presidential candidates in an unfavorable light during the campaign.⁴⁷

Personnel changes during the year, however, prompted fears of politicization at the channel.⁴⁸ Daniela Drtinová, a well-known TV show host in the Czech Republic, was abruptly removed from the flagship program *Události, komentáře* (Events, Commentaries) in August, with the justification that she was offered her own talk show. The trade union of the channel claimed that Drtinová was removed because politicians had complained about her uncompromising interview style, and she was not allowed to interview the presidential candidates during the election

campaign. The subsequent firing of Pavlína Kvapilová, editor-in-chief of the new media section of CT who criticized the management and supported Drtinová, pointed to the CT management's inability to accept criticism. Due to restructuring, two other new media editors and vocal supporters of Drtinová, Angelika Bazalová and Gábina Gabrielová, were also fired in November.⁴⁹

Concerns about political pressure on public television reignited after the parliamentary elections in October. A number of employees accused the CT management of censorship in several instances, including the editing of a photo documenting a secret meeting between President Zeman and a group of ČSSD politicians in October. (The meeting caused a serious crisis in the party and resulted in allegations that the president was engineering a coup against ČSSD leader Bohuslav Sobotka). In an open letter published in November, 23 editors criticized the management for interfering with the electoral campaign and cited specific examples of editor-in-chief Petr Mrzena asking them to adjust critical reporting on President Zeman and the SPOZ party. The newsroom's deputy editor-in-chief, Adam Komers, resigned shortly after the scandal erupted, claiming that the management of CT had hired a PR company to denounce the signatories of the letter.⁵⁰ At the same time, a separate letter was released dismissing censorship claims, signed by 61 CT employees.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 ³
2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

The Czech constitution guarantees self-governance, and the country is divided into 14 regions and 625 municipalities.⁵¹ The central government entrusts significant tasks to these subunits, which are subordinate to the Ministry of Interior. The Acts on Local Government and Regional Government regulate local and regional self-governments, while the capital city of Prague, which is both a separate region and a municipality, is regulated by its own legal act (the Act on the Capital City of Prague). Citizens elect local and regional assemblies, which further elect local and regional councils, mayors, and regional governors.

At the 2012 regional elections—which were largely seen as a referendum on the unpopular Nečas government—left-wing parties won by a landslide, with ČSSD winning 9 of the 13 regions (Prague only elects a municipal assembly) and KSČM succeeding in 2 regions. The turnout, which has usually been lower than in national elections, fell to a mere 37 percent.⁵² Although the presence of KSČM in any form of government is still viewed as controversial by many Czechs, regional governments are currently composed of a coalition or involve cooperation between ČSSD and KSČM in 10 out of the 13 regions. ČSSD had previously agreed not to engage with KSČM in the central government.

The results prompted a series of protests across the country in January 2013, including demonstrations in Prague, Olomouc, Usti nad Labem, Karlovy Vary,

Ceske Budejovice, and Zlin.⁵³ The protesters were calling on the parties to form new coalitions and prevent the Communists from assuming power in regional councils. In the Southern Bohemian region, students went on a hunger strike to protest the appointment of a KSČM member, Vítězslava Baborová, to the position of counsellor in charge of culture and youth. Baborová resigned at the end of January but was later replaced by another KSČM member. The hunger strike had served as an example, and protests continued through the first half of the year, even involving events commemorating the victims of communism.⁵⁴

In Prague, the TOP 09–ODS coalition ended in May 2013 after TOP 09 unilaterally announced its withdrawal. The city's ODS mayor, Bohuslav Svoboda, was replaced by TOP 09 member Tomáš Hudeček immediately afterward. As ČSSD and TOP 09 were unable to agree on a coalition in the next few months, Prague was led by the minority government of TOP 09 at year's end. The breakup of the coalition ended the 22-year-long ODS reign over the capital.⁵⁵

Regional and local administrations continued to profit from European Union (EU) subsidies in 2013, which helped them improve their infrastructure. Problems related to the mismanagement of EU cohesion funds in the northwestern regions of Karlovy Vary and Usti nad Labem resulted in the freezing of funds and an audit by the European Commission in June 2012. The audit determined that an amount of about 2.6 billion Czech crowns (€100 million) was spent improperly and had to be paid back to the EU. The two regions first refused to bear the financial burden, claiming that the responsibility rested with the central authorities, but finally agreed to a compromise in July 2013. As part of the deal, the Ministry of Finance will cover about CZK 1 billion (€36 million), the two regions about CZK 900 million (€32 million), and the state will provide the remaining amount through an interest-free loan.⁵⁶ Following the investigation, charges will be lodged against deputy governor Pavel Kouda and several former directors in charge of the funds.⁵⁷

This mismanagement of EU funds likely represents just the tip of the iceberg of regional financial problems, as corrupt practices as well as close ties between regional politicians and businesses are currently coming to light.⁵⁸ The anticorruption momentum that exists in the central government has not trickled down to regional and local levels yet, risking the continuation of such mismanagement practices. If handled thoroughly, the investigation of the Karlovy Sad and Usti nad Labem cases and the charges against former governor of Central Bohemia David Rath, whose trial started in August, may become important breakthroughs in curbing corruption at the local level.⁵⁹

The government proposed to remedy the lack of oversight in such situations by extending the authority of the Supreme Audit Office (NKÚ). However, the proposal was struck down by the Senate in January in a decision that was heavily criticized by anticorruption NGOs and activists.⁶⁰ Critics of the bill argued that it would only result in an increased bureaucracy and that local and regional administrations were already overwhelmed.⁶¹ Shortly after the proposal was struck down, deputies introduced two similar bills that the majority of deputies pledged to support. As many senators are active in local politics as mayors, the passage of the original bill

in the Senate remains uncertain. Some experts claimed that the extension of NKÚ's authority without the right to impose fines would constitute a useless measure.⁶²

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.25	2.00	2.00	2.25	2.00	2.00	2.00	1.75	1.75

The Czech judicial system is four-tiered, with district, regional, high, and supreme courts (the Supreme Court and the Supreme Administrative Court) as well as the Constitutional Court acting as a powerful guardian of the constitution. These bodies are the protectors of individual rights and freedoms, which are guaranteed in the Charter of Fundamental Rights. Judicial independence is protected by the constitution as well, although allegations of political influence in high-profile cases have been a problem in the past.

The Public Prosecutor's Office has for a long time been considered the weakest link of the Czech judicial system. The government has substantial influence on its composition: the Supreme Public Prosecutor is appointed by the government on the proposal of the minister of justice, who also appoints state attorneys. The office was also criticized for its inability or unwillingness to prosecute sensitive cases in the past.

A wave of high-profile prosecutions continued in 2013, having begun in 2012 after the appointment of Supreme Public Prosecutor Pavel Zeman in 2011 and Chief Prague Prosecutor Lenka Bradáčová (renowned for bringing charges against former governor David Rath) in 2012. During the year, eight individuals were charged with corruption in relation to the sale of Czech Railways property; a former Prague police chief was sentenced to six years for bribery in November; and prosecution began against a group (including a judge and a state attorney) that had taken bribes for arranging lower sentences in the second district of Prague. Former ČSSD deputy Vlastimil Aubrecht was also accused of bribery in September, and police charged several members of Prague Council, including Mayor Svoboda, in May with insider trading and corruption in connection to a municipal smart card project.⁶³

The case that reached most deeply into the heart of political power was the police raid on the prime minister's offices in June. The orchestrated raid, initiated by Olomouc High State Attorney Ivo Iřtvan, took place simultaneously in several different locations across the country, involved about 400 policemen, and resulted in charges against eight people, including the prime minister's chief of staff, Jana Nagyová; three former ODS deputies; and two military intelligence heads. The eight individuals were accused of corruption, manipulation of public tenders, and abuse of military intelligence. The prosecution later halted the investigation against the three deputies, noting that they had parliamentary immunity; no official charges were filed against the others as of year's end.

According to a number of experts, the raid was only possible because prosecutors and investigators had been given more independence under Nečas's premiership and

because legal changes prevented the executive from intervening in the investigatory stage.⁶⁴ Some commentators, however, argued that the prosecution went too far and likened the raid to a “judicial coup d’etat.”⁶⁵ They claimed that allegations of Nečas offering positions in state firms to the deputies in exchange for a favorable vote were part of daily politics and that the theatrical raid harmed the country’s reputation. A positive aspect of the case was the impressive cooperation of law enforcement agencies (especially the Department for the Revelations of Organized Crime) and the public prosecution, which could help reinstate public trust in the judicial system.

Following radical changes to the law on the Public Prosecutor’s Office in 2011, the Nečas government introduced further changes in October 2012, boosting the independence of the office. The amendment aimed to create a simplified structure by abolishing the separate Prague and Olomouc offices; made the Supreme Public Prosecutor removable only by the Supreme Administrative Court; and created a specialized anticorruption department within the prosecution.

However, the bill was withdrawn by the minister of justice of the caretaker government in July despite objections by Supreme Public Prosecutor Zeman, High Attorney Bradáčová, and former ministers of justice Pavel Blažek and Jiří Pospíšil.⁶⁶ Prosecutor Zeman later stated he would resubmit it as soon as a new government was established.⁶⁷ Since the bill is part of the Reconstruction of the State campaign—an initiative by a group of NGOs campaigning for anticorruption measures—and since 137 out of 200 newly elected deputies promised to support it, its chances of passage in the future are strong.⁶⁸

A constitutional amendment passed in April makes it easier to prosecute politicians and Constitutional Court judges by restricting their immunity. Politicians and justices are still protected and enjoy immunity from criminal prosecution—unless the lower house or the Senate gives consent for prosecution, that is—but this protection will end with the end of their mandates.

A controversial amnesty by former president Klaus on 1 January 2013 cast a shadow over the otherwise impressive performance of the judiciary. The amnesty freed more than 6,000 inmates who were serving sentences of up to one year, canceled suspended sentences, and halted proceedings in cases that had dragged on for more than eight years.⁶⁹ Since a number of high-profile cases involving corruption (such as the H-System tunneling or the Mercia and Trend funds case) were also stopped,⁷⁰ the media speculated that the amnesty had been tailored to end some of the controversial cases of “wild capitalism” in the 1990s, when Klaus was acting as prime minister.⁷¹

Following Klaus’s announcement, a group of senators lodged a complaint before the Constitutional Court in January 2013, hoping to abolish those provisions of the amnesty that dealt with economic criminality; however, the court ruled that it did not have the constitutional competence to make a decision on the case.⁷² The senators’ motion to impeach Klaus was also stopped by the court, which cleared Klaus of high treason in March.⁷³ Supreme Public Prosecutor Zeman demanded that the Supreme Court exclude seven cases (including the H-System tunneling case) from the amnesty; the court excluded only two.⁷⁴

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50

Upon coming to power in 2010, the government of Prime Minister Nečas—who had been referred to as “Mr. Clean Hands” during his electoral campaign—made the fight against corruption a top priority. Efforts to curb graft, however, have been hindered by numerous scandals in the past three years. They ran completely aground following the June government crisis and accusations in which members of the government, including the prime minister’s closest collaborators, were implicated in a corruption scandal. The resignation of the government in June and the subsequent turmoil suspended key pieces of anticorruption legislation that the government had previously proposed.

In January, the government adopted a bold anticorruption strategy for 2013–14 that listed the top priorities for the next two years, including a new civil service act, legislation on conflict of interest, and measures aimed at improving the ownership structure of companies bidding in public tenders.⁷⁵ The government included NGOs in the drafting process and allowed them to draft sections of the strategy. Although the year saw important institutional changes—including the creation of an anticorruption unit in the prime minister’s office, which has its own personnel and budget—most of the acts were not adopted due to the resignation of the government in June and the subsequent dissolution of the parliament in August.

NGOs had intensified their efforts in the first half of the year and pushed politicians to pass key legislation. In March, about 20 NGOs announced a new initiative called Reconstruction of the State that engaged parliamentarians, businessmen, and other experts to pass nine anticorruption laws before June 2014, the scheduled date of the next general elections at the time. Because of the dissolution of the parliament in August and the October early elections, only one law was passed in 2013. The majority of the newly elected deputies did agree to support the initiative.⁷⁶

Public procurement is one of the areas most susceptible to corruption in the Czech Republic, and the lack of transparency in the use of public tenders continued to pose a significant problem. In the period 2006–2010, as much as 67 percent of public tenders announced by ministries took place outside the online Information System of Public Tenders, and in 14 percent of the cases, the tender had the same number of bidders and winners.⁷⁷ The new public procurement act, passed in 2012 and generally lauded by anticorruption activists, lowered the amount threshold beyond which public contracts must be opened to a bidding process. Previously, this threshold had been among the highest in Europe. The Senate decided to increase it again for 2014.

The existence of anonymous bearer shares also helped to perpetuate non-transparent practices, making it impossible to determine whether the winners of

tenders were in any way linked to the political establishment. After previous failed attempts, the government reintroduced a proposal to ban these shares by the end of 2013. According to the law adopted in May, owners of bearer shares would have to register or liquidate them. However, since the law was a somewhat watered-down version of the original draft, experts claimed that offshore companies with anonymous ownership could still be difficult to track down.⁷⁸

Proposed by TOP 09 deputy Jan Farský in November 2013 and modelled on a similar register in Slovakia, the public register of contracts was another step that would bring more transparency and curb corruption in public procurement. The draft obliged public authorities to publish their contracts online.⁷⁹ Some deputies expressed concerns that the law would increase the administrative burden on the smallest municipalities, and the parliament was unable to pass it due to its dissolution in August.

The government did not follow through with recommendations from anti-corruption NGOs in its efforts to improve the protection of whistleblowers. Before 2013, no legislation had existed to regulate whistleblowing specifically. However, instead of creating a distinct act as suggested by Transparency International (TI), the government proposed to amend the Antidiscrimination Act to include provisions for whistleblowing. TI criticized the approach, stating that the government did not aim to tackle the issue in a complex manner.⁸⁰ In the end, the amendment did not pass due to the resignation of the government. TI established a consultation center for whistleblowers.

The Czech Republic is the only EU country without functioning civil service legislation, which makes the country's public administration extremely susceptible to political pressures and corruption.⁸¹ The Law on Civil Service was already approved in 2002, but most of its provisions never came into force as governments constantly delayed its starting date. Although the Ministry of Interior began drafting a new bill in 2013, the process was suspended in May following criticism by the Legislative Council as well as numerous NGOs.⁸² The government finally approved a new draft in June, though its passage also fell victim to the dissolution of the parliament. The law is likely to be among the top priorities of the new government, as it is a condition for the distribution of EU structural funds in the 2014–2020 budgetary period.

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- ⁹ Martin Prahar, "Zeman: Putnu profesorem nejmenuji, důvody neřeknu, nechci ho ponižovat" [Zeman: appointed Putna as a professor, names reasons, does not want to humiliate him], *Lidovky.cz*, 17 May 2013, [iDnes.cz, 21 May 2013, \[http://zpravy.idnes.cz/docenti-odmitaji-tituly-profesoru-dr8-/domaci.aspx?c=A130521_102456_domaci_jw\]\(http://zpravy.idnes.cz/docenti-odmitaji-tituly-profesoru-dr8-/domaci.aspx?c=A130521_102456_domaci_jw\).](http://www.lidovky.cz/zeman-putnu-profesorem-nejmenuji-duvody-nereknu-nehci-ho-ponizovat-12s-zpravy-domov.aspx?c=A130517_114835_In_domov_mpr; and Jan Václavík and Hana Válková,)
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¹⁹ “Výsledky prezidentských voleb” [The Results of the Presidential Elections], Czech Statistical Office, <http://volby.idnes.cz/prezidentske-volby-2013.aspx?k=1>.

²⁰ The Beneš decrees were a series of legal acts issued by President Edvard Beneš in 1945 that enabled the expulsion of ethnic Germans from the territory of then Czechoslovakia unless they could prove an active anti-Nazi attitude. It is still a highly controversial issue in the Czech Republic and Slovakia. A few politicians (such as Schwarzenberg) claim that the decrees are incompatible with the tenets of modern democracy, such as the presumption of innocence, while others underline problems with potential claims by expropriated Sudeten Germans.

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²² *Ibid.*

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ See, for instance, “Zlepší Andrej Babiš českou politiku, potazmo český stát?” [Will Andrej Babiš improve the Czech politics, or the Czech state?], *Respekt*, 2–8 September 2013, <http://respekt.ihned.cz/c1-60531910-zlepsi-andrej-babis-ceskou-politiku-potazmo-cesky-stat>.

²⁶ For more information on the profile of ANO voters, please refer to <http://img.ct24.cz/multimedia/documents/52/5187/518640.pdf>.

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Estonia

by Hille Hinsberg, Jane Matt, and Rauno Vinni

Capital: Tallinn
Population: 1.3 million
GNI/capita, PPP: US\$23,280

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75
Civil Society	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
National Democratic Governance	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Local Democratic Governance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Corruption	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50	2.50
Democracy Score	1.96	1.96	1.96	1.93	1.93	1.96	1.93	1.93	1.96	1.96

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 coalition government of the Reform Party (RP) and the Pro Patria and Res Publica Union (PPRPU) remained stable throughout 2013, although the popularity of coalition leader RP continued to decline. The party lost significant support in Tallinn and numerous municipalities in the October local elections.

Unemployment levels improved during the year, and the economy grew by just under 1 percent. Responding to public frustration with perceived stagnation in government and the low internal transparency of political parties, Estonian president Toomas Hendrik Ilves spearheaded the creation of an online forum (“People’s Assembly”) for crowdsourcing policy ideas. The accompanying deliberation process yielded a number of legislative proposals, though none had been adopted at year’s end.

National Democratic Governance. Corruption scandals and the government’s perceived unresponsiveness to prevailing social and economic problems fueled an ongoing public debate on the quality of Estonian democracy. The government reacted to a public initiative called Charter 12 by creating an online forum for public proposals related to improving government transparency and accountability. In November, Culture Minister Rein Lang (RP) resigned due to conflicts with cultural associations, but none of the year’s other scandals resulted in cabinet changes. The RP’s popularity continued to decline during the year. *Estonia’s national democratic governance rating remains unchanged at 2.25.*

Electoral Process. There is growing public concern that Estonia’s party system has become cartelized and that there is insufficient room for newcomers. Local council elections in October largely reaffirmed the power structure between major powers at the national level, though Prime Minister Andrus Ansip’s RP lost significant support in Tallinn and nationwide. RP’s coalition partner, PPRPU, appeared to benefit from RP’s decline, performing better than in the 2009 elections. The majority of nationwide votes went to the Center Party (CP), which also won a majority in Tallinn, where the campaign was most intense. The Social Democrats (SD) did not perform as well as public support rates in the first part of the year had promised, but the party’s share of votes improved notably compared to the last municipal elections. *Estonia’s electoral process rating remains unchanged at 1.75.*

Civil Society. Per capita, Estonia has many civil society organizations, though the public’s involvement in political issues is low. An innovative People’s Assembly

deliberation process attempted to crowdsource solutions to perceived problems in Estonian democracy that were brought to the fore by a 2012 party financing scandal and other political affairs. The project yielded 15 proposals for legislative amendments that were being reviewed by the parliament at year's end. *Estonia's civil society rating remains unchanged at 1.75.*

Independent Media. Estonia's media landscape is diverse, including many national and local news outlets and a growing collection of popular online sources. In general, the media operate without significant political interference. However, allegations that Estonia's culture minister had unduly influenced administrative decisions at a publicly funded cultural weekly prompted his resignation in December. Estonia's largest daily newspaper, *Postimees*, changed ownership in fall 2013. The year also witnessed the sudden resignation of the editors of two of the country's biggest newspapers. *Estonia's rating for independent media remains unchanged at 1.50.*

Local Democratic Governance. Most local government units are very small and lack the necessary capacity to operate efficiently and meet the public service needs of constituents. However, 20 years of efforts to reform the system have failed due to lack of political will and consensus. In August 2013, Regional Affairs Minister Siim-Valmar Kiisler presented a reform plan that focused on the creation of "commuting centers" to reorganize local governments into more capable and equitable units. The fate of the plan is uncertain, as several ministers have already expressed their opposition to it. *Estonia's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. A number of legislative initiatives in 2013 sought to strengthen the protection of fundamental rights and improve the effectiveness of the judicial system. The issue of surveillance also featured prominently in discussions about judicial reform in 2013. The speed and efficiency of judicial procedures continues to increase. *Estonia's judicial framework and independence rating remains unchanged at 1.50.*

Corruption. Estonia ranks well in all global corruption indices and is considered one of the least corrupt countries in the EU. However, in the last two years, ongoing problems with government corruption have been demonstrated by highly publicized allegations of money laundering within the country's major political parties. Key anticorruption documents adopted or implemented in 2013 established the framework for tackling corruption and enhancing the accountability of the civil sector. The Public Assembly process yielded proposals for some potentially important campaign-finance reforms, but these had not yet been adopted at year's end. *Estonia's corruption rating remains unchanged at 2.50.*

Outlook for 2014. Politics in 2014 will be dominated by preparations for two elections—for new delegates to the European Parliament (EP) in May and for

Estonia's parliament in 2015. It appears that RP will approach the EP elections with its lowest support rate of all time, which will mean tough competition and active campaigning by other leading parties. Barring significant reforms, the public will continue to criticize RP and the other coalition partners for perceived political stagnation, economic inequalities, and the government's unwillingness to take action on issues such as administrative or tax reform.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25

The center-right government coalition of the Reform Party (RP) and Pro Patria and Res Publica Union (PPRPU) remained in office throughout 2013, with 56 of the 101 seats in the *Riigikogu* (the parliament). At the same time, Estonians grew increasingly critical of the quality of democratic governance in their country, complaining of low transparency and the inadequate internal democracy of political parties, among other concerns. The government's perceived unresponsiveness to public discontent contributed to growing mistrust of the national parliament and government¹ and the declining popularity of Prime Minister Andrus Ansip's RP, especially in the second half of the year.²

At the end of 2012, 18,000 citizens—including 12 active public figures—signed a manifesto called Charter 12 (Harta 12) that outlined a series of democracy-related problems in Estonian society.³ Estonian president Toomas Hendrik Ilves responded to the document's popularity by assembling representatives of political parties, social interest groups, the non-profit sector, and other charter signatories for a discussion about ongoing political problems and possible solutions. In January 2013, the process culminated in the creation of the People's Assembly (*Rahvakogu*)—a new online platform for crowdsourcing ideas and proposals to amend Estonia's electoral laws and Political Parties Act and to address other issues related to the transparency and effectiveness of democracy in the country. In February and March, the ideas collected in January were analyzed by a collection of experts—legal and social scientists, state officials, representatives of civil society, and journalists—before being submitted for discussion in April at an official “National Deliberation Day” summit, attended by a population sample of 314 participants. The proposals deemed most deserving of support were presented to the parliament by President Ilves later that month. Some experts criticized the People's Assembly as an illegitimate mode of lawmaking due to its alleged unrepresentativeness and incompatibility with the Estonian constitutional framework, but it also represents an unprecedented attempt to expand the possibilities of Estonian participatory democracy.⁴ Elements of several public proposals have already been integrated into drafts laws, though others have been tangled up in bureaucratic proceedings, generating some disappointment with the Public Assembly project.⁵

The sudden contraction in economic activity and trade caused by the 2008 global credit crisis had a significant impact on Estonia, but the government has shown determination in balancing the state budget and adapting to the post-crisis economic landscape. Although some argue that Estonia is too dependent

on European Union (EU) structural funds and other external resources, Estonia's macroeconomic and fiscal situation is quite stable compared to the EU average.⁶ Gross Domestic Product grew by 0.8 percent in 2013, and the unemployment rate averaged 8.6 percent during the year, compared with 10.2 percent in 2012.⁷

Notwithstanding these signs of macroeconomic growth, a 2013 report by the National Audit Office described the serious ongoing challenges facing many Estonian citizens. Price increases have been greater than wage growth, the rate of long-term unemployment is still very high, and many more families need income support than did before the crisis.⁸ As a result, annual emigration rates—which shot up when Estonia joined the EU in 2004—have continued to grow, particularly among the rural population.⁹ Coalition partners were criticized for being unresponsive to the problems outlined by the report.¹⁰

Public trust in democratic institutions has also declined as a result of high-profile political scandals and allegations of corruption. In 2012, a prominent member of the RP stated that he had repeatedly laundered illicit donations to his party between 2009 and 2010 at the behest of the party's secretary-general, Kristen Michael. Party leadership responded by turning on the whistleblower, and the prosecutor's office eventually dropped the investigation due to an alleged lack of evidence. In January 2013, Estonia's central bank made public several documents implicating onetime bank head Siim Kallas—a former RP leader and one of the party's founders—in a case related to falsified documents.¹¹ A few months later, Environment Minister Keit Pentus-Rosimannus (RP) attracted public interest because of her alleged connection to illegal transactions by a family member's transport company.¹² In June, leading RP figure and member of the European Parliament Kristiina Ojuland was expelled from her party following accusations that she had encouraged identity theft during the e-voting in RP's internal party elections.¹³

The centrist Center Party (CP), which won the most votes in the October 2013 municipal elections, also faced accusations of wrongdoing during the year. Just before the elections, a former party member reported that in the 2000s, he and others conscripted by him had transferred the equivalent of approximately €20,000 of unclear origin to party coffers.¹⁴ The Social Democrats (SDs), the fourth largest party in Estonia, came under fire later in the year for allegedly misreporting their campaign costs in 2009.¹⁵

Previously, the RP had presented itself as a collection of reform and innovation-minded individuals determined to challenge the stagnant and corrupt elite. Scandals in 2012 and 2013 not only lowered support for the RP,¹⁶ but they also eroded the legitimacy of the political system as a whole. By late 2013, the transparency of party finances and internal party politics was being questioned, not only by the general public but also by the political elite themselves.

None of the abovementioned corruption accusations caused significant changes in the cabinet membership during 2013. However, Culture Minister Rein Lang did resign from office in November as a result of a conflict with cultural associations that accused him of making politically motivated personnel changes to the editorial board of the newspaper *Sirp*.¹⁷

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75

There is a widening public perception that the cartelization of parties is hindering the vitality of the democratic system.¹⁸ Since the 2011 elections, there are only four parties represented in the parliament, two fewer than after the 2007 elections. RP has been part of most government coalitions since 1995 and has led every coalition since 2005. Andrus Ansip has been prime minister since 2005. Public concern over limited pluralism within government was evident during the People's Assembly exercise, which resulted in over 600 public proposals related to elections—more than any other topic.¹⁹ One of the proposals that appeared before the parliament suggested lowering the threshold for parliamentary representation from 5 percent to 3 percent. Another Peoples' Assembly proposal aimed at creating more room for newcomers in the party system was to lower the minimum number of members required to establish a new party.

Although public trust in state-level democratic institutions was very low in 2012 and 2013, turnout in the October 2013 local government council elections (58 percent) was roughly the same as in 2009 and quite high compared to earlier municipal polls.²⁰ The outcome of the free and fair elections demonstrated the overall stability of power relations between Estonia's major parties, but some small shifts were noticeable. The CP reaffirmed its leading position, winning approximately 32 percent of the vote nationwide and maintaining control of the city council in Tallinn. Prime Minister Ansip's RP won only 14 percent of the nationwide vote—3 percentage points less than in 2009—and also lost 6 percent of its previous support in Tallinn. The election's biggest surprise was the performance of RP coalition partner PPRPU, which won 17 percent of the total vote, an increase of 3 percent since the previous elections.

The Social Democrats (SD), Estonia's fourth largest party, saw their share of the national vote increase by 5 percentage points to 12 percent, compared to 2009—a strong showing, though not quite as strong as late 2012 and early 2013 polling had predicted and significantly below the party's performance in the 2011 parliamentary elections.²¹ The party performed especially well in northeastern Estonia, where it successfully mobilized Russian-speakers, the country's largest minority group, who usually support the CP or abstain from politics altogether.²²

The most intense electoral battle took place in Tallinn, where PPRPU mayoral candidate Erik-Niiles Kross launched a highly critical campaign against incumbent mayor Edgar Savisaar (CP), accusing him and his administration of corruption and nontransparency. The criticism was fueled by media reports that the CP was exploiting public resources for its electoral campaign.²³ Just 24 hours before election day, Kross's campaign took a strange turn when his name appeared on Interpol's wanted list in connection with Russian allegations that he had played a role in hijacking the freighter Arctic Sea in 2009. Many interpreted the Interpol warrant as an attempt by Russia to intervene in Estonian politics.²⁴ Ultimately, Kross failed to

unseat Savisaar, but PRRPU did win considerable support in the election, drawing largely from the pool of alienated RP supporters and demonstrating a shift in the power balance between the state-level coalition partners.

Electoral alliances were more visible and popular in 2013 than in previous elections, performing quite well in large towns like Tartu, Pärnu, and Jõhvi, as well as in smaller municipalities. The fact that some prominent local elites decided to run for council as part of an electoral alliance list, rather than with an individual party, reflects an awareness of public frustration with the political status quo.²⁵

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75

As a rule, citizen engagement in political issues—particularly via civil society organizations (CSOs)—is not very high. However, the launch of the People’s Assembly process created opportunities for civil society to respond with some vigor to the 2012 party financing scandal and demand increased transparency and openness within the political system.

A number of established organizations continue to support civil society activity in Estonia. These include the National Foundation of Civil Society, which distributes public funding among civic sector organizations, and the Open Estonia Foundation, which acts as an administrator for European Economic Area (EEA) capacity-building funds. The Network of Estonian Nonprofit Organizations (NENO), an umbrella association with more than 100 member organizations and an extensive network of contacts and resources, also provides support services to Estonian nonprofits and works to increase public awareness of nongovernmental activities, advocate for the interests of all public benefit CSOs, and improve working relationships between the public and business sectors.

Close to 30,000 nongovernmental organizations (NGOs) and foundations are registered in the country. According to most recent data collected by the United States Agency for International Development (USAID), approximately 2,000 new organizations were established in 2012, and nearly 3,000 defunct ones were deleted from the registry during the same year. The latter category included any organizations that had failed to submit annual reports for two consecutive years.²⁶

Approximately two-thirds of Estonians polled in 2013 expressed a belief that NGOs can influence local political decision-making.²⁷ At the same time, less than one-fifth of Estonian residents are actually affiliated with NGOs as members or volunteers. Between elections, political activism remains low: only 12 percent of poll respondents claimed to have taken up issues of public concern with their local representatives.²⁸

The People’s Assembly project increased dialogue between civil society and policymakers in 2013. Within three weeks of its creation, the website had received 60,000 visitors, and 1,800 ID-authenticated users had posted nearly 6,000 ideas

and comments aimed at improving electoral process, public participation, and the functioning and funding of political parties. Suggestions were grouped into sub-categories, and their impact was analyzed by scholars and practitioners. The proposals were debated on Deliberation Day (6 April), where a representative population sample debated pros and cons and voted on 15 proposals to be presented to the parliament as draft legislative amendments.²⁹ By the end of 2013, two bills based on amendments proposed by the Assembly were going through the legislative process. The Bill on Amendments to the Political Parties Act contains measures intended to increase the transparency of political finances and make it easier for new parties to enter the system.³⁰ The second bill is a completely new regulation institutionalizing of the right to petition.³¹

Building on momentum from the People's Assembly, approximately 2,000 people gathered in August in the town of Paide for Estonia's first-ever Opinion Festival (similar to Almedalen in Gotland, Sweden)—an open forum for discussion of policy issues between politicians, journalists, and the general public.³² The media actively participated in the discussion of various proposed changes to the political system, as well as the debate over civil society interventions.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Although there is significant cross-media ownership and little opportunity for new entrants, Estonia's numerous media outlets express a wide variety of views without government interference.³³

The Estonian-language print media landscape includes four major national dailies. Of these, *Postimees* has the largest circulation—approximately 53,000 print copies, in addition to a Russian-language edition reaching approximately 7,800 readers. The other major dailies are *Õhtuleht*, *Eesti Päevaleht*, and *Äripäev*. There are also three popular weekly newspapers—*Maaleht*, *Eesti Ekspress*, and *Den za Dnjom* (in Russian)—each of which has a circulation between 10,000 and 50,000 copies.³⁴ The number of local Russian-language outlets remains limited. As a result, Estonia's approximately 400,000 Russian residents usually access information and entertainment from media, especially television, broadcast from the Russian Federation. At the end of 2013, it was reported that newspaper circulation had declined for the four major daily papers, with decreases in circulation ranging from 5 to 11 percent compared to the previous year.³⁵

Postimees changed ownership by means of a management buyout in September. The Norwegian media group Schibsted, which owned *Postimees's* publisher Eesti Media (EM) for 15 years, withdrew from the Baltic market in 2013 and sold EM to local investors at a significant loss. Following the acquisition, competition between the country's two main media groups—EM and Ekspress Grupp, which owns the print daily *Eesti Päevaleht* and the online news site Delfi—is expected to

toughen, as both groups are actively trying to build a consortium of media outlets that target diverse consumer groups.

One month after EM's sale, the almost-simultaneous resignation of the editors-in-chief of *Postimees* and *Eesti Ekspress* shocked the journalism community and the general public. Both editors left, citing differences of opinion with the members of their publications' managing boards.³⁶ One source of ongoing tension between management and editors is publishers' increasing shift towards content suitable for digital outlets, such as newswashes for fast consumption and entertainment.

The Estonian media landscape is also populated by dozens of regional and local newspapers. Like many municipalities, the Tallinn City government has its own TV channel and issues several newspaper-like bulletins that are disseminated, free-of-charge. Municipal channels are staffed by civil servants and therefore are not subject to a journalistic Code of Ethics, and many produced highly propagandistic coverage of the October 2013 local elections.³⁷ The issue of municipally-owned media and the need for self-regulation is presently discussed by the Estonian Newspaper Association.³⁸

There are two primary national commercial television stations—Kanal2 and TV3—and a large number of private radio stations and cable and satellite services. Many commercial broadcasters have been struggling financially even as cable operators continue to earn profits.

Concerned with the financial management of the Estonian Public Broadcaster (ERR), Finance Minister Jürgen Ligi proposed in November that a Culture Ministry representative should be added to ERR's supervisory board.³⁹ Minister Ligi and Culture Minister Rein Lang (both RP) had previously bemoaned the lack of ministerial oversight at ERR, which is editorially independent from the government but operates under the purview of the Culture Ministry.⁴⁰ The current board consists of four media experts and one representative from each of the four major parliamentary parties. The proposed changes to the makeup of the board did not take place in 2013.

Minister Lang resigned in December in the wake of a different public scandal relating to media independence. Members of the opposition SD claimed Lang had used his position to influence the selection of an interim editor-in-chief at *Sirp*, a weekly cultural newspaper that is published with public funding. The editor in question initiated widespread reforms and personnel changes that many speculated were politically motivated. Lang refuted the allegations but stepped down anyway, saying that the scandal had compromised his ability to lead the ministry effectively.⁴¹

Estonia has among the world's highest levels of internet penetration, with approximately 79 percent of the population active online in 2012. Several newspapers have gone online in the past few years, and online-only news portals have an extensive readership. In the 2009 case between ferry company owner Vjatšeslav Leedo and the online channel Delfi, the Estonian Supreme Court ruled that web portals and online news outlets could be held responsible for damaging reader comments posted on their sites. The case was referred to the European Court of Human Rights (ECHR), and in October 2013, the ECHR upheld the Estonian

Supreme Court ruling, stating that holding online portals liable for comments was a justifiable restriction on freedom of expression given the offensive nature of the comments in this case, the portal's profitable gain for publicizing them, and the fact that the Estonian court enforced a reasonable fine for damages.⁴²

The media community has been divided over whether the ruling would restrict freedom of expression online. Estonian media associations such as the Association for Newspapers have generally expressed opposition to proposals for tighter state regulation of the media, emphasizing that self-regulation is the most appropriate tool for guaranteeing editorial independence.⁴³ A resolution by the European Newspaper Publishers' Association echoes this view, noting that "EU legislation in this area would decrease rather than increase press freedom."⁴⁴

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

The municipal system that began to develop in 1989 was designed to retain maximal autonomy of local government structures as a guarantee against the intervention of the central authorities, which were still under communist influence at the time.⁴⁵ Today, the financial independence of local administrations is more limited—the share of the local taxes in local government budgets is around 1 percent—so the system is rather centralized.

Estonia has 215 municipalities—30 cities and 185 parishes—for a country of only 1.3 million people. Many local government units are very small and lack the necessary capacity to operate efficiently and meet the public service needs of constituents. Working-age citizens continue to migrate from small communities to a few larger municipalities (or abroad) in search of better job opportunities and social services.⁴⁶

Although studies suggest that past mergers may have resulted in decreased governance and administrative costs (in some cases up to 50 percent),⁴⁷ the position of the government has been to facilitate only voluntary mergers between local governments, rather than planning a broader amalgamation. The current ruling coalition has framed this hands-off approach as an attempt to respect the autonomy of local municipalities.

Twenty years of administrative reform proposals by individual politicians have failed due to lack of political support. In August 2013, Regional Affairs Minister Siim-Valmar Kiisler (PPRPU) proposed a new plan to offset marginalization of smaller municipalities through the creation of 18 so-called "commuting centers" where people from surrounding regions could come to work, study, and consume various social services. Under Kiisler's plan, all regions would be under a deadline (set by the parliament) to decide where commuting centers should be, and municipalities would also be required to choose their residents' designated commuting centers within a certain timeframe.⁴⁸ Over time, these centers and the

areas they serve would define the borders of local government units in Estonia (with a target date of 2017 for these units' first local elections).

Some ministers have already indicated their opposition to the Kiisler plan, which was under discussion by various stakeholders at year's end. They assert that the reform plan focuses too much on territorial issues and that the mergers cannot be regarded as an adequate solution to the capacity gap. For example, the financial autonomy of local municipalities must be increased to give local authorities more power to customize their budgets according to local needs.⁴⁹ Also, a redistribution of tasks between central and local authorities according to the latter's actual capacity should be revised.⁵⁰

A key concern related to the state of local democratic governance in Estonia is the "oligarchization" of local life, or the blending of public and private interests that often occurs in extremely small communities with a limited number of business, political, and civil sector actors. An estimated 75 percent of all council members in Estonian local governments are simultaneously shareholders or members of the board or council in private enterprises.⁵¹ This phenomenon has undoubtedly contributed to the recent decrease in trust towards local government authorities. From mid-2012 to mid-2013, the percentage of Eurobarometer survey respondents who said they tended to trust local public authorities dropped from 58 to 53 percent.⁵²

With opportunities for local authorities to significantly influence or improve local life limited by financial constraints, campaigning for the 2013 local elections focused on minor issues, candidates' personalities, and scandals rather than substantive issues or even political ideology. This has been true in most local elections to date.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Estonia's judicial system is not subject to direct political influence. A number of legislative initiatives in 2013 sought to strengthen the protection of fundamental rights and improve the effectiveness of the judicial system.

In line with the first goal, the cabinet drafted amendments to the penal code and other criminal legislation, presenting them before the parliament in December. The amendments are intended to eliminate overlaps in legislation, specify punishment for various offenses, and reduce the number of acts subject to criminal—rather than civil or administrative—prosecution.⁵³ In September, the parliament amended the Code of Criminal Procedure to guarantee suspects or accused persons access to translation services and other protections afforded them under EU law.⁵⁴ In March, the parliament adopted legislation providing specific protection to juveniles and victims of human trafficking during misdemeanor proceedings, among other changes.⁵⁵

The issue of surveillance also featured prominently in discussions about judicial reform in 2013. Some Estonians are concerned that covert surveillance is too frequently employed by police and investigators⁵⁶ and want the Code of Criminal Procedure revised to specify and narrow the conditions under which it may legally be used. The opposition Center Party, whose leading members have come under investigation on several occasions in recent years, proposed such an amendment in spring 2013.⁵⁷ At year's end, the CP's draft was still awaiting its second reading in the parliament and the government had promised to prepare its own bill, as well.⁵⁸

The use of surveillance in criminal investigations rose 9 percent in 2012,⁵⁹ though the crime rate actually declined that year and the year before.⁶⁰ One reason for the increased use of surveillance may be a renewed focus on crimes of the type that traditionally involve covert surveillance actions, especially corruption crimes. The debate over surveillance has prompted the Justice Ministry to establish a working group to analyze the treatment of persons involved in criminal proceedings and propose amendments to safeguard their rights.⁶¹

In addition to strengthening protections for civil liberties, the Justice Ministry continues to work at improving the efficiency and effectiveness of the court system through proposed legal amendments, new hires, technological improvements to databases and registers, and other changes. The average duration of legal proceedings in criminal, civil, and administrative cases has improved notably in recent years. Based on data from 2010, the EU Justice Scoreboard ranks Estonia 10th among 27 EU member states where speed of non-criminal legal proceedings is concerned; 11th with regard to civil and commercial litigation; and 4th when it comes to resolving administrative cases.⁶² Reports compiled twice a year by the Justice Ministry indicate that in the first six months of 2013, the average time for proceedings diminished by 12 percent in criminal cases; 11 percent in civil cases; and 20 percent in administrative cases, compared to the same period in 2012.⁶³

Estonia's prison system continues to suffer from overcrowding, and prisoners have poor access to health care. In May, Estonia's Justice Ministry issued an order, effective January 2014, increasing the minimum space requirement for each prison inmate from 2.5 to 3 square meters, in accordance with a ruling by the European Court of Human Rights (ECHR).⁶⁴ To reduce the number of inmates, the Prosecutor General issued guidelines asking prosecutors to seek fewer prison sentences. The request elicited anger from some prosecutors, who accused the Justice Ministry of infringing on their independence.⁶⁵

The ruling coalition sees the development of Estonia's legal system as a process of stable and flexible improvement, rather than urgent or fundamental restructuring.⁶⁶ Some judges assert that the draft Courts Act prepared in 2010 would have increased judicial independence and improved management of courts by shifting related administrative responsibilities away from the executive branch,⁶⁷ but the draft was never discussed in the parliament, in part because not all the judges supported the reform initiative. Chief Justice Priit Pikamäe, appointed in May 2013, has said that Estonia's court system needs certain improvements, but maintains there is no need for structural reform.⁶⁸

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50	2.50

Estonia ranks well in all global corruption indexes⁶⁹ and is considered one of the least corrupt countries in the EU. However, there are ongoing problems with government corruption. Over the past two years, there have been highly publicized allegations of money laundering within both the RP and the CP, but no criminal convictions have followed.

A January 2013 report by the Council of Europe's Group of States against Corruption (GRECO)⁷⁰ points to several holes in the corruption prevention practices being implemented in Estonia's legislature and court system. In their evaluation, GRECO experts note the existence of corruption among members of parliament, judges, and prosecutors, pointing to insufficient application of conflict-of-interest rules for members of parliament (MPs); an absence or insufficient definition of ethical principles and rules of conduct for MPs; and a lack of practical guidance regarding the acceptance of gifts associated with official duties. The report emphasizes that although the country's legal anticorruption framework is satisfactory, there are gaps in the way such laws are applied. Transparency International's 2013 Corruption Barometer reports that Estonians consider political parties the most corrupt of institutions, followed by businesses and public officials. Respondents identified the military, churches, and the education system as the least corrupt public institutions.⁷¹

In March, *Postimees* reported that CP leader and Tallinn mayor Edgar Savisaar had requested the resignations of four Tallinn officials because they had not returned 5 percent of their gross wages to the CP, which all Tallinn city officials who belonged to the party were apparently obliged to do under a 2005 agreement. The revelations prompted allegations of influence-peddling, but prosecutors declined to pursue a criminal case. Before the October elections, former CP member Tarmo Lausing alleged that during the 2000s he had helped to funnel some €20,000 of unclear origin to the CP at the request of Kadri Simson, a member of parliament and the CP's current deputy chair. Prosecutors declined to pursue the allegations, saying the statute of limitations had expired. A similar scandal within the Reform Party had erupted in 2012 and led to the resignation of Justice Minister Kristen Michal, but an investigation into that controversy was abandoned due to a lack of evidence.

In October, the parliament began debating a series of campaign-finance reforms, some of which originated in the Public Assembly deliberation process of early 2013. If adopted, amendments to the Political Parties Act⁷² will establish stricter punishments for accepting prohibited donations and extend the authority of the parliament's Political Party Funding Oversight Committee.

The 2012 Anti-Corruption Act⁷³ came into force in early 2013, outlining the legal framework for the fight against corruption. At year's end, it was still too early to tell how the framework is functioning in practice. A bidding process was launched

in October for the rebuilding of the electronic register for declaration of economic interests, which is intended to serve as the main tool for ensuring transparency and preventing conflicts of interest.

The government adopted a comprehensive Anti-Corruption Strategy for 2014–2020⁷⁴ in April 2013, along with an implementation plan outlining responsibilities and allocating resources among institutions. The strategy outlines 79 measures, most of them focusing on prevention and education rather than on sanctioning. The document emphasizes transparency in public sector decision-making as critical to reducing opportunities for graft and includes clear plans for an impact assessment at the end of implementation period. One area neglected by the framework is the concept of whistleblowing; however, Transparency International has launched a program to enlist best practices in whistleblower protection and has made recommendations to the government.⁷⁵

The revised Civil Service Act⁷⁶ that came into force in 2013 is intended to increase transparency in the public sector by creating a clearer (and narrower) definition of a public servant and a number of new rules for ensuring that the process by which public servants are hired and compensated is competitive and transparent. Although the requirement that civil servants be recruited on a competitive basis is not new, institutions previously had full power to decide the best hiring practices, and contests were not always used as a selection tool. The salaries of all civil servants are now published online, and all civil servants—not just high-level ones or those involved in public procurement, as before—are subject to financial disclosure.

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Georgia

by Paul Rimple

Capital: Tbilisi
Population: 4.49 million
GNI/capita, PPP: US\$5,790

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	4.75	4.75	4.50	4.75	5.25	5.25	5.00	5.00	4.75	4.50
Civil Society	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75
Independent Media	4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.00
National Democratic Governance	5.50	5.50	5.50	5.75	6.00	6.00	5.75	5.75	5.50	5.50
Local Democratic Governance	6.00	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Judicial Framework and Independence	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00	5.00
Corruption	5.75	5.50	5.00	5.00	5.00	5.00	4.75	4.50	4.50	4.50
Democracy Score	4.96	4.86	4.68	4.79	4.93	4.93	4.86	4.82	4.75	4.68

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

Civil war and two separatist conflicts impeded the establishment of healthy democratic institutions during Georgia's first 12 years of post-Soviet independence. In 2003, flawed parliamentary elections sparked a campaign of street protests known as the Rose Revolution, forcing President Eduard Shevardnadze and his Citizens' Union of Georgia (CUG) out of office and clearing a path for young reformer Mikheil Saakashvili and the United National Movement (UNM).

President Saakashvili's administration introduced important economic reforms, developed infrastructure, and made notable progress in battling corruption. However, the UNM government failed to create the strong democratic institutions it had promised. Power remained concentrated in the executive branch at the expense of transparency, inclusiveness, and judicial independence. In 2008, Saakashvili led Georgia into a costly war against Russia that resulted in Russian occupation and secession of the breakaway territories of Abkhazia and South Ossetia.

UNM dominated Georgian politics from 2004 until 2012, when growing dissatisfaction with the ruling party's consolidation of power led to a groundswell of support for the Georgian Dream Movement founded by billionaire Bidzina Ivanishvili. Promising a host of democratic reforms, Georgian Dream beat UNM in the October 2012 elections, marking Georgia's first-ever democratic transfer of power by ballot. Saakashvili remained in office until elections in October 2013 awarded the presidency to Georgian Dream's Giorgi Margvelashvili. Prime Minister Ivanishvili, who had previously said that he would leave office as soon as Georgia was "out of danger,"¹ resigned the next month and was replaced by Internal Affairs Minister Irakli Garibashvili.

Georgian Dream took several steps to fulfill its campaign promises in 2013, pushing through legislation to strengthen judicial and media independence. A controversial amnesty law adopted in January also facilitated the release of approximately half of Georgia's prison population, which had swelled far beyond capacity as a result of the former government's zero-tolerance policy on crime and the dominant position of prosecutors in the legal system. The parliament amended Georgia's labor code to bring it in line with international standards and passed a landmark local self-government law.

The controversial investigation and prosecution of former UNM officials on bribery and abuse-of-office charges in late 2012 continued in 2013, though all proceedings were monitored by Transparency International. Anti-Islamic manifestations across the country and a violent attack by thousands of people against gay rights demonstrators in May called into question the government's commitment to protecting minority rights.

National Democratic Governance. The prosecution of former government officials continued in 2013, despite UNM's accusations that the new government is practicing selective justice. Nevertheless, due process in these arrests appears to have been observed. The government has passed laws reforming the constitution and judiciary, and parliament's majority and minority lawmakers worked together at times, despite being deeply divided. Amendments adopted between 2010 and 2012 came into force in late 2013, redistributing several presidential powers between the prime minister and parliament. *Georgia's rating for national democratic governance remains unchanged at 5.50.*

Electoral Process. Elections on 27 October marked the first peaceful transfer of presidential authority via ballot. Despite noted problems, the electoral race saw fewer incidents of voter intimidation and was less polarized than the parliamentary elections of 2012. Due to calm, free, and fair presidential elections, *Georgia's electoral process rating improves from 4.75 to 4.50.*

Civil Society. Civil society organizations were active throughout 2012, taking part in parliamentary committees and helping to draft laws. In March, members of the influential Georgian Orthodox clergy led a crowd of thousands in an attack against a small group of rallying gay rights activists in downtown Tbilisi. *Georgia's civil society rating remains unchanged at 3.75.*

Independent Media. In May, Parliament passed amendments to media legislation that increased the transparency of broadcaster ownership, reduced political influence on the Georgian Public Broadcaster (GPB), and made the preelection "Must Carry/Must Offer" law applicable, year-round. In the run-up to the October presidential elections, media monitors noted that connections between the major broadcast outlets and political parties and figures were no longer apparent. *Georgia's independent media rating improves from 4.25 to 4.00.*

Local Democratic Governance. Local authorities remain highly dependent on funding from the central government and continue to be excluded from much of the decision-making process. Decentralization is a proclaimed priority of the Georgian Dream government, which pushed through a local self-governance bill in 2013. Pending evidence of the new legislation's effectiveness, *Georgia's local democratic governance rating remains unchanged at 5.50.*

Judicial Framework and Independence. In 2013, the Georgian government introduced changes to the legislature intended to reduce executive influence on the courts. The year also saw an increase in the number of cases won against the state, indicating a growing separation between the judiciary and the prosecutor's office. Having promised to improve conditions in Georgia's chronically overcrowded prison system and free political prisoners, the Georgian Dream parliamentary

majority passed a controversial amnesty law used to free over 8,000 inmates. In July, the interior ministry announced the discovery of some 24,000 video and audiotapes that had been recorded without court authorization, revealing the scale and systematic nature of the illegal surveillance under the previous government. *Georgia's rating for judicial framework and independence remains unchanged at 5.00.*

Corruption. Aggressive enforcement of anticorruption policies over the past four years has effectively eliminated low-level graft, most notably in the civil service. While people may no longer bribe civil servants, the sector continues to be vulnerable to unscrupulousness. Following the 2012 parliamentary elections, many civil servants were reportedly forced to resign, replaced by persons without formal qualifications. Payment processes in the public sector also lack transparency, as do certain large government tenders. *Georgia's rating for corruption remains unchanged at 4.50.*

Outlook for 2014. Georgia is entering uncharted territory as Mikheil Saakashvili and Bidzina Ivanishvili exit the political scene, leaving the country without a dominant leader. Georgia's new president and prime minister are unobtrusive technocrats representing the Georgian Dream majority parliamentary faction, a diverse coalition of parties. With a more parliamentary system in place, some fear the legislature may break down should the coalition split, particularly as the minority UNM party loses members.

The key test of this more pluralistic system will be whether lawmakers can continue to push through reforms to strengthen democratic institutions. The continued persecution of UNM officials raises concerns the new government's priorities is the punishment of its adversaries. Local elections in June will be a further test of the government's commitment to free elections.

Georgia's goals for European Union and NATO membership appear unchanged, and the country plans to sign the European Association Agreement in 2014. Meanwhile, Georgia's policy of normalizing relations with Russia will remain extremely challenging. Although Russia resumed the imports of many Georgian products in 2013, it also began establishing the South Ossetian administrative border by erecting barbed-wire fences through Georgian villages.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.50	5.50	5.75	6.00	6.00	5.75	5.75	5.50	5.50

From 2004 to late 2012, Georgia operated under a *de facto* one-party presidential system dominated by President Mikheil Saakashvili's United National Movement (UNM). The defeat of UNM by billionaire Bidzina Ivanishvili's Georgian Dream in October 2012 transformed the political landscape, creating a multiparty system in which UNM held only 65 seats to Georgian Dream's 85.² Members of Georgia's 150-seat Sakartvelos Parliament'i (Parliament) are elected to four-year terms—77 of them via party lists, and 73 in single-mandate majoritarian constituencies.

Tensions ran high in 2013 between President Saakashvili, whose term in office did not end until October, and Prime Minister Ivanishvili, whose inaugural promise had been to punish the abuses committed by high-level officials under previous governments.³ By September, 35 former Saakashvili government officials had been investigated and charged with bribery or abuse of office.⁴ The first to be convicted was Georgia's former minister of defense (2009–12) and internal affairs (July–September 2012), Bacho Akhalaia. Several other UNM officials left the country to avoid prosecution. David Kezarashvili, another former defense minister, was arrested in France on 14 October and was awaiting extradition at year's end.

Saakashvili and the UNM condemned the investigations and prosecutions as bogus and politically motivated,⁵ and international observers cautioned Ivanishvili against applying selective justice, particularly against Saakashvili himself.⁶ Ivanishvili insisted his government was restoring justice transparently and in full accordance with the rule of law.⁷

In his last days in office, Saakashvili pardoned 248 prisoners, including Akhalaia—who remained in custody on different charges—and several other members of his former government.⁸ Sozar Subari, Georgia's minister of correction and legal assistance, criticized the president for making a “morally unjustified” political decision.⁹

Presidential elections in October marked the end of the awkward “cohabitation” between Saakashvili and the Georgian Dream government. When the election was over, constitutional amendments from 2010 to 2013 entered into force, distributing the presidential powers between the prime minister and Parliament. The president remains head of state and commander-in-chief and represents Georgia in foreign relations but needs government agreement to appoint or dismiss military commanders. The president can no longer initiate draft laws, suspend acts issued by the government, or convene emergency sessions of Parliament. The prime minister, however, now has the authority to appoint or dismiss members of the

government, including ministers, while Parliament directs and executes foreign and domestic policies and also appoints or dismisses provincial governors.

Despite the high level of antagonism between Georgian Dream and the UNM parliamentary minority, deputies from the two parties proved capable of working together on several pieces of legislation in 2013, including a constitutional amendment limiting the president's powers¹⁰ and an amendment to the Liberty Charter on displaying symbols of Georgia's Soviet past.¹¹

In January, Parliament passed an amnesty law¹² that decreased the country's prison population by more than half, from 21,420 in October 2012 to 9,349 by early July 2013.¹³ The Venice Commission of the Council of Europe noted that the law failed to comply with several principles of the rule of law, including the separation of powers, as Parliament assumed the functions of the judiciary.¹⁴

After November's presidential inauguration, a constitutional amendment adopted in 2010¹⁵ went into force, increasing the number of deputy votes needed to pass future constitutional amendments from a two-thirds parliamentary majority to one of three-fourths and requiring that the vote be conducted in two rounds, rather than one. Georgian Dream had proposed an amendment to keep the threshold at two-thirds, which is closer to—though still higher than—the ruling party's majority in Parliament. The Venice Commission called this proposal “a step back.”¹⁶

The new Georgian Dream government has made efforts to restore economic and cultural ties with Russia, toning down the aggressive anti-Russian rhetoric of the last several years. In July, Russia lifted its seven-year ban on Georgian wine and mineral water, signaling a possible *détente*, but three months later the Kremlin erected barbed-wire fences through Georgian villages to demarcate the South Ossetian administrative border. In September, Ivanishvili announced the possibility of joining the Kremlin-initiated Eurasian Union, which shocked the opposition, who feared he intended to make a complete reversal in the country's foreign policy.¹⁷ Ivanishvili claimed his comments had been taken out of context, but also noted that joining the Eurasian Union need not in any way conflict with Georgia's plan to join NATO or the European Union (EU).¹⁸

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	4.75	4.50	4.75	5.25	5.25	5.00	5.00	4.75	4.50

In late 2013, Giorgi Margvelashvili, a previously unknown philosopher who served as education minister for the Georgian Dream government, became the first presidential candidate in the Georgia's history to replace an incumbent through a peaceful election. The election, while imperfect, was favorably assessed by international observers, who noted a “political maturity” and improvements in transparency, competitiveness, and administration.¹⁹

An unprecedented 23 presidential hopefuls competed on 27 October,²⁰ though only three were considered serious contenders: Margvelashvili, representing Georgian Dream, won 62.12 percent of the vote;²¹ Davit Bakradze of UNM came in second with 21.72 percent of the vote; and Nino Burjanadze, a former interim president and UNM speaker of Parliament and current leader of the Democratic Movement–United Georgia, received 10.19 percent.²² Eleven weeks before the start of the campaign, Zurab Kharatishvili, the well-respected chairman of the Central Election Commission (CEC), made headlines by resigning from his position in order to compete for the presidency on behalf of “a new, political center,” but he ultimately received only a few thousand votes.²³

The presidential campaign was much calmer than the previous year’s highly charged parliamentary contest, even with tensions between Georgian Dream and UNM running high as trials against ex-UNM officials continued. By election day, a number of key officials from previous UNM governments had been arrested on charges of bribery or abuse of office. A number were being held in pretrial detention, including the party’s general secretary, former prime minister Vano Merabishvili.

The Tbilisi-based International Society for Fair Elections and Democracy (ISFED) monitored the 2013 campaigns and reported a number of violations, mostly committed by the ruling Georgian Dream. These included the coercion of district commission members, physical assault, and misuse of state resources.²⁴ In the regions, there were also reports of civil servants’ violating electoral law by attending campaign rallies during working hours.²⁵ UNM representatives reported many cases of intimidation and harassment at their rallies, resulting in 17 arrests on charges of hooliganism.²⁶ However, the number of such cases pales in comparison to the systematic harassment and intimidation of Georgian Dream supporters by the UNM in the 2012 elections. Approximately 60 cases of violations were reported during the 2013 preelection period, while in 2012 the number was around 300.²⁷

A less polarized media environment improved the balance of presidential campaign coverage. The Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) complained that campaign coverage lacked “critical analysis and analytical reporting.”²⁸ However, news stories were largely neutral and followed ethical norms.²⁹ In September, a struggle between the Georgian Public Broadcaster (GPB) and UNM over the latter’s right to air a number of critical campaign commercials ended with a victory for the opposition. Originally, GPB refused to broadcast six of UNM’s campaign commercials on the grounds that they were not clearly identified as campaign materials, as required by law.³⁰ UNM accused the broadcaster of bowing to government pressure and undermining “principles of a democratic, free, and fair election.”³¹ Days later, GPB agreed to air the commercials, unedited, stipulating that the UNM—not the public broadcaster—would be held responsible for the content.

Georgia’s State Audit Office (SAO), which is responsible for tracking the financial activities of political parties and issuing fines, fined Nino Burjanadze’s Democratic Movement, the UNM, and several independent individuals for funding

violations in 2013. At the same time, OSCE/ODIHR criticized the SAO for exercising a low level of oversight during the campaign period.³² In October, after a squabble with the organization's chairperson, UNM suspended its participation in the Inter-Agency Task Force for Free and Fair Elections (IATF), another body established to monitor alleged campaign violations and refer them to the relevant state agencies.³³ After amendments to the election code in July, the IATF moved from under the National Security Council to the justice ministry.

In June 2013, Prime Minister Ivanishvili reiterated his campaign promise to leave politics as soon as Georgia was "out of danger."³⁴ Days after the presidential election, he named 31-year-old interior minister Irakli Garibashvili as his successor. Garibashvili was confirmed through a parliamentary vote three days after President Saakashvili left office.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75

The new Georgian Dream government pledged to engage with and strengthen civil society, which had weakened in the years since the Rose Revolution. Many leading civil society figures became part of the Saakashvili government, creating a vacuum of policy and advocacy expertise in the nongovernmental sector. Over the next few years, funding for nongovernmental organizations (NGOs) was increasingly redirected through the state, making many groups too dependent on government funding to constructively engage policymakers on key issues. As the government focused on centralizing power, the civic sector also found itself marginalized in political decision-making.

Local NGOs seemed reenergized by the run-up to the 2012 parliamentary elections and played a critical role in securing legislative changes that improved the fairness of the campaigns. Among the most important of these was a "must-carry" law requiring cable operators to carry all television stations with news programs in order to increase the public's access to information in the preelection period.³⁵ The law was extended permanently in Parliament's 2013 spring session. Civil society representatives were also invited to actively engage in drafting a local self-governance bill that passed in December 2013.³⁶

In February, Ivanishvili organized a summit with Georgia's leading human and legal rights groups, inviting feedback on his first 100 days in office. The prime minister was at pains to emphasize that civil society's watchdog function was all the more important now that UNM was refusing to offer "constructive" criticism of government policies.³⁷ Some of the feedback offered by summit attendees concerned the mass amnesty process and the government's failure to respond to protests, some of them violent, led by Georgian Dream supporters demanding the resignation of municipality heads who were UNM members.³⁸ Groups also

discussed reform initiatives and the need to protect minority rights, particularly in light of religious confrontations that occurred in Nigvziani in October 2012 and Tsintskaro in December 2012.³⁹

The Georgian Orthodox Church continues to exert significant influence over Georgian society, with 83 percent of citizens identifying themselves as Orthodox Christians.⁴⁰ A controversial 2002 concordat guarantees the church's special role and status in the country, and church leadership is usually consulted on major decisions affecting religious groups, particularly in the area of education. In 2013 alone, the church received 25 million lari (nearly \$15 million) in government subsidies, an increase of 3 million lari (about \$1.7 million) from the previous year.⁴¹ The state also gave the church 144,000 square meters of real estate through a program that unloaded property for the symbolic sum of 1 lari (65 cents).⁴²

Although it claims political neutrality, the church has become increasingly vocal on political issues. Many elements in the church are pro-Russian and view Georgia's western orientation as a threat to the country's traditions. The clash of ideologies came to a head over the matter of an LGBTI (Lesbian, Gay, Bisexual, Transgender, Intersex) rally planned for 17 May, the International Day Against Homophobia.⁴³ Patriarch Ilia II called on authorities to ban the demonstrations, which he called "a violation of majority's right" and "an insult" to Georgian traditions.⁴⁴ When the government did not acquiesce, Orthodox Christian activists and priests organized a counter-rally attended by thousands of people who broke police barriers and attacked a small group of gay rights activists, chasing them through the center of Tbilisi. Fourteen of the reported 28 people injured in the melee were hospitalized. Seven people (out of an estimated 20,000) were eventually charged with misdemeanor crimes, including two Orthodox priests.⁴⁵ Local NGOs Identoba and Women's Initiatives Supporting Group launched an online petition declaring the violence an attack on LGBTI rights and Georgian statehood, attracting more than 13,400 signatures.⁴⁶ A week later, they organized a "No to Theocracy" rally in Tbilisi. Nevertheless, a poll conducted one month later revealed a 93 percent approval for Georgia's patriarch.⁴⁷

The events of 17 May also highlighted ideological fault-lines within the diverse coalition of parties that make up Georgian Dream. David Saganelidze, the leader of the Georgian Dream parliamentary majority, blamed the activists for the violence and demanded they be punished.⁴⁸ By contrast, parliamentary speaker Davit Usupashvili of the Republican Party condemned the attack.⁴⁹ Usupashvili was also one of the few members of the government to speak out against the removal of a minaret in a southern Georgian village in August—one of a series of controversies surrounding the treatment of Georgia's Muslim minority in 2013.⁵⁰

Labor organizations remain extremely weak in Georgia, and workers' rights are poorly protected. Until recently, the labor code was in violation of Georgia's commitment to international conventions, but June 2013 saw the passage of a new labor code that meets the International Labor Organization's minimum standards.⁵¹

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.25	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.00

Georgia has some of the most progressive legislation in the region and a wide range of media outlets. Historically, political influence over private media, particularly broadcast outlets, has been a major problem, with nearly all outlets taking a strong pro- or antigovernment position. However, in the run-up to the October presidential elections, media monitors noted that connections between the major broadcast outlets, such as Rustavi-2 and Imedi TV, and political parties and figures were no longer apparent.⁵² Rather than coordinating coverage of political content along party lines, broadcasters focused on producing competitive editorial content,⁵³ even if the result was not as analytical as could be desired.

Television remains the main source of political information for 97 percent of the population.⁵⁴ Until recently, four TV stations provided news programming on a national level: Rustavi 2, Imedi-TV, TV9, and the state-owned Georgian Public Broadcaster (GPB) Channel 1. On 20 August, TV9's staff pulled the station off the air. The day before, Prime Minister Bidzina Ivanishvili announced his intention to shut down the station, which was owned by his wife. Ivanishvili had established the station in April 2012 to even the electoral playing field by countering the government's control over other television outlets. With presidential elections months away, Ivanishvili said he wanted to prevent a perception among voters that his TV station would provide biased coverage of his party's candidate.⁵⁵

In May, Parliament adopted amendments to the Law on Broadcasting, expanding the mandate of the June 2012 "Must Carry/Must Offer" law beyond preelection periods and introducing measures to increase transparency in media advertising. The "Must Carry/Must Offer" legislation is particularly significant as it ensures media pluralism and accessibility to alternative sources of information for cable network subscribers. Legislation adopted in May also revised the governance structure of the public broadcaster, reducing the direct influence of the executive branch. The president of Georgia no longer has the right to select GPB board members; instead, members are selected by the parliamentary majority and minority, and one is nominated by the public defender. Previously, GPB had been considered biased in favor of the Saakashvili government. The new law aims to establish more transparency and plurality at the public broadcaster. Finally, the 2013 amendments address the longstanding problem of Adjara TV's financing and governance structure. Adjara TV will now function on a public broadcaster model, as a GPB affiliate, and will no longer operate under the direction of the Autonomous Republic of Adjara.⁵⁶

GPB itself was embroiled in several controversies during the year. In February, Giorgi Baratashvili was dismissed just two months into his tenure as GPB's general director. Baratashvili, who had been elected by a 13-member board in December 2012, sued for illegitimate dismissal, and was reinstated in April, only to be fired

again in September. The reason given for his dismissal was failure to effectively manage the broadcaster's budget,⁵⁷ but Baratashvili maintains that 9 UNM board members pushed him out before the elections, for political reasons.⁵⁸ Two weeks later, two talk show hosts at GPB Channel 1 were fired. They, too, claimed their firing was politically motivated as they were considered sympathetic to the opposition UNM.⁵⁹ In October, two of GPB's board members resigned, leaving the board without a quorum. Two sitting board members claimed the departures were due to political pressure and that an interior ministry employee moonlighting as a GPB security advisor had offered "rewards" in exchange for voting against Baratashvili's dismissal.⁶⁰

By law, GPB was required to broadcast free campaign advertisements for no more than 60 seconds an hour throughout the preelection period. A few days after Baratashvili's final dismissal, the broadcaster's interim director refused to air six election advertisements submitted by the UNM on the grounds that "the electoral subject" (UNM) could not be seen anywhere in the ads.⁶¹ Under pressure from NGOs, the decision was reversed soon afterwards.

Despite important improvements to the legal environment for free media, a number of problems persist. The level of professionalism among Georgia's media remains low. In early October, Prime Minister Ivanishvili invited 16 journalists from major new outlets to his home for a televised chat, only to berate them for "dilettantism" and lack of responsibility.⁶² The incident prompted Transparency International Georgia and the International Society for Fair Elections and Democracy (ISFED) to release a joint statement expressing concern that the prime minister's "tone and his instructions on how reporters should formulate questions can be considered an undue interference in the work of the media."⁶³

The internet, which is free from government or corporate censorship, plays an increasing role in people's lives as access grows. In June 2012, the Georgian National Communications Commission (GNCC) reported there were more than 1.6 million internet users in Georgia—an increase of 46 percent over the previous year.⁶⁴ In a recent survey, 25 percent of Georgians reported they receive their political information online, where there are an increasing number of news outlets.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	5.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Georgian legislation outlines three levels of governance: national, regional, and local. The country is divided into nine regions, governed by presidential appointees. Five cities are self-governing: Tbilisi, Kutaisi, Batumi, Rustavi, and Poti. With the exception of Tbilisi, local city councils (*sakrebulo*) elect the mayors. Tbilisi is the only city in Georgia whose mayor is directly elected by voters.

Adjara remains the only regional entity with limited autonomy. Abkhazia and South Ossetia are the two separatist regions that have remained outside of Tbilisi's control since the violent conflicts of the 1990s and are ruled by de facto

governments. The head of Adjara's regional government is elected by the local Supreme Council but proposed by the president of Georgia. The president currently has extensive rights to dismiss Adjara's parliament and government. Income tax is the key revenue source for Adjara, which has the ability to plan and implement regional development policies.⁶⁵

On 25 July, the Adjara regional government approved amendments⁶⁶ to its 2013 budget that increased funding to the Goderdzi resort, the Adjara TV-Radio Department, the Environmental Division, and the Healthcare Ministry. These amendments violate Article 49 (point 3) of Georgia's election code, which prohibits the implementation of projects previously not included in state or local government budgets in the period between the announcement of an election and the end of the vote count.⁶⁷ Increasing funding for existing budgetary programs, initiating unplanned budgetary transfers, or increasing the amount of planned transfers is also prohibited during this period. Aleksandre Chitishvili, chairman of the Commission for Financial-Budgetary and Economic Issues at the Adjara Supreme Council, argued that Georgia's election code does not apply to the autonomous republic, but several legal watchdog groups disagreed, stating the autonomous republic cannot separate its budget from the state or local budgets.⁶⁸

Legal amendments adopted in 2010 increased the independence of local governments by granting greater financial guarantees, but the funding provided to individual regions is comprehensively unequal in per capita calculations. Local self-governing units continue to lack the financial resources to fulfill their responsibilities. As of January 2013, total local budget revenues (including Tbilisi) made up just 14.4 percent (approximately \$700 million) of the consolidated budget of Georgia, while the total amount excluding Tbilisi was 6.5 percent (approximately \$315 million).⁶⁹ Local self-governments rely heavily on the central government to provide funds from the Regional Development Projects Implementation Fund allocated annually in the state budget.

Having made self-government reform a priority, the Georgian Dream tasked the Ministry of Regional Development and Infrastructure (MRDI) with administering the decentralization policy. MRDI Minister David Narmania and his first deputy, Tengiz Shergelashvili, are acknowledged local self-government experts,⁷⁰ and the government spent the year discussing and drafting ambitious laws to improve the decentralization process. In March, the government approved the MRDI's Main Principles of Decentralization and Self-Government Development Strategy for 2013–14, a plan specifying reform measures to be introduced before the upcoming local elections of May–June 2014. Despite recommendations from the Council of Europe, the NGO National Association of Local Authorities of Georgia (NALAG)—founded in 2004 to improve local self-governance and the decentralization process—was excluded from the plan's drafting process.⁷¹ NALAG drafted its own version of the strategy for review by a special parliamentary committee, which considered it together with the MRDI draft. In October, NALAG hosted an open conference in which the two versions were discussed with the aim of arriving at a unified proposal.

Relations between NALAG and the government broke down after a series of violent demonstrations in the regions by Georgian Dream activists trying to force UNM mayors and council chairs to resign following the 2012 parliamentary elections. In some cases, protesters vandalized and occupied civic buildings.⁷² By September 2013, the heads (*gamgebelis*) of 68 of the 69 municipalities had been replaced due to mounting pressure,⁷³ even though local elections are not scheduled to occur until 2014. On 13 December, Parliament passed the first reading of the self-governance reform bill,⁷⁴ which provides for the direct election of mayors in 12 towns in addition to the direct election of all local *gamgebelis* in Georgia, starting with 2014 local elections. They will be elected for three-year terms with an increase to four-year terms in 2017. Sakrebulo will have the authority to directly impeach elected mayors or *gamgebelis* if 50 percent of its members request proceedings, or on written request of at least 20 percent of their voters. A sakrebulo will need a two-thirds majority to vote out a mayor or *gamgebeli*. Local sakrebulo will manage land, natural resources, buildings, and infrastructure. Each municipal and regional self-governing unit will have its own independent budget. Finances are expected to increase considerably due to the income tax that employed residents will pay to the municipality. At the municipality level, the borders of self-governing units will change. Currently, there are 69 self-governing municipalities. This figure is expected to increase; but to create a new municipality, a proposal must be drafted by a special interagency commission, endorsed by the government, and then confirmed by the parliament. The status of self-governance will be given to those cities with a minimum population of 15,000.

The authors of the bill rolled back on several key points of the original draft after it was sharply criticized by the patriarch of the Georgian Orthodox Church and extraparliamentary opposition members, who feared that more local power would encourage separatism.⁷⁵ As a result, Parliament rescinded its plan to introduce direct democracy through a village assembly, which would have been a legal entity of law with the power to elect an assembly chairperson and council of representatives. The central government will continue to appoint provincial governors; however, their function will significantly change. The office of the “state trustee—governor” will be called the “regional union of municipalities” This office will no longer provide legislative supervision of self-government bodies, but will create and adopt strategies for regional development, including supervising roads and cultural institutions and recycling solid waste.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00	5.00

Georgia’s constitution and national legislation guarantee fundamental political, civil, and individual rights. Since 2004, the government has increased budget funding to the judiciary, resulting in substantial improvements in regards to salaries,

infrastructure, equipment, and staff. However, despite implemented reforms and a commitment to using the European Convention on Human Rights as a model, the judiciary has continued to suffer from the undue influence of the Prosecutor's Office and the executive branch during the adjudication of criminal cases, particularly when the political leadership's interests are at stake.

A month after its 2012 victory, the Georgian Dream parliamentary majority initiated a package of legislative changes intended to break down the links between the executive and judicial branches, reform the educational institution of judges, and improve transparency in the system. In May 2013, amendments to the Organic Law on Courts of General Jurisdiction changed the rule of composition of the High Council of Justice, a constitutional institution that administers the judiciary system. The 15-member council appoints and dismisses judges, oversees the qualification process, and manages reform in the judiciary system. Georgia's president no longer has exclusive authority to appoint members; instead, the eight judicial members are elected by the Conference of Judges, a self-governing body of nine judges from the common courts of Georgia. Parliament elects six non-judicial members, who cannot be parliamentary deputies. The president elects two members, while the chairman of the Supreme Court chairs the High Council of Justice. This is a major step in freeing the council of members of direct political affiliation.

Increased rights were also given to the Conference of Judges at the expense of the chairman of the Supreme Court. The Conference of Judges now has exclusive authority to elect the Independent Board of the High School of Justice and judicial members of the disciplinary board. All voting is by secret ballot. The Administrative Committee, established to facilitate the Conference of Judges' work, also has had much of its power distributed to the conference. While further improvements in these areas are needed, local and international monitoring groups, including the Venice Commission, have assessed these reforms positively.

The controversial arrest and investigation of UNM members, including former members of the Saakashvili government, continued throughout 2013. By year's end, the Prosecutor's Office had questioned more than 6,000 people in connection with the investigations of some 35 former government officials suspected of abuse of power, misuse of state funds, and money laundering. UNM insists the investigations are politically motivated, a concern echoed by many in the international community. Transparency International Georgia monitored the ensuing legal proceedings from February to July 2013, reporting that both the defense and prosecution had enjoyed equal opportunities to present their cases.⁷⁶ Some high-profile cases, including a number of the charges against former defense minister Bacho Akhalaia, even resulted in acquittals.⁷⁷ Brigadier-General Giorgi Kalandadze, who had been arrested with Akhalaia, was acquitted of all charges against him. Former ministers Nika Gvaramia and Aleksandre Khetaguri were also found not guilty on corruption charges. However, the court's decision to suspend Tbilisi Mayor Gigi Ugulava pending charges against him raised concerns.⁷⁸

According to the Georgian branch of Transparency International, the first six months of 2013 saw markedly more acquittals in cases brought by the Prosecutor's

Office than in the previous year—a positive sign in Georgia’s heavily prosecution-driven system.⁷⁹ In June, the Prosecutor’s Office gained full independence from the justice ministry, meaning that the justice minister can no longer detain and prosecute government officials, including the head of the Supreme Court. This is now the responsibility of the chief prosecutor, a separate, non-political office.

Having promised to improve conditions in Georgia’s chronically overcrowded prison system and free all political prisoners, in January the Georgian Dream parliamentary majority passed a controversial amnesty law, overturning President Saakashvili’s December 2012 veto of the original bill. The first result of the law was the release of 190 persons identified by a special parliamentary working group as political prisoners.⁸⁰ The Venice Commission issued a critical opinion of this provision, noting that Parliament had violated the separation of powers by coming up with the list of prisoners to be amnestied, rather than determining the criteria defining a political prisoner and passing them to the judiciary to interpret and apply. The report also noted the nontransparent manner in which the working group had created the list.⁸¹ Over the next two months, the amnesty law was used to release over 8,000 additional inmates.⁸²

In July 2013, the interior ministry announced the discovery of some 24,000 video and audiotapes that had been recorded without court authorization, revealing the scale and systematic nature of the illegal surveillance under the previous government.⁸³ Many of those recorded were political opponents, journalists, and activists. The sexual nature of some of the tapes indicated an intent to blackmail.⁸⁴ Georgian Dream’s deputy internal affairs minister was dismissed and charged after publishing one of the videos with the clear intent of damaging the reputation of a critical journalist who had been recorded. On 5 September, a special commission established to supervise control of the recordings destroyed 144 files considered “private life” footage, while the remaining tapes are being sorted and stored. Suspecting the existence of copies, the government passed a law making possession of the recordings a criminal offense.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.50	5.00	5.00	5.00	5.00	4.75	4.50	4.50	4.50

In the last several years of its tenure, the Saakashvili administration nearly eradicated low-level graft in law enforcement and other state services. Authorities also zealously pursued organized crime syndicates (“thieves-in-law”), arresting some as others fled abroad. Throughout this process, however, political leaders remained entangled with various nontransparent business and media interests, and many people close to the government became extremely wealthy, including former ministers.⁸⁵ Fifteen percent of respondents to a September 2013 survey asserted that corruption had improved since the end of Saakashvili’s “zero-tolerance” judicial system, 7 percent said graft had become worse, and 66 percent felt there had been no change.⁸⁶

Georgia's civic sector remains vulnerable to government pressure, particularly in election seasons. Within months of Georgian Dream's 2012 electoral victory, 5,149 civil service employees had left their jobs. Forty-five percent (2,330) of these employees resigned and 11 percent were dismissed.⁸⁷ With unemployment in Georgia at 12 percent at the end of 2012,⁸⁸ the high number of voluntary resignations raises suspicions that employees had been coerced into leaving. Former employees of the defense ministry, which dismissed 690 employees, reported they were given prewritten resignation letters to sign.⁸⁹ In March, an amendment to the criminal code made coercing a staff member into resigning a criminal offense, punishable by a fine or up to two years in prison.

The criteria by which public servants are appointed still lack transparency. After the elections, only 4 percent of some 6,500 new members of the public service were appointed through a competitive process.⁹⁰ At the Interior Ministry, 897 people were dismissed and 1,012 others appointed. On 25 January, the ministry established a temporary recruitment rule making it possible to nominate or promote a person without professional training or a corresponding exam within the ministry. This included the heads of police patrol units and the operative department, detectives, district inspector-investigators, and border police officers. The rule remained in force until 31 March 2013.

There is also a problematic lack of transparency in the remuneration of public servants. A 2010 action plan to implement the national anticorruption strategy described a gradual move toward a contracted pay system in 2012–13, but no significant steps were taken in this direction during the year. Civil servants receive a salary, which includes bonuses; however, the legislation has no exact definition of *bonus* or formal guidelines regulating their payment. A lack of predetermined criteria leaves the existing bonus system open for abuse. In 2012, for example, the governor of Samegrelo–Zemo Svaneti earned 46,288 lari (\$27,685) for his 11-month term, half of it in bonuses;⁹¹ this is significantly higher than the average annual bonus in developed countries.⁹²

Georgia has an online system of assets disclosure for public officials with almost 45,000 declarations;⁹³ however, disclosure requirements do not apply to all members of the local government, and there is no way to verify the content of the declarations.

In 2010, the government established a unified electronic system of public tendering that can be monitored online. However, the defense ministry and the president's and government's reserve funds are exempt from using the system, leaving the process vulnerable to corruption. According to a July 2013 report, the state spent about 800 million lari (\$478 million) through opaque procedures in 2012.⁹⁴ Defense spending, which is largely unsupervised, began using the online procurement platform for a number of tenders in 2013. One such tender was awarded in April to Food Line Georgia LLC the day after the company was sold under terms contingent upon winning the defense ministry contract. This was also directly after the appointment of parliamentary deputy Irina Imerlishvili's spouse as Food Line Georgia's director.

Georgia's anticorruption activities are coordinated through the largely ineffectual Interagency Coordinating Council for Combating Corruption, established in December 2008. The agency failed to meet its declared objectives in 2013, including the creation of a report on its action plan. The council met in January 2013 to revise the existing action plan and begin working on the 2014–2016 action plan. The government expressed its desire to improve the planning and implementation process and invited several NGOs to participate.

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Hungary

by Balázs Áron Kovács

Capital: Budapest
Population: 9.9 million
GNI/capita, PPP: US\$20,710

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.25	1.25	1.75	1.75	1.75	1.75	1.75	2.25	2.25	2.25
Civil Society	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25
Independent Media	2.50	2.50	2.50	2.50	2.50	2.75	3.25	3.50	3.50	3.50
National Democratic Governance	2.00	2.00	2.25	2.25	2.50	2.50	3.00	3.50	3.50	3.75
Local Democratic Governance	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75	2.75
Judicial Framework and Independence	1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.75	2.50	2.50
Corruption	2.75	3.00	3.00	3.00	3.25	3.50	3.50	3.50	3.50	3.75
Democracy Score	1.96	2.00	2.14	2.14	2.29	2.39	2.61	2.86	2.89	2.96

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 elections of April 2010 brought a conservative government headed by Prime Minister Viktor Orbán to power. It controls a two-thirds supermajority in the unicameral National Assembly, consisting of a formal coalition between the Young Democrats' Alliance–Hungarian Civic Union (Fidesz) and its subordinate partner, the Christian Democratic People's Party (KDNP). The landslide electoral victory of Fidesz-KDNP came after the previous government, led by the Hungarian Socialist Party (MSZP), lost credibility due to a variety of failures. Voters' broad loss of faith in the political establishment brought two new opposition parties into the parliament that year—the green-liberal Politics Can Be Different (LMP) and the radical nationalist Movement for a Better Hungary (Jobbik).¹

Issues dating to Hungary's negotiated transition to democracy in 1989–90, including the role of the secret services under communism and the privatization of state assets and services, remained unresolved when Fidesz took power in 2010. Necessary reforms of the national budget, the health care system, and public education had never been carried out properly. Citizens' continuing reliance on public entities instead of the private and nongovernmental sectors pushed the state beyond its capacity. Government after government balked at tackling these problems and exacerbated them through inaction or superficial remedies. The present government identified many of the areas that needed reform, but its initiatives have proven inadequate and had the effect of undermining democratic checks and balances. Meanwhile, antiliberal, nationalistic, and religiously divisive rhetoric has raised tensions in an already polarized political environment.

A new constitution, or Fundamental Law, entered into force on 1 January 2012, but by the end of 2013, it had already been amended five times. The increased range of laws that require a supermajority to pass in this new constitutional framework will likely damage the effectiveness of future governments that do not hold supermajorities. The overall quality of legislation has been low, as it has often been drafted hastily to suit the immediate interests of the government. Should an opposition party come to power in the future, it will also be constrained by Fidesz's appointments of officials to nominally independent institutions, in many cases for nine-year terms. This is most worrisome in the judiciary, and particularly at the Constitutional Court. The court had served as a check on the government, but by 2013, its jurisdiction had been reduced and its composition altered through appointments by the Fidesz supermajority.

Even as the government has increased its influence over other public institutions, power within the government has been concentrated in the hands of the prime minister. Critics have alleged a pattern in which Orbán, the leader of Fidesz since

1993, appoints not just party loyalists but personal friends and confidantes to key positions in nonpartisan state entities.²

Fidesz's electoral triumph gave it a historic opportunity to rescue the country from its dire economic situation and initiate crucial reforms in public services such as health and education. However, the government has been accused of squandering this opportunity by engaging in erratic economic policies, exerting political control over state institutions, pursuing an ideologically driven cultural transformation, undermining labor protections, and redrawing the electoral map with the apparent aim of entrenching itself in power for the foreseeable future. At the end of 2013, it appeared that Fidesz-KDNP would easily win the 2014 elections. The country's economic woes and a general sense of pessimism about the future have driven record numbers of Hungarians to emigrate, especially to Western Europe.³

National Democratic Governance. The new constitution—adopted by the ruling Fidesz-KDNP coalition in 2012—was amended twice in 2013. The Fourth Amendment, which reintroduced provisions that had been struck down by the Constitutional Court in 2012, further eroded the system of checks and balances and created an atmosphere of legal uncertainty. While a Fifth Amendment was adopted in September in response to international criticism of the changes, it did not fully address the complaints. In 2013, the ruling coalition effectively completed its takeover of independent state institutions by naming additional judges to the Constitutional Court and appointing former economy minister György Matolcsy as the president of the National Bank. *Hungary's national democratic governance rating worsens from 3.50 to 3.75.*

Electoral Process. The adoption of the 2011 electoral legislation and a 2012 election procedures law, which was amended in 2013, triggered severe criticism from the opposition. Its concerns included the apparent gerrymandering of the new constituencies, disproportionate allocation of votes to the dominant party, and problems regarding out-of-country voting and minority representation. By-elections were held in a number of municipalities in 2013; two of these had to be repeated due to allegations of fraud. Pending the implementation of the new electoral laws during parliamentary elections in 2014, *Hungary's electoral process rating remains unchanged at 2.25.*

Civil Society. In the absence of significant private philanthropy and owing to underdeveloped fund-raising practices, civil society in Hungary still largely depends on government funds, which are often handed out in a partisan manner. The parliament voted down a Jobbik proposal to register civil groups that receive more than HUF 1 million (\$4,400) from foreign sources as “agent organizations.” Major demonstrations are still permeated by partisan politics, but a number of symbolic grassroots civic protests took place during 2013. *Hungary's civil society rating remains unchanged at 2.25.*

Independent Media. The information landscape remains dominated by pro-Fidesz media enterprises that have been built up over the past decade and bolstered by the Fidesz government since 2010. A number of legal changes adversely affected freedom of speech in 2013, including the prohibition of hate speech in the Fourth Amendment and provisions in the civil code that provide increased protection against criticism to public figures. On a positive note, after a two-year-long dispute, opposition station Klubrádió was granted its frequency again in March. The Media Council issued its first fine under the 2010 Media Law in May, punishing the conservative *Magyar Hírlap* for publishing an article that referred to Roma as “animals.” *Hungary’s rating for independent media remains unchanged at 3.50.*

Local Democratic Governance. Local administrations have enjoyed a high level of political independence in Hungary since 1989. A trend of centralization began in 2010, including the reallocation of responsibilities, the nationalization of local assets, and the centralization of public education. In 2013, in a move that received harsh criticism from stakeholders, the parliament nationalized the schoolbook market and limited elementary school teachers’ choice to two books per subject and class. *Hungary’s local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. The problematic judicial framework created in recent years remains in place. Fidesz politicians have on occasion made statements that could be interpreted as pressure on the judiciary, but there is no evidence that the day-to-day functioning of the judiciary has been affected. The Fifth Amendment annulled the power of the National Judicial Office’s president to reassign cases, and a new law adopted in March realigned the retirement age of judges with the general retirement age of 65. While the conditions for government meddling in judicial affairs are still present, the courts have shown integrity. *Hungary’s judicial framework and independence rating remains unchanged at 2.50.*

Corruption. A process of state capture by private economic interests continued in 2013. The government and the legislature used their power to improve the positions of friends and clients in the economy and to corrupt public procurement. In the first half of 2013, the government reregulated the tobacco market in a process fraught with controversies, and in June, results of a tender on the redistribution of agricultural lands came to light, showing that commercial interests linked to Fidesz won the bulk of the lands. According to critics, the government also used its leverage to influence the sale of a major commercial television channel. The freedom of information law was amended in April, eroding transparency and accountability in public decision-making. *Hungary’s corruption rating worsens from 3.50 to 3.75.*

Outlook for 2014. National elections will be held in the spring and municipal elections in the fall. The main question is whether governing parties obtain a qualified majority again. According to polls at the end of 2013, Fidesz-KDNP was expected to win by a wide margin. However, if surveys closer to the elections

suggest that the governing parties are not likely to obtain another supermajority, they may amend the constitution to reduce the scope of laws that require a two-thirds vote. The results of local elections are harder to predict, but it is likely that right-wing parties will retain their popularity. Should Fidesz-KDNP win again, it will continue its policies and attempt to further consolidate its rule over Hungary.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.25	2.25	2.50	2.50	3.00	3.50	3.50	3.75

Hungary is a parliamentary republic in which the prime minister, elected by a majority of the unicameral National Assembly (Országgyűlés), holds executive power. The prime minister is responsible to the parliament and can be removed, along with the cabinet, only through a “constructive no-confidence” process, which requires a new prime minister to be endorsed in the same vote. As a consequence, the executive outweighs the legislature under normal circumstances.

The parliament is the main legislative organ and has the exclusive power to pass laws. However, lesser forms of legislation may be promulgated by the government and ministers, so long as they conform to the laws and the constitution. The parliament elects the president of the republic for up to two five-year terms. In the first round of the election, a supermajority is required; if it cannot be reached, the next round is decided by a simple majority. The president of the republic plays a mostly symbolic role but has some control over the nomination and appointment of public officials and may refer legislation to the parliament or to the Constitutional Court before signing it into law. President János Áder is a longtime member of the Young Democrats’ Alliance–Hungarian Civic Union (Fidesz), the senior partner in the ruling coalition. Although certainly more active in scrutinizing legislation than his predecessor, who failed to return a single law, Áder has not provided an effective check on the parliament and the executive since his election in May 2012.⁴ The most controversial piece of legislation the president decided to sign without further review in 2013 was the Fourth Amendment to the constitution, enacted by the parliament in March (see Judicial Framework and Independence section).⁵

Since the April 2010 elections, the conservative coalition of Fidesz and its subordinate partner, the Christian Democratic People’s Party (KDNP), has held more than two-thirds of the seats in the parliament. The parliamentary opposition is composed of three ideologically divided parties: the center-left Hungarian Socialist Party (MSZP), the green Politics Can Be Different (LMP), and the radical nationalist Movement for a Better Hungary (Jobbik) on the extreme right. In October 2011, former prime minister Ferenc Gyurcsány and his followers left the MSZP and later formed a new party, Democratic Coalition (DK), but their attempt to form a recognized faction of 10 lawmakers in the National Assembly was repeatedly blocked under rules set by the majority. In 2013, LMP also split, and departing members formed the new party Dialogue for Hungary (PM). They serve as independents in the parliament and formed a coalition with former prime minister Gordon Bajnai’s Together 2014 (Együtt 2014) movement outside it. After

a period of uncertainty, the remaining members of LMP were allowed to retain the party's parliamentary faction.

The country's new constitution entered into force on 1 January 2012. It was widely criticized domestically and internationally, partly because it was drafted in a noninclusive process that reflected the values and interests of the ruling coalition and partly because it represented a step back on issues such as marriage equality, freedom of religion and reproductive rights.⁶ Since 2010, the government has used its supermajority to amend the constitution—both old and new—to serve its short-term political and legislative needs. Such frequent changes to the fundamental law, along with lower-level legislation that directly serves the interests of the governing parties' clients,⁷ create an atmosphere of legal uncertainty and damage the rule of law.

The most important constitutional change in 2013 was the Fourth Amendment, which reintroduced provisions that had been struck down by the Constitutional Court on procedural grounds in December 2012. The 22-article amendment contained a number of questionable restrictions on topics including the definition of the family, the recognition of religious organizations, freedom of speech, the scope of the Constitutional Court's power to review constitutional amendments, the financial autonomy of universities, and the criminalization of homelessness.⁸ In September, the parliament passed a Fifth Amendment to the constitution, introducing minor changes to some of the Fourth Amendment provisions that were most sharply criticized by the Council of Europe's Venice Commission and others.

The current government has systematically undermined the system of checks and balances not only through legislation, the adoption of a new constitution, and frequent constitutional amendments but also by filling key positions in independent state institutions with partisan or personal loyalists. One of the last major institutions not headed by an ally of the prime minister at the beginning of 2013 was the Hungarian National Bank (MNB). However, after the term of the incumbent MNB president expired, the Fidesz economy minister, György Matolcsy, was named as his successor in March. The parliament also appointed two justices to the Constitutional Court, increasing the number of justices nominated by the governing coalition to 8 in the 15-member court.

Though it does not seem to have cowed opposition members, the parliamentary majority has imposed fines on lawmakers who express opinions in an unconventional manner in the chamber, such as with gestures, placards, or performances. For example, in November, two female members of parliament (MPs) were fined for painting bruises on their faces to protest against a coalition member who was expelled from Fidesz but was allowed to retain his seat despite high-profile domestic violence allegations against him.⁹

National politics during 2013 revolved around preparations for the 2014 elections. At the end of the year, the opposition parties remained in disarray, and Fidesz-KDNP appeared to have the most popular support.¹⁰ Voter apathy toward electoral politics has been a long-term trend in the country, although participation on election day tends to be relatively high. While the number of undecided voters had decreased by the end of the year, it remained at around 40 percent.¹¹ Jobbik's

popularity has decreased among youth, but it remains the second most popular party in the 18–29 and 30–39 age brackets.¹²

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.25	1.25	1.75	1.75	1.75	1.75	1.75	2.25	2.25	2.25

Since 1990, Hungarian elections have consistently been assessed as free and fair. Members of parliament have been elected for four-year terms in a two-round mixed electoral system. Parties had to reach a 5 percent threshold to gain seats through regional and national party lists.

In the last general elections in 2010, the severely discredited MSZP was soundly defeated by Fidesz-KDNP, which now holds 67.4 percent of the seats in the parliament. MSZP has 12.5 percent, Jobbik 11.2 percent, and LMP 1.8 percent. As of the end of 2013, there were 27 independent members, mostly due to the secession of Gyurcsány and his allies from the MSZP, some Jobbik MPs quitting the party faction, and the split in the LMP.¹³

While the previous electoral system ensured free and fair balloting, it was very complex, and the parliament—with 386 members, of whom 176 were elected in individual constituencies—was consistently deemed too large for the population of the country. A new electoral law passed by the ruling coalition at the end of 2011 retains the mixed proportional-majoritarian nature of the previous system but will reduce the parliament to 199 members and increase the share of single-member districts, with 106 individually elected members and 93 party-list seats. The law sparked strong resistance from the opposition for its apparent gerrymandering of the new constituencies, a shorter period for collecting the signatures required for candidacy, and changes in the allocation of excess and lost votes that favor the dominant party. Critics allege that the new law will solidify Fidesz's grip on power for the foreseeable future.¹⁴

The 2011 law also granted the vote for the first time to ethnic Hungarians in neighboring countries who have accepted Hungary's offer of citizenship. The election procedures law—which had been adopted in 2012 but needed redrafting after several of its provisions, including on voter registration, were ruled unconstitutional in January 2013—set out the specific rules on voting. After the law was adopted in April, human rights groups voiced concerns that it discriminates against out-of-country voters with residence in Hungary. While newly registered citizens without residence are allowed vote via mail, the few hundred thousand Hungarians working abroad have to vote in person at the country's consulates.¹⁵ The staffing of the National Electoral Commission with people loyal to the incumbent government has also been a problem for the past decade and remained a concern in 2013.¹⁶

The political representation of women and minorities continues to be unsatisfactory. The proportion of female MPs in the parliament stood at 9 percent

—the lowest in the European Union (EU) by far—at the end of 2013, and no improvement was expected after the 2014 elections.¹⁷ Out of 106 individual candidates, Fidesz nominated only 6 and MSZP only 8 women on their respective party lists.¹⁸ Macho attitudes and sexist remarks were common in 2013 during discussions of gender-related matters in the parliament.¹⁹

Ethnic minorities in Hungary may set up local and national self-government bodies. In the case of the Roma, the most populous minority with between 500,000 and 800,000 people, the dominant party in the minority council is Lungo Drom.²⁰ The party is headed by Flórián Farkas, who is also a Fidesz MP. According to the new electoral rules, which reshaped how minority representatives are elected, minority self-government bodies may run a separate list. This list is compiled by the party which has the most representatives in each minority council.²¹ However, Romany civic organizations protested against the changes, pointing out that if minority voters choose to register for the minority list, they cannot vote for national party lists.²² In 2013, a newly founded Romany party decided not to run on the minority list, but analysts expressed doubt that it would win seats on its own.²³

Several by-elections were held in 2013, and the candidates of Fidesz-KDNP proved remarkably successful. In at least two cases, the election had to be repeated due to allegations of fraud. An investigation was underway at year's end in the case of November by-elections in Fót, where the opposition candidate won, due to numerous complaints of irregularities, including the transportation of voters from outlying districts and violations of electoral silence.²⁴ In the case of September voting in Baja, the election had to be repeated for similar reasons in a district where the Fidesz candidate won with a disproportionately large number of votes.²⁵ Following the October rerun, the online news portal Hvg.hu published a video purportedly showing vote buying in a Romany community. The video, in which Roma residents are promised firewood if they give their votes to Fidesz, turned out to be fake.²⁶ The editor in chief of Hvg.hu and the MSZP's head of communications resigned after it was revealed that the video had been handed to the news outlet by an MSZP politician.²⁷

Political parties are active in the country, especially the newer factions, which seem to be more responsive to grassroots concerns. Beyond periodic protests, demonstrations, and voting every four years, however, there is little citizen participation in political and public life. Trust in institutions and political parties remains low, raising concerns about the legitimacy of the political system. In 2011, Perspective Institute found that nearly 29 percent of respondents would strongly support and 16 percent would somewhat support changing the present democratic regime for an authoritarian one if it came with rapid economic growth.²⁸ The “failure of the past 20 years” has become a rhetorical staple on both the left and the right, though the conclusions each side draws from this assessment are drastically different.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25

The legal framework is generally hospitable to civil society, accommodating various forms of nongovernmental organizations (NGOs). However, due to the lack of funding and recent legal changes, Hungarian civil society is less able to act as a check on political power. A comprehensive new law regulating the right of association and the functioning of NGOs entered into force in 2012.²⁹ According to the law, NGOs should specify their purpose in their statute, have a listed membership, and be registered by a court. It also requires NGOs to submit annual reports to a court, with failure to do so resulting in possible deregistration. Previously, thousands of organizations remained in the system with no recorded activities. The legality of NGO activities is overseen by the office of prosecution.

Aside from a handful of high-profile watchdog organizations, most NGOs operate on a very small scale with miniscule budgets. In 2013, two well-known human rights NGOs went through leadership crises: half the staff of Amnesty International Hungary quit in July,³⁰ and the director and some key figures of the Hungarian Civil Liberties Union left the organization in the same month.³¹ The engagement of private philanthropy in funding civil initiatives is very limited in Hungary, and the few private sources that do support such activities fail to set and publish clear and transparent guidelines for grant making. Apart from some international donors, such as the EEA-Norway Grants and the Open Society Foundations, NGOs are overly dependent on the government and EU funds. Small individual donations play a minor role in NGO funding; in 2012, about 40 percent of NGO revenues originated from state funding and only 20 percent from private sources.³² Another source of independent income for the sector is the so-called 1 percent tax scheme, under which taxpayers can assign 1 percent of their income tax to an NGO of their choice.

In October 2013, Jobbik proposed to register civil groups that annually receive more than HUF 1 million (\$4,400) from foreign sources as “agent organizations.”³³ The proposal was voted down in the parliament. In December, however, the parliament adopted a new law that required NGOs benefitting from the 1 percent tax scheme to register, empowering the National Tax and Customs Administration (NAV) to administer the process.³⁴

Government funds are distributed through the National Cooperation Fund (NEA). NEA is the successor of the National Civil Fund (NCA), which had been criticized in previous years for its working methods and funding policies. The new entity was established by the Fidesz government in 2011 with a mission to support “civil organizations, national togetherness, and public good.” Its budget and the number of organizations receiving funding shrank to about one-third of the amount under NCA.³⁵

NEA's governing body is a nine-member council consisting of three people appointed by the minister in charge, three by the relevant parliamentary committee, and only three civil society delegates. The chair of the council is appointed by the minister in charge. Funds are primarily distributed by five thematic colleges, but the chair can override the colleges' decisions by withdrawing grants from winners and issuing grants to organizations that the colleges previously turned down. Moreover, 10 percent of the NEA budget is directly distributed by the minister in charge.

The NEA council's current chair is László Csizmadia, a vocal supporter of Prime Minister Viktor Orbán's government. He is the head of the Joint Civil Forum (CÖF), an association with a mission to "strengthen the coherence of the Hungarian nation." Csizmadia claims that CÖF is the "largest civil association of the Carpathian basin," with 400 member organizations.³⁶

CÖF organized several progovernment rallies in the past two years under the name of Békemenet (Peace March). In 2013, for example, tens of thousands of people participated in the 23 October Békemenet, listening to a speech by Prime Minister Orbán. MSZP endorsed a movement with a similar name called Éhségmenet (Hunger March), with the poor marching from Miskolc to Budapest in February to express their discontent and call attention to their plight. The movement later expanded to other towns across the country and was endorsed by both LMP and its splinter faction, PM.

Apart from demonstrations that were permeated by partisan politics, several grassroots protests sprung up in 2013. In December 2012 and in early 2013, students demonstrated against the introduction of the so-called student contract, under which undergraduates enjoying state-funded slots in universities would have to agree to stay and work in Hungary for several years after graduation. In March, a Facebook group called *The Constitution Is Not a Toy* (*Az Alkotmány nem játék*) staged a sit-in at the Fidesz headquarters to demonstrate against the Fourth Amendment to the Fundamental Law.³⁷ *The City Is for All* (*A város mindenkié*), a volunteer-based grassroots organization, protested several times against the criminalization of homelessness and forced evictions. In some instances, the police responded by launching criminal investigations against the protesters.³⁸

Under a 2011 law on religions, 90 percent of the more than 300 legally operating religious groups lost their status as churches.³⁹ The law—which was ruled unconstitutional in February 2013 and then incorporated in the constitution via the Fourth Amendment—received severe criticism from domestic and international NGOs. The Venice Commission of the Council of Europe stated that it contradicts European standards because the criteria for the recognition of churches are vague and the parliament is not an independent arbiter on questions of religion.⁴⁰ The Fifth Amendment, adopted in September, tweaked the language on churches but retained the essentially discriminatory regulation.⁴¹ A complaint—submitted by churches stripped of their status—was pending at year's end at the European Court of Human Rights.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	2.50	2.50	2.50	2.75	3.25	3.50	3.50	3.50

The Hungarian media scene features a fairly wide range of print, broadcast, and internet outlets. Media ownership is relatively diverse, with a few multinational print houses and local private companies managing varying portfolios. However, the shrinking private advertising market has posed serious problems for smaller and independent media businesses. At the same time, the relative economic success of others is often secured through strong political support and targeted advertising spending by state institutions and state-owned companies.

After two decades in which liberal and pro-Western voices predominated in the media, a dynamic conservative media sector has developed in recent years, largely based on the investments of affluent businesspeople who support Fidesz. This media empire today consists mainly of 15 intertwined companies controlled by four individuals.⁴² Despite the 30 percent drop in overall advertising revenues in the past three years, the group has managed to earn significant profits since Fidesz came to power.⁴³

The two terrestrial commercial television stations, TV2 and RTL Klub, remain the principal source of news for most Hungarians, along with a growing number of cable channels.⁴⁴ Yet the amount of public affairs content on these channels has seriously diminished in recent years.⁴⁵ News blocs are not only short and offer mostly tabloid-style material, but they often simply enumerate different party positions, seldom providing deeper analysis or broader perspectives. In May 2013, the government proposed an advertising tax that would appropriate most of the profits of the two major players. After the bill was postponed, some alleged that Fidesz had circulated the idea of the tax to influence the sale of TV2 and deter potential foreign buyers.⁴⁶ The channel was finally sold to its chief executive and financial director in December, amid speculation about the new owners' links to the conservative media empire.⁴⁷

Partisan interests, particularly incumbent governments, have had a strong influence over public-service broadcasting since 1990. However, under the current administration, this progovernment bias has been replaced with a more overt transmission of government views.⁴⁸ The public television and radio stations and the state-owned news agency were merged in 2011 to improve efficiency, but the new umbrella institution, the Media Service Support and Asset Management Fund (MTVA), has failed to ensure transparency and features a proliferation of senior management positions and obscure areas of responsibility.⁴⁹ Meanwhile, content is regularly affected by censorship and factual distortions to suit the government's interests.⁵⁰

The country's broadsheet newspapers have long been characterized by open bias, with two major outlets on each side of the deep political divide. As a consequence, not only has their circulation been radically shrinking, but they are also losing significance in shaping the public debate. There are a few popular yet

apolitical tabloids, and two major free newspapers enhance the preponderance of progovernment voices in the media. Both papers, *Metropol* and *Helyi Téma*, are closely linked to Fidesz.⁵¹ Online news portals and blogs have created a vibrant environment for political debate and analysis, and a number of blogs practice investigative journalism.⁵² The online sphere is not free of partisan bias,⁵³ however, and the internet also provides room for extreme right-wing content that promotes nationalism, xenophobia, and anti-Semitism.

A number of legal changes adversely affected freedom of speech in 2013. In February, the parliament passed a new civil code that provided increased protection against criticism to public figures. The ombudsman sent the law to the Constitutional Court, arguing that the provisions curbed free expression.⁵⁴ In March, domestic and international observers criticized the Fourth Amendment, citing its prohibition of hate speech—and especially the ban on violating the “dignity of the Hungarian nation”—and restrictions on political advertising during elections as particularly problematic.⁵⁵ The latter were amended and rectified to some extent by the Fifth Amendment in September. In the aftermath of the Baja electoral fraud in October, the government promptly amended the criminal code, rendering the production and publication of forged video and audio recordings punishable by prison terms. The Organization for Security and Cooperation in Europe (OSCE) representative on freedom of the media criticized the new law as unnecessarily restrictive, especially given that defamation was already a criminal offense in Hungary.⁵⁶

After a two-year legal dispute, opposition station Klubrádió was granted its frequency again in March 2013, when a Budapest court ruled that the Media Council’s decision to invalidate the station’s tender had been unlawful.⁵⁷ The station can use the frequency for seven years. In December, the NMHH decided to effectively nationalize one of the two remaining nationwide commercial radio frequencies, which had been held by Neo FM, a station owned by MSZP-linked businesspeople. The other frequency was held by Fidesz-affiliated tycoon Zsolt Nyerges.⁵⁸ This is not the first time political influence shapes decisions on frequency distribution. In 2009, in the midst of a major scandal with international ramifications, Fidesz and then-governing MSZP distributed the two national frequencies between their business associates.⁵⁹ This deal was annulled by the December decision.

The Media Council issued its first fine against a newspaper in 2013, punishing the conservative *Magyar Hírlap* in May for an article in which journalist and Fidesz founding member Zsolt Bayer referred to Roma as “animals” and called for an immediate “solution” to Romany crime.⁶⁰ In an unusual decision in November, the National Bank, which in October absorbed the previously independent Hungarian Financial Supervisory Authority (PSZÁF), fined the business daily *Napi Gazdaság* and its Napi.hu online edition for an article on MOL, a Hungarian oil and gas company. The bank issued the fine for “unfair manipulation of the market.”⁶¹

Self-censorship remains a problem in Hungarian media. According to a 2012 survey by Mérték, a media-analysis think tank, 80 percent of the public, 77 percent of journalists, and 96 percent of media owners and managers believe there are a number of taboo issues in the Hungarian public sphere.⁶² Yet many of

the respondents said the much-criticized 2010 Media Law had not greatly affected this situation. One, summarizing the views of others, explained that journalists exercising self-censorship “had always been confined to narrower limits than those assigned by laws and regulations.”⁶³

Under the 2010 law, the National Media and Electronic Communications Authority (NMHH) oversees all media, public and private, including broadcast, print, and online outlets. It grants licenses and frequencies, monitors content, and investigates and adjudicates public complaints. Its major regulatory body is the Media Council, which consists of five people nominated by a two-thirds parliamentary majority for nine-year terms. Amendments were made to the Media Law in March, including changes to content requirements and the appointment procedure of the Media Council,⁶⁴ and a new chair, Mónika Karas, was appointed in September to succeed Annamária Szalai, who died in April.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.75	2.75

Local self-governance has been a central element of Hungarian democracy since the fall of communism in 1989. The high level of decentralization is reflected in the large number of independent local councils in relation to the country’s population. Almost half of the approximately 3,200 municipalities are small villages with fewer than 1,000 residents, and only around 300 of them have the status of a town. Each municipality votes for its own mayor and council. However, their political autonomy is limited in practice by heavy financial dependence on the central government, as lack of industry and consistently high rates of unemployment keep local tax revenues at a low level.

Based on the new constitution in effect since 1 January 2012, fundamental reforms have been rearranging local governance. A key guarantee of the old charter was the declaration that the state would respect local councils’ autonomy and property. However, under the new constitution, local governments are subordinate to the national government’s policy, and all local assets are considered part of Hungary’s national property, not owned but merely controlled by the municipalities to perform certain tasks allotted by the state. Responsibility for such tasks has been shifting radically in the past three years. Between 1990 and 2010, the government supervised the operation of local self-governments in cooperation with the Ministry of Interior. Under the new constitution, the metropolitan and county government offices have increased competences in supervising the activities of local governments.

Local elections are organized every four years, in the same year as the quadrennial national elections. Fidesz’s overwhelming ascendancy in local governments exceeds even its parliamentary supermajority. The governing party controls all but one of Hungary’s 23 main cities and all 19 county-level assemblies. It also holds the mayoral post in Budapest and enjoys a strong majority on the city council. Budapest

comprises 23 autonomous districts, each with an independently elected mayor and assembly. Fidesz has governed all but two of the districts since the 2010 elections.

Jobbik or politicians affiliated with the party have captured a number of mayoral positions and municipal councils in the past few years, especially in the economically struggling northern and eastern parts of the country. In December 2013, László Toroczkai, the leader of a far-right youth movement and a county council member with Jobbik, was elected mayor of the village of Ásorthalom. Toroczkai received 71 percent of the votes cast, though the participation rate was 37 percent.⁶⁵

The government has centralized public education, taking it over from local governments in the past two years. The previous system was often criticized for producing inconsistency, segregation, and dire inequalities between wealthier and financially less privileged regions of the country. The government claims that the recent reform effort aims to eliminate these long-standing imbalances and create a fairer and more predictable system in which both children and teachers can enjoy greater security. As part of the reforms, all teachers and other educational employees were transferred in 2013 to the payroll of a new centralized entity called the Klebelsberg Institution Maintenance Center (KLIK). The center itself has 2,300 employees who, through 198 school-district principals, are responsible for 3,000 schools, 1.2 million students, and 120,000 teachers. KLIK is also in charge of all teaching materials, supplies, and professional training coordination.

In 2013, the parliament increased elementary- and high-school teachers' salaries and nationalized the schoolbook market.⁶⁶ Elementary schools from grade one through eight will receive school textbooks for free, and KLIK will supervise their selection from the two textbooks available per subject and class. The elimination of teachers' choice and the nationalization of the market received harsh criticism from stakeholders including book publishers, students, teachers, and unions. Two Fidesz MPs—Zoltán Pokorni, chairman of the education committee, and János Bencsik, former state secretary for climate change—voted against the legislation.⁶⁷

At least some of the opposition to these reforms stems from the concern that they are part of a broader Fidesz effort to push the country's culture in a conservative nationalist direction. Such fears are fueled not just by centrally designed curriculums,⁶⁸ but also by the government's patronage of ideologically aligned artists⁶⁹ and its sponsorship of historical research.⁷⁰

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.75	2.50	2.50

Citizens are equal before the law, and the judiciary serves as the primary guardian of constitutional rights. The judiciary is currently organized in a four-tier system of local courts, county courts, high appeals courts, and the Supreme Court (Kúria). Local and county courts have jurisdiction over their territorial districts, with county courts also serving as appellate courts for minor local cases. The high appeals courts

have regional jurisdiction, with seats in Budapest and four other cities. The Supreme Court serves as a final appeals court and ensures the uniform application of laws, developing a limited form of case law.

The Constitutional Court has shaped the legal framework of Hungary since 1990. Its members are elected by the parliament from among the country's legal scholars, though critics have raised questions about the credentials and right-wing political ties of the judges appointed under the Fidesz government. In 2011, the parliamentary majority increased the court's membership from 11 to 15 justices, and by the end of 2013, a total of 8 justices had been appointed by the ruling coalition.⁷¹

Since 2010, the government has narrowed the scope of the Constitutional Court's jurisdiction. With extremely limited exceptions, the current rules exclude the possibility of a constitutional review regarding financial and tax measures. The new constitution abolished the right of citizens to initiate an abstract constitutional review, or *actio popularis*, but introduced a new competence by which the court can review the constitutionality of judicial decisions. The Constitutional Court has been relatively restrained in its use of this new power to protect individual rights.⁷²

In 2012, the court struck down several controversial laws adopted by the government, such as a law on the retirement of judges, legislation criminalizing homelessness, and provisions narrowing the definition of a family. This trend continued in January 2013, when the justices found the new electoral legislation, which included a provision on voter registration, to be unconstitutional.⁷³

In response, the parliamentary majority integrated some of the rejected laws into the constitution by adopting the Fourth Amendment in March. The amendment, among other changes, defined marriage as a union between a man and a woman, restored the previously annulled law on religions, restricted political advertising, and rendered decrees criminalizing homelessness constitutional. The modified text also stated that "Constitutional Court rulings given prior to the entry into force of the Fundamental Law are hereby repealed."⁷⁴ However, this did not stop the court from referring to its previous case law.⁷⁵ After the court rejected the ombudsman's appeal to annul the amendment, Prime Minister Orbán declared after a meeting with Chief Justice Péter Paczolay that "the time of constitutional debate is over."⁷⁶

Nevertheless, the Fourth Amendment received heavy criticism from both domestic and international organizations, including the EU and the Council of Europe.⁷⁷ In its opinion on the changes, the Council of Europe's Venice Commission argued that the "instrumental use" of the constitution posed a problem and concluded that the amendment amounted to a threat to constitutional justice.⁷⁸ To quell international criticism, the government decided to adopt an additional amendment in September. The Fifth Amendment rectified some of the problematic changes to the constitution but left its substance intact. The changes included lifting the ban on political advertisement in commercial media during electoral campaigns (however, outlets would have to broadcast advertisements for free); eliminating the provisions on raising taxes in case Hungary is fined by international courts; and recognizing all denominations as churches—without reinstating the status of the more than 200 churches previously stripped of it, however.⁷⁹

Since 2011, the governing body of the judiciary has been the National Judicial Office. While the previous arrangement was duly criticized for its lack of transparency and for placing too much power in the hands of the presidents of the county courts, the new system exposes the judiciary to government influence. The head of the office is elected by a supermajority in the parliament, and the first incumbent is Tünde Handó, the former president of the Labor Court and the wife of József Szájer, a longtime friend of the prime minister and a Fidesz member of the European Parliament.

The Fifth Amendment annulled the power of the National Judicial Office president to reassign cases. Earlier, Handó had used her discretionary authority to reassign cases outside their regular jurisdiction in a number of instances.⁸⁰ Among the most high-profile examples was that of Miklós Hagyó, a former MSZP politician accused of corruption, whose case was transferred from Budapest to Kecskemét in 2012. In April, Hagyó won a ruling at the European Court of Human Rights, where he had argued that the length and conditions of his 2010–11 pretrial detention breached the European Convention on Human Rights and Fundamental Freedoms.⁸¹ The corruption case against him was waiting to be reassigned at year's end.

Leading government officials tried to influence the judiciary in a few prominent cases during 2013, without success. Despite political pressure, the judiciary appeared to retain a degree of autonomy, with judges generally able to carry out their functions independently and without interference. In March, Orbán sharply criticized the courts for ruling in favor of energy companies in a dispute with the government.⁸² Later in the year, the leader of Fidesz's parliamentary group, Antal Rogán, expressed strong opinions in a high-profile criminal case. The Association of Hungarian Judges warned politicians to refrain from commenting on ongoing cases, as they might "create the impression of influencing the judiciary."⁸³ Following a December Supreme Court ruling in which the court found controversial foreign-currency mortgages to be legal, a number of politicians from Fidesz and Jobbik expressed their discontent with the justice system.⁸⁴

In a highly contentious piece of legislation that took effect along with the new constitution in January 2012, the government lowered the mandatory retirement age for judges from 70 to 62. In November 2012, the Court of Justice of the European Union ruled that the forced retirement violated EU principles.⁸⁵ A new law adopted by the parliament in March 2013 realigned the retirement age of judges with the general retirement age of 65. The law, however, did not provide for the right of the previously ousted judges to be reinstated in their original posts.

Under the new constitution, a single Office of the Commissioner for Fundamental Rights was created to replace the previous ombudsmen's offices. The commissioner is elected by a supermajority in the parliament for a nine-year term and has two deputies, one for "future generations" and one for the rights of national and ethnic minorities.⁸⁶ The portfolio of the former ombudsman for data protection and freedom of information was moved to the National Authority for Data Protection and Freedom of Information.⁸⁷ In September 2013, the parliament elected László Székely as the new commissioner for fundamental rights.⁸⁸

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.75	3.00	3.00	3.00	3.25	3.50	3.50	3.50	3.50	3.75

Corruption has long permeated both the political sphere and private transactions and is often accepted as a fact of life.⁸⁹ The widespread practice of bribing doctors in the public health system created an awkward legal situation in 2013, when a new amendment to the penal code rendered it a crime, despite a provision in the 2012 labor code that permitted hospitals to pass bylaws allowing such payments.⁹⁰ Studies published over several years have shown that businesses are exposed to corruption when dealing with other companies and in their interactions with the public sector. According to a survey released in 2011, the majority of chief executives believe that good personal connections play a significant role in public procurement procedures, and while 30 percent of the respondents said they would not necessarily refuse a corrupt deal, only a small fraction would be ready to report it to the police.⁹¹

Political parties also pose a major corruption risk in Hungary. The badly designed party and campaign financing regulations almost encourage parties to seek funds from opaque sources.⁹² While the reform of party financing has been a slogan in political campaigns for many years, no government has enacted significant changes. The parliament passed a new law on party financing in June 2013, but according to Transparency International and the think tank Political Capital, it actually raises the risk of corruption.⁹³ Separately, a new freedom of information law adopted in April reduced the scope of access to information on government decisions.⁹⁴

Public procurement in particular has been a problematic area for the entire democratic period, due in part to the legacy of the communist state's role as the predominant redistributor of resources. Over HUF 1.3 trillion (\$5.7 billion) is spent annually through public procurement procedures.⁹⁵ The lack of an appropriate database presents an obstacle to the transparency of public spending,⁹⁶ and the funds have gone disproportionately to businessmen linked to the prime minister and Fidesz in the period since 2012.⁹⁷ Using its supermajority, the Fidesz-KDNP coalition has appointed allies to lead state agencies with anticorruption roles for very long terms—typically nine years. For example, the current head of the State Audit Office, László Domokos, was a Fidesz MP at the time of his 2010 appointment for a term of 12 years.

Although corruption was a systemic problem well before the 2010 electoral victory of Fidesz-KDNP, the coalition has facilitated graft and patronage on a new scale, using its legislative power to interfere with even minor segments of the economy and benefit its private-sector clients.

The redistribution of agricultural lands has been a contentious issue since 2012. Fidesz, in keeping with its ideology, professed to favor local smallholders and family farms. However, after a new law on agriculture was passed in June 2013 and the results of the tenders came to light, it became clear that the winners were far from small-scale farmers who applied for lands in their villages. Instead, commercial

interests linked to Fidesz, often with no connection to the regions in question, won the bulk of the lands distributed during the year. Former state secretary and Fidesz lawmaker József Ángyán opposed this process and was ultimately compelled to quit the Fidesz faction, becoming an independent MP. According to a report he released in September 2013, half of the 918 interests that submitted tenders won less than 10 hectares, while 67 interests won over 100 hectares and 14 over 300 hectares.⁹⁸ For example, Lőrinc Mészáros, the mayor of Orbán's hometown, and his family won nearly a quarter of all the lands distributed in Fejér County.⁹⁹ The family of Orbán's son-in-law also received sizeable properties, as did companies linked to Lajos Simicska, Orbán's childhood friend, who is considered the most powerful business magnate in Hungary.¹⁰⁰

In the first half of 2013, the government also reregulated the tobacco market. The sale of tobacco products previously was relatively free, and licenses were held by a range of outlets, including kiosks operated by family businesses, gas stations, and supermarkets. The new regulations stripped all businesses of their licenses and handed out a much smaller number of new licenses, reducing the number of sales points from 38,000 to about 5,400.¹⁰¹ The new rules stipulated that tobacco could only be sold in specialized tobacco shops. The licensing process was fraught with controversies, forcing the overwhelming majority of former license holders out of business and ultimately rewarding associates of leading figures in the ruling party, as was disclosed by a Fidesz council member in the Szekszárd municipality, Ákos Hadházy.¹⁰² Like Ángyán, Hadházy had to leave the party. The restrictive amendment to the freedom of information law that passed in April came in the midst of this scandal. Given that Hungarians spend a large proportion of their household income on tobacco and alcohol, the tobacco licenses in themselves were a major boon for those who received them,¹⁰³ and the government increased the guaranteed profit margin to 10 percent.¹⁰⁴ Nevertheless, the new kiosks (National Tobacco Shops) proved much less lucrative than expected: legal tobacco sales plunged by approximately 40 percent after they opened.¹⁰⁵

In May, the prime minister proposed the introduction of a new advertising tax targeting major electronic media providers. The estimated amount to be levied by the tax if introduced, HUF 6 billion (\$26 million), roughly equals the annual profit of the sector. It would make RTL, the main commercial terrestrial-broadcast television channel, barely profitable, while TV2, the second-biggest channel, would be a loss-making enterprise, having already struggled financially. Industry observers linked the tax proposal to the expected sale of TV2 by its existing owner, Germany's ProSiebenSat1 group, alleging that the measure was designed to deter prospective investors and influence the transaction in favor of Zsolt Nyerges, a businessman closely affiliated with the prime minister and the owner of the country's only remaining nationwide commercial radio station.¹⁰⁶ At the end of the year, TV2 chief executive Zsolt Simon announced that he and the channel's financial director, Yvonne Dederick, had purchased the outlet. He offered no immediate details on the price or the source of their financing.¹⁰⁷ The advertising tax proposal was postponed until 2014.

At the beginning of November, a former employee of NAV reported to the prosecutor's office that the agency turns a blind eye to value-added tax fraud committed by some of Hungary's major corporations. He estimated that the fraud cost the state about HUF 1 trillion (\$4 billion) annually.¹⁰⁸ The whistleblower, András Horváth, cited documents he claimed to have collected while working at NAV.¹⁰⁹ In mid-December the police searched his house, acting on criminal charges raised by NAV.¹¹⁰ The case underscored the insufficient protection for anticorruption whistleblowers in Hungary.¹¹¹

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¹ The name is a pun in Hungarian on various uses of the word *jobb* (right), meaning at once "the better one," "the one which is more correct," and "the more conservative one." Movement for a Better Hungary is the official English translation.

² Examples include László Domokos, a little-known Fidesz member of parliament who was named as head of the State Audit Office in 2010; Tünde Handó, the wife of a Fidesz MEP and longtime friend of the prime minister who was appointed as head of the National Judicial Office in 2012; and Péter Polt, an Orbán confidante who was reappointed as chief prosecutor in 2010.

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Kazakhstan

by Joanna Lillis

Capital: Astana
Population: 16.8 million
GNI/capita, PPP: US\$18,870

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Civil Society	5.50	5.75	5.75	5.50	5.50	5.75	5.75	6.00	6.25	6.50
Independent Media	6.50	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75	6.75
National Democratic Governance	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Local Democratic Governance	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50
Judicial Framework and Independence	6.25	6.25	6.25	6.25	6.00	6.25	6.25	6.50	6.50	6.50
Corruption	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Democracy Score	6.29	6.39	6.39	6.39	6.32	6.43	6.43	6.54	6.57	6.61

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

EXECUTIVE SUMMARY

Over more than two decades of rule, President Nursultan Nazarbayev has constructed a hypercentralized political system designed to perpetuate the interests of the president, his family, and the ruling elite. Supported by powerful political and economic players with a high stake in maintaining the status quo, Nazarbayev has shown a tendency toward greater authoritarianism in recent years. A bout of unrest in the western town of Zhanaozen in late 2011 shook the administration's confidence in its own narrative of political stability, prompting a crackdown on civil liberties that continued in 2013. Throughout the year, the administration worked concertedly to maintain its iron grip on the political process, the media environment, and civil society.

Seventy-three-year-old Nazarbayev—who has been in power since Soviet times and enjoys legal immunity from presidential term limits or prosecution, as well as the right to intervene in policymaking after his retirement—has responded to widespread speculation about his health and succession only by stating that he intends to remain in office through the end of his current term in December 2016. In the meantime, the president has taken no steps to establish the “resilient” political system he himself has said the country will need in order to withstand his eventual departure. Instead, the administration continued in 2013 to build a cult of personality around Nazarbayev in which he is portrayed as the lynchpin of Kazakhstan's prosperity and stability. All political institutions outside the presidency remained weak as the administration continued to discredit and marginalize any opposition activity.

Civil liberties, including the right to public protest, remained heavily curtailed in 2013. Meanwhile, freedom of worship shrank further with the draconian implementation of a 2011 law on religious affairs and the use of forced psychiatric treatment against civil society activists. Kazakhstan's media remained under intense pressure as outlets closed down by court order lost appeals and new outlets faced suspension orders and online blocking.

National Democratic Governance. Under President Nazarbayev's rule, Kazakhstan has mastered the rhetoric of reform and democratization without demonstrating any genuine commitment to these processes. Various business groups depend on Nazarbayev's patronage and indirectly control the parliament, government ministries, and major media outlets, while Nazarbayev himself appoints individuals to a range of top offices. The two nominal opposition parties in the parliament offered no substantive criticism of government policies during the year, ensuring that the legislature did not become a forum for pluralistic debate. With no independent institutions to perform effective checks and balances on power, and no

evidence that building such institutions is on the presidential agenda, Kazakhstan remains at risk of a major political crisis when its current president leaves office. For the ninth year in a row, *Kazakhstan's rating for national democratic governance stagnates at 6.75.*

Electoral Process. The ruling Nur Otan party continued to dominate the political scene in 2013, and the space for opposition politics remained tightly restricted. Kazakhstan's parliament contains only loyal presidential supporters and serves as a rubberstamp body for government policies. The authorities have given no indication that they intend to undertake meaningful reforms to install a genuinely competitive electoral system capable of yielding a truly pluralistic legislature. In the absence of any substantive change, *Kazakhstan's rating for electoral process remains unchanged at 6.75.*

Civil Society. The government continued to coopt nongovernmental organizations (NGOs), businesses, and public associations into the state sphere. Authorities zealously applied the controversial 2011 law governing religious affairs, with law-enforcement agencies pursuing religious groups, raiding religious meetings, arresting and trying religious group leaders and worshippers, and deporting foreign missionaries. Two people detained on charges relating to their religious activity were also subjected to forced psychiatric treatment. As the Nazarbayev regime tightens its grip on independent religious activity, *Kazakhstan's rating for civil society declines from 6.25 to 6.50.*

Independent Media. Media production and distribution in Kazakhstan are largely controlled by members of Nazarbayev's family or powerful businesses affiliated with the regime. Libel remains a criminal offense, as does criticizing the president. The government employs propaganda to regulate the media and saturate Kazakhstan's informational space with progovernment views that seek to discredit independent voices. In 2013, several prominent independent media outlets lost appeals against legal bans imposed on their operations in 2012. *Kazakhstan's independent media rating remains unchanged at 6.75.*

Local Democratic Governance. Kazakhstan held its first indirect mayoral elections in some districts, towns, and villages in 2013. In practice, the new system did not increase the independence or democratic accountability of local government because all candidates were nominated by officials and elected by legislative councils dominated by the ruling Nur Otan party. Moreover, mayors of all Kazakhstan's major cities and 14 regions remain presidential appointees. *Kazakhstan's rating for local democratic governance remains unchanged at 6.50.*

Judicial Framework and Independence. Kazakhstan's judiciary consistently protects the interests of the regime rather than those of individuals, minorities, and the weaker strata of society. In August, the Supreme Court refused to review the case of jailed opposition leader Vladimir Kozlov, who was sentenced to seven-and-

a-half years in prison in October 2012 for his alleged role in fomenting a mass strike by oil workers in western Kazakhstan almost one year earlier. At year's end, Kozlov was serving his sentence in a labor camp 1,700 kilometers from his hometown, in violation of Article 68 of the penal code, which stipulates that prisoners should serve time only in their home regions. Seven other people convicted of involvement in the Zhanaozen unrest had their original sentences commuted in 2013 and were released from prison. A lawyer who had complained of official interference in the judicial process was subjected to three months of forced psychiatric treatment before her release in December. *Kazakhstan's judicial framework and independence rating remains unchanged at 6.50.*

Corruption. Corruption is widespread at all levels of government and the judicial system. Investigations are handled by the presidentially appointed prosecutor general and financial police (FinPol), in conjunction with the Ministries of Justice and Internal Affairs and the National Security Committee (KNB). These entities press corruption charges against critics of the government, including political opponents, journalists, and NGOs. High-level officials typically only face charges after they have fallen out of favor with the regime. In 2013, the state continued to pursue corruption charges against former officials who have fled the country. Kazakhstan also joined the Extractive Industries Transparency Initiative (EITI), a coalition seeking to increase transparent and accountable management of natural resources revenues. *Kazakhstan's corruption rating remains unchanged at 6.50.*

Outlook for 2014. The official narrative that Nazarbayev is personally responsible for Kazakhstan's independence, stability, and prosperity has been skillfully woven, and public support for the president remains quite high. However, there are signs of growing fissures between state messaging and public perception. With channels for legitimate protest all but closed off, latent political, economic, and social tensions are mounting. Corruption, nepotism, and a growing rich-poor divide undermine the regime's stability, in some cases driving the marginalized to embrace Islamic radicalism. Meanwhile, a rising young and educated middle class expects opportunities that a regime and economy based on cronyism cannot deliver. Nor do the authorities show any indication that they intend to create these opportunities through meaningful, far-reaching reforms.

As the end of Nazarbayev's current term approaches, a high-stakes succession battle is gathering pace, causing friction between elites. In 2014, the regime will struggle to maintain the level of stability required for a seamless succession process in the future.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

On 6 July 2013, Astana celebrated its 15th anniversary as Kazakhstan's capital with festivities centered around the personality and legacy of President Nursultan Nazarbayev, who turned 73 on the same day. In a documentary aired on the eve of the event, the president stressed the importance of constructing a “resilient” political system to hand over to his eventual successor.¹ This statement, while a notable departure from the president's usual silence on the subject of his retirement, was in no way reflected in government policy during the year. After more than twenty years in office, Nazarbayev continues to preside over a hypercentralized system that many believe cannot withstand the loss of its creator.² In October, the president confirmed his intention to remain in office through the end of his term in December 2016.³ Beyond that, government plans for the post-Nazarbayev era remained opaque.

Kazakhstan's political system is a hybrid of Soviet-era institutions and practices with an elected parliament dominated by Nazarbayev's Nur Otan party. Under the constitution, Nazarbayev has sweeping authority over the parliament, which is comprised of the Senate (the upper house) and the Mazhilis (the lower house). The president appoints 15 of 47 senators and may unilaterally dissolve the parliament. He also selects all members of the Assembly of the People of Kazakhstan (APK), a body representing the country's various ethnic groups. In 2007, the APK acquired the right to elect nine of its members to the Mazhilis—a rule that effectively allows some citizens to vote twice in legislative elections, in violation of the constitution. In practice, candidates elected by the APK are handpicked by the executive branch. The remaining 98 members of the Mazhilis are elected from party lists on a proportional basis. The remaining senators are selected by the assemblies of the 14 regions, the capital Astana, and the former capital Almaty.

Other nominally independent institutions are also controlled by the executive. Nazarbayev selects the chair and two of the seven members of the Central Election Commission (CEC). Kazakhstan's National Ombudsman is a presidential appointee who lacks the support of civil society and human rights activists. The ombudsman heads Kazakhstan's Human Rights Commission, depriving it of the independence demanded by the Organization for Security and Cooperation in Europe (OSCE) Paris Principles that govern the status of national human rights bodies.

The president appoints and may dismiss the prime minister, who is responsible for executing policies, rather than formulating them. Following his appointment in 2012, Prime Minister Serik Akhmetov maintained a lower political profile than

his predecessor, Karim Masimov, who accumulated considerable personal influence and wealth during his tenure and at year's end still wielded great power as the head of the Presidential Administration. All appointees to the cabinet, the Presidential Administration and other ruling bodies are presidential loyalists who do not publicly challenge the status quo. Kazakhstan's military and security services are led by still more Nazarbayev associates, including the influential head of the National Security Committee domestic intelligence service, Nurtay Abikayev. In October, the government announced that it would end military conscription by 2016.

Several powerful business groups loyal to Nazarbayev and Nur Otan indirectly control the parliament, government ministries, and major media outlets. These groups include the copper giant Kazakhmys; the "Eurasia Group" (Eurasian Natural Resources Corporation, or ENRC); and the sovereign wealth fund Samruk-Kazyna. Some of Nazarbayev's close relatives also exert considerable influence in Kazakhstan: his eldest daughter, Dariga Nazarbayeva, sits in parliament for Nur Otan, while his middle daughter, Dinara Kulibayeva, and her husband, Timur Kulibayev, influence the economy through their ownership of energy and financial sector interests.

Business entities have allowed personal associates of Nazarbayev to amass vast personal wealth. These include members of his family such as the Kulibayevs, as well as presidential associates such as Vladimir Kim, the president of Kazakhmys, Alizhan Ibragimov, a major shareholder in ENRC, and Bulat Utemuratov, a mining, hotel, and banking magnate. All these entrepreneurs were included on the 2013 list of world billionaires in *Forbes* magazine,⁴ and Dariga Nazarbayeva and her son, banker Nurali Aliyev, featured on *Forbes Kazakhstan's* list of the 50 richest people in the country.⁵

Kazakhstan's major business groups, Nazarbayev's most powerful relatives, and influential individuals like Masimov, Akhmetov, Abikayev, and Kassym-Zhomart Tokayev, the chairman of the Senate (who, according to the constitution, will temporarily succeed Nazarbayev in the event of his removal or death), are likely to have a decisive say in shaping the balance of forces in a post-Nazarbayev Kazakhstan.

The regime's most frequent response to international criticism of its human rights record is that Kazakhstan is "in transition" to democracy, a process that will take time.⁶ In the meantime, the government engages multiple public relations firms to highlight its achievements and deflect attention from undemocratic behavior.⁷ Tony Blair Associates, which by October 2013 had been advising the Kazakh government on political, economic, and social reform for over two years, came under fire from Human Rights Watch and other watchdogs in 2013. Responding to accusations that its work is about spin, rather than reform, the former British prime minister's consultancy stated that Kazakhstan is "a country where there is the possibility of evolutionary change over time moving in a democratic direction."⁸

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75

Nazarbayev's widespread patronage and the government's abuse of administrative resources—as well as the lack of independent media and electoral or judicial institutions—make competitive elections nearly impossible in Kazakhstan without meaningful and far-reaching reform of the political system. To date, none of Kazakhstan's presidential or parliamentary elections have qualified as free and fair by international standards. Since 2005, no parliamentary or presidential election has been held according to the constitutional schedule, either; instead, the regime routinely calls snap elections that prevent the opposition from mobilizing.

Nur Otan continued to dominate the party political scene in 2013, and the space for opposition politics remained tightly restricted. Both the Mazhilis and the Senate are dominated by Nur Otan and contain only loyal presidential supporters. Early elections in January 2012, which Nazarbayev called with only two months' notice, gave Nur Otan 83 of the 98 seats in the Majlis. Only two other parties—the pro-business Ak Zhol and the Communist People's Party—secured any representation in the lower house, winning 8 and 7 seats, respectively. In 2013, these two nominal opposition parties failed to present any meaningful criticism of government policies, ensuring that the legislature did not become a forum for pluralistic debate.

The authorities have given no indication that they intend to undertake meaningful reforms to install a genuinely pluralistic electoral system. On the contrary, they have become increasingly impervious to international criticism of Kazakhstan's elections. After the 2012 parliamentary elections, Nazarbayev attacked the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) for becoming an instrument “for putting pressure by one group of countries on another.” He questioned the “mythical unconformity with standards of some sort” and threatened to ban “experts hired by someone who criticizes our elections.” Kazakhstan served as chair of the OSCE in 2010.

Throughout the year, the state used law enforcement agencies to pressure the political opposition. In July, activist Marat Zhanuzakov and Bulat Abilov, the leader of the opposition Azat (Free) party, were briefly detained hours before the planned start of a meeting between the country's major opposition groups. The meeting had to be held outdoors because none of the venues these groups approached would allow them access. The day before the meeting, several opposition activists were called in and interrogated about possible links with fugitive oligarch Mukhtar Ablyazov.¹⁰

Pressure from above and internal differences caused further fragmentation of the opposition in 2013. An alliance between Azat and Zharmakhan Tuyakbay's National Social Democratic Party (OSDP) collapsed in February 2013, and the OSDP fragmented further with a split in its leadership in March. Abilov later announced his retirement from politics, citing a desire to concentrate on other projects.¹¹ After the forced disbanding of *Alga!* (Forward!) in 2012 on charges

related to the Zhanaozen unrest, the end of OSDP left Kazakhstan without a single genuine and effective opposition party at year's end.

In August, local councils (*maslihats*) in many of Kazakhstan's districts, towns, and villages were allowed to elect mayors (*akims*) to their local governments for the first time (see Local Democratic Governance).

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.75	5.75	5.50	5.50	5.75	5.75	6.00	6.25	6.50

The space for independent activism by nongovernmental organizations (NGOs) and public associations—particularly those engaged in advocacy for civil liberties, labor rights, and political reform—has been diminishing for several years, particularly since the Zhanaozen oil strike and ensuing violence of December 2011. A raft of legislation adopted over the last three years has tightened restrictions on freedom of expression, assembly, and worship. In 2013, the regime made increased use of a law from 2011 that controls or bans various forms of religious activity.

The Kazakh government increasingly seeks to constrain religious organizations whose views are not in line with the state-approved version of Islam, and the official categorization of various minority religions as “sects” or “non-traditional” groups continues to portray them as potentially subversive or extremist. These groups include Evangelical Christians, Jehovah’s Witnesses, Hare Krishna devotees, and independent Muslims. Meanwhile, the Spiritual Association of Muslims in Kazakhstan, officially an independent body but effectively a quasi-state institution, works closely with the government to regulate Islamic activity by licensing the activities of the country’s mosques, conducting background checks on imams, and serving other managerial functions.

A law adopted in 2011 bans unregistered religious activities and the operation of mosques that are not approved by the Spiritual Association of Muslims; prohibits the provision of prayer rooms inside state buildings; prevents foreigners from setting up faith groups; and severely limits missionary activity and the acquisition of what it defines as “religious literature.” Throughout 2013, law enforcement agencies vigorously pursued religious groups under this law, raiding religious meetings, arresting and trying religious group leaders and worshippers, and deporting foreign missionaries. In November, the Oslo-based religious freedom watchdog Forum 18 reported that at least 153 fines had been imposed on 126 individuals in 2013 for violating the 2011 religion law.¹² According to the same source, fines levied for violations of the law ranged between once and twice the average monthly wage in Kazakhstan. The government also deported several foreign nationals suspected of illegal missionary activity, sometimes using unconnected minor administrative violations.¹³

The government made use of several other laws to punish religious activity in 2013. In May, Presbyterian pastor Bakhytzhon Kashkumbayev was arrested for

allegedly damaging the health of one of his parishioners through his sermons and spent several months undergoing forced psychiatric treatment before a court ruled that he should be put under house arrest.¹⁴ Minutes after his release, Kashkumbayev was re-arrested on charges of extremism. He remained in detention and under investigation at year's end. Aleksandr Kharlamov, an atheist, was also subjected to forced psychiatric treatment after his arrest in March on charges of inciting religious discord.¹⁵

Following the events in Zhanaozen, the government used all the repressive legislation at its disposal to target those it held responsible for the strikes, the violence, and the spread of information about both. This included the sentencing of 34 Zhanaozen residents and labor activists for “organizing mass disorders” and a December 2012 ban on Vladimir Kozlov’s *Alga!* party for “extremist” activities. Kozlov himself remained in prison throughout 2013, despite the adoption of a resolution by the European Parliament calling for his release. The resolution also called on the government of Kazakhstan to ease restrictions on independent labor unions. After Zhanaozen, trade union activists came under intense pressure that continued in 2013. The government did not react to the European Parliament’s statement, which bears no legal force.

Public gatherings in Kazakhstan remained tightly restricted. The Law on Public Assembly requires protesters to seek permission from the government ten days in advance for any public appearance or gathering broadly seen as an assembly. Permission for opposition rallies is often refused, and if granted they are allowed to take place in remote locations outside the centers of cities. In October, two housing rights campaigners, Yesenbek Uktreshbayev and Kyzdygoy Azharkulova, were sentenced to jail terms of fifteen and three days, respectively, for participating in an unauthorized protest in Astana, and three more activists involved in the protest were fined.¹⁶ Negative propaganda depicting public demonstrations and rallies as harbingers of disorder often dissuade citizens from organizing or taking part in any civic action.

All NGOs, public associations, and religious bodies are required to register with the Ministry of Justice. Through funding and programming, the government seeks to coopt nascent civil society organizations and define their agendas as pro-regime. There are 36,815 NGOs officially registered in Kazakhstan, but only a fraction of these are operational and effective.¹⁷

In March 2013, Nurlan Oteuliev, an environmentalist campaigning to save a forest near Almaty, was shot dead in a murder his relatives linked to his activism.¹⁸

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	6.75	6.75	6.75	6.50	6.75	6.75	6.75	6.75	6.75

Most media outlets in Kazakhstan, though privately owned and formally categorized as independent, are regulated by the government and controlled by financial groups

affiliated with the regime. They serve primarily as a megaphone for official propaganda, and refrain from investigative work that might negatively affect the interests or reputations of President Nazarbayev and his inner circle. The few journalists or media outlets that still criticize government policy face severe legal restrictions, prohibitive libel and defamation judgments, and other forms of harassment.

The majority of critical voices in Kazakhstan's traditional media have been effectively muzzled. The state continues to exert heavy pressure on those that remain, using a mix of highly restrictive laws and unauthorized, indirect, and informal mechanisms of control to ensure adherence to the official narrative of the Nazarbayev regime. Under Article 318 of the criminal code and Article 1 of the Law on the First President-Leader of the Nation, "public insulting or other encroachment on the honor and dignity of the first president" is an offense punishable with a fine of approximately \$10,000 and a maximum penalty of three years in prison.¹⁹ Libel, too, remains a criminal offense. In 2013, journalist Lupkan Akhmedyarov, who survived an attempt upon his life in 2012, was found guilty of insulting a local official and fined approximately \$33,000.²⁰ Truth is not a defense in libel cases, and there is no statute of limitations.

In 2013, several prominent independent media outlets lost appeals against legal bans imposed on them at the end of 2012. Approximately 40 media outlets were banned in December when the courts ruled that their coverage of the unrest in Zhanaozen in 2011 had been "extremist."²¹ In February 2013, the courts rejected appeals against the closure of the *Respublika* newspaper and a group of 30 associated outlets,²² as well as the newspaper *Vzglyad* and its associated websites.²³ Tatyana Trubacheva, a journalist for the banned *Golos respubliki*, attempted to start a new newspaper called *Ripablik* in 2013. In February, she was fined for breaking the printing ban, and her new venture folded.²⁴ In July, former members of the *Respublika* editorial team Oksana Makushina and Sergey Zelepukhin complained of ongoing threats, blackmail, and attempts at recruitment by persons presenting themselves as national security agents.²⁵

A technical provision of the Administrative Code requiring newspapers to adhere to their masthead data provided another opportunity to harass independent media in 2013. In August, *Pravdivaya Gazeta*—whose first issue was seized in April for allegedly failing to show exact publication dates in its registration documents—was suspended for three months for printing 7,000 copies instead of 8,000.²⁶ In September, the *Ashyk Alan* (Tribune) and the *Pravda Kazakhstana* newspapers were suspended for three months and fined for infringing their masthead data. The suspensions prompted an expression of concern from OSCE Representative on Freedom of the Media Dunja Mijatović.²⁷

Independent outlets also reported difficulty in accessing printing facilities. Gulzhan Yergaliyeva, the editor-in-chief of the *ADAM Reader* weekly, said that 24 publishing houses in Almaty had refused to publish her newspaper, which she set up after a court suspended her website for three months in 2012.²⁸ Two additional websites associated with Yergaliyeva, Nuradam.kz and Adambol.com, were periodically blocked for short intervals in 2013.

The authorities used legal pressure to discourage reporters from covering protests. In May, a court sentenced independent journalist Berik Zhaghyparov to 15 days in jail on charges of taking part in an unsanctioned protest over housing in Astana, rejecting his defense that he was covering the protest rather than participating.²⁹

There were incidents of violence against journalists throughout 2013. In August, Igor Larra of the *Svoboda Slova* (Freedom of Speech) newspaper sustained serious head injuries after he was beaten with a metal rod; police identified robbery as the motive for the crime, but Larra believed it was connected to his journalistic work.³⁰ This was the second attack on Larra, who was beaten up after covering an oil workers' strike in western Kazakhstan in 2010.³¹ In May 2013, police attacked a film crew from the private KTK TV channel,³² and allegedly failed to step in when a TengrinewsTV cameraman was beaten up in June.³³ Also in June, journalist Dauren Mustafin of the *Yel Birligi* newspaper was allegedly threatened, abducted, and beaten up by local *maslihat* (council) deputy Abdraman Turmagamberov and his aides while covering a trial in the city of Shymkent. Police opened a criminal case against Mustafin's alleged attackers, but closed it a few months later, citing the absence of *corpus delicti*.³⁴

The authorities have a mixed record when it comes to addressing attacks against journalists. Four suspects accused of a violent 2012 attack on investigative journalist Lukpan Akhmedyarov were tried in July 2013, resulting in convictions and long jail sentences of 11–15 years. However, the persons who ordered the attack were never identified.³⁵

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50

Kazakhstan held its first indirect mayoral (*akim*) elections in many districts, towns, and villages in August 2013. The central government presented this as evidence of democratization, since previously all such positions had been filled via direct presidential appointment.³⁶ In practice, the new system did not increase the independence or democratic accountability of local government because all candidates were nominated by existing (appointed) officials and elected by legislative councils (*maslihat*s), which are dominated by the ruling Nur Otan party. Moreover, the akims of all Kazakhstan's major cities and 14 regions remained presidential appointees.

Nazarbayev announced the introduction of mayoral elections in December 2012, saying that they would be used to elect "all akims who work directly with citizens and resolve problems in the localities." The president urged citizens to "get actively involved in solving vital questions in the localities, [and] monitoring the work of local bodies of power."³⁷ According to Kuandyk Turgankulov, the head

of Kazakhstan's Central Electoral Commission (CEC), mayoral candidates were nominated by current district akims "after consultation with the local population."³⁸ From a pool of 6,738 candidates registered by electoral commissions, *maslihat* members elected a total of 2,457 akims, filling 91.5 percent of the country's mayoral posts.³⁹ The elections slightly improved the low level of female representation in local bodies of governance: 280 (11.4 percent) of those elected were women, 32 more than before the elections.⁴⁰

The elections were touted by the authorities as a major step towards democratization,⁴¹ despite the fact that only 2,602 local councilors—almost all of them Nur Otan loyalists—were entitled to vote, and the newly elected akims are in charge of the towns, villages, and rural areas inhabited by only 45 percent of Kazakhstan's total population.⁴² Turgankulov used international precedent to justify the choice of indirect, rather than direct, elections, noting that indirect elections for mayors were held in 19 of the 37 states selected for the government's study. First Deputy Prime Minister and Minister of Regional Development Bakytzhan Sagintayev also explained that votes were being cast by "local *maslihat* deputies, who are in their turn elected by direct suffrage, which is to say that it can be stated that this is also the direct expression of the will of the local population."⁴³ The government has expressed no intention of introducing mayoral elections in Astana, Almaty, or Kazakhstan's other large cities, nor for the governorships of the country's 14 regions.

In April, Sagintayev set out the government's concept of developing local democratic governance, which he said would be carried out in two stages. In 2013–14, the government would take measures to expand self-governance "at the lower levels of government" and develop governing and financing mechanisms. In 2015–20, officials would examine "the further demarcation of functions of local state governance," and decide on budgetary matters. Ultimately, he said, local populations would be able to take part in monitoring the use of budget funds and in the decision-making process, but he did not specify any mechanisms through which this would be achieved.

In the second stage of the self-governance project, akims will be granted more budgetary autonomy and be given the right to seek alternative sources of revenue to supplement budget funds. Their current lack of financial autonomy is a constraint on the authority and effectiveness of local bodies, as the central government determines all taxation rates and budgetary regulations. Local budgets lose substantial sums, as many companies operating in the regions are registered in Almaty or Astana and do not pay taxes locally.

There is no effective mechanism for sharing revenue among regions. Akims in oil-rich regions, or in Astana and Almaty, which have attracted the most foreign investment, tend to exert greater control than other regional heads over budgetary matters.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.25	6.25	6.25	6.00	6.25	6.25	6.50	6.50	6.50

Kazakhstan's constitution recognizes the separation of powers and safeguards the independence of the judiciary, but in practice, the courts are subservient to the executive and protect the interests of the ruling elite. The president appoints judges to the Supreme Court and local courts, as well as members of the Supreme Judicial Council. The courts regularly convict public figures brought to trial on politically motivated charges, usually without credible evidence or proper procedures.

None of the convictions meted out to alleged Zhanaozen unrest instigators were overturned in 2013. However, the jail sentences of seven protesters were commuted to suspended sentences and they were released from prison, leaving 11 civilians behind bars on charges related to the unrest at year's end.⁴⁴

The latter group includes Vladimir Kozlov, leader of the banned *Alga!* party, who is still serving out a seven-and-a-half-year sentence on charges of fomenting violence in Zhanaozen and seeking to overthrow the state. In April 2013, the European Parliament (EP) passed a resolution calling for the release of Kozlov, labor activist Roza Tuletayeva (also imprisoned on charges related to the Zhanaozen unrest), and the well-known civil society activist and lawyer Vadim Kuramshim, who was sentenced to 12 years imprisonment on extortion charges in December 2012. The EP resolution expressed concern about the *Alga* ban and the detention of opposition leaders, journalists, and lawyers following trials that "fall short of international standards."⁴⁵ The Nazarbayev government did not react to the resolution, which has no legal force.

At year's end, Kozlov was serving his sentence in a labor camp in the northern city of Petropavlovsk, 1,700 kilometers from his hometown of Almaty. His supporters say this creates hardship for family visits and violates Article 68 of the penal code, which stipulates that prisoners should serve their terms in their home region. In April, the authorities denied permission to two members of the Polish parliament to visit Kozlov in prison.⁴⁶ During the year, relatives of Kozlov and Tuletayeva complained that they were in poor health and were not receiving adequate medical attention in prison. In April, Tuletayeva staged a brief hunger strike in protest.⁴⁷

In August, the Supreme Court rejected Kozlov's bid to have his case reviewed.⁴⁸ In May, the Court upheld Tuletayeva's conviction and five-year prison sentence. Kuramshim remained in prison at year's end.

Kazakh authorities continued to seek the extradition of fugitive oligarch Mukhtar Ablyazov, the former chairman and main shareholder (via a stake held through intermediaries) of Kazakhstan's BTA Bank, which was nationalized in 2009. Ablyazov, one of Nazarbayev's most vocal critics, is accused of embezzlement, and of instigating and funding the violence in Zhanaozen. He was arrested in France in July 2013 and remained in detention at year's end, pending a decision

on extradition requests from Russia and Ukraine. International rights groups have urged France not to extradite the ex-banker to any country that might send him on to Kazakhstan, where he would be “at serious risk of ill-treatment and would face a flagrant denial of his fair trial rights.”⁴⁹ Prior to Abyazov’s arrest, his wife and six-year-old daughter were deported from Italy to Kazakhstan to face charges of alleged document forgery. The case triggered a political furor in Italy, leading to the resignation of the Italian interior minister’s chief-of-staff,⁵⁰ and the deportation order was overturned. Under heavy international pressure, Kazakh authorities permitted Abyazov’s family to return to Italy in December,⁵¹ but continued to pursue extradition orders against his other associates.⁵²

Conditions in Kazakhstan’s pretrial facilities and prisons are notoriously harsh and reports of torture and abuse are rampant. A report released by Amnesty International in July states that “torture remains commonplace in Kazakhstan and the torturers are allowed to go free.”⁵³ The report also expresses concern about the overuse of solitary confinement, citing the case of Aron Atabek, who was sentenced to 18 years in 2006 and has already spent one third of his imprisonment in solitary.

Later in 2013, there were a few signs that the authorities were beginning to tackle abuse in places of detention. Five prison guards were jailed for crucifying a detainee who died in custody;⁵⁴ two police officers were jailed for torturing evidence out of a man who died of his injuries;⁵⁵ and a Kazakh court ordered police to pay compensation to a torture victim following a ruling from the UN Committee Against Torture.⁵⁶

Protests against prison conditions have intensified in recent years, and the transfer of authority over the prison system from the Justice Ministry to the Interior Ministry in 2011 has made it more difficult for civil society actors and rights groups to access the penal system and engage in advocacy for penal reforms.

Public trust in the professionalism and effectiveness of the judicial system is extremely low. The government has introduced some measures to combat the problem of judicial corruption, though these are applied on an ad hoc basis. Increased wages and improved conditions of work have improved the quality of the judiciary, but younger judges, especially female ones, have complained about bullying and harassment by senior figures and urged the Supreme Judicial Council to introduce appropriate safeguards.

Kazakhstan introduced jury trials in 2007, though the practice remains restricted to cases involving life imprisonment. In October, First Deputy Prosecutor General Iogan Merkel announced plans to reduce the number of jury trials, citing the vague grounds of “our country’s peculiarities.”⁵⁷ The country abolished the death penalty in 2007 for all crimes except fatal terrorist acts and serious crimes committed in wartime.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50

Systemic corruption in Kazakhstan thrives on the country's oil and mineral wealth, as well as the lack of transparency in the privatization of state-owned assets during the country's post-Soviet transition. Elites, who often enjoy immunity from prosecution or investigation, use their positions to appropriate, control, and distribute key resources for personal gain. Kazakhstan also lacks a genuinely independent anticorruption body, while consistent attacks on media make it almost impossible for journalists to investigate the misuse of state resources. Transparency International's 2013 Corruption Perceptions Index listed Kazakhstan at 140 out of 177 countries, a drop from the country's rank of 133 the year before.⁵⁸ Transparency International's 2013 Global Corruption Barometer found that 34 percent of people in Kazakhstan had paid bribes in the past year to any one of eight institutions including the police, judiciary, tax authorities and public services such as health and education.⁵⁹

The Ministry of Internal Affairs, the KNB, and the Financial Police (FinPol) are the main bodies tasked with dealing with corruption. However, anticorruption efforts are typically political and economic tools that allow some officials to accrue power while intimidating or constraining their rivals. There are frequent prosecutions on bribery and corruption charges, but high-level officials are rarely the target, and when they are, their trials often take place amid suspicions of political motivations. High-ranking officials charged with corruption typically have entered into personal or political rivalries with Nazarbayev or other members of the ruling regime and thus fallen out of official favor.

Often, these officials face corruption charges after they have already fled the country. Examples include Rakhmat Aliyev, Nazarbayev's former son-in-law; Viktor Khrapunov, the former mayor of Almaty; and former banker Mukhtar Ablyazov. Since he fled to the UK in 2009, Ablyazov has been fighting charges that he used his former position as chairman of Kazakhstan's BTA bank to embezzle several billion dollars. His close connection to Ablyazov forged by the marriage of his son to Ablyazov's daughter is seen by many observers as the reason the Kazakhstani authorities put Khrapunov on the international "Wanted" list over alleged misappropriation of state funds in 2012, five years after he had left public office and moved abroad.⁶⁰

In October, Kazakhstan joined the Extractive Industries Transparency Initiative (EITI), a coalition of governments, companies, and civil society representatives that collaborates to increase transparency and accountable management of natural resources revenues. Kazakhstan's designation as "EITI compliant" means that the country produces EITI reports disclosing revenues from the extractive industries, and that companies disclose tax and other payments and the government discloses its revenues so that the two sets of figures can be compared.⁶¹ An investigation

opened in the United Kingdom in 2013 highlighted the potential for corruption in the natural resource sector in Kazakhstan. The Serious Fraud Office launched a probe into the affairs of ENRC, investigating “fraud, bribery and corruption relating to the activities of the company or its subsidiaries in Kazakhstan and Africa.”

Two high-level corruption cases involving the military in 2013 illustrated the high reach of corruption in Kazakhstan’s armed forces and its potential to undermine national security. In January, Major-General Almaz Asenov was arrested after the crash of an An-72 plane the previous December in which 27 people died, including the Kazakhstan’s border guard commander, Turganbek Stambekov. In July, Asenov was sentenced to eleven years in jail on charges of accepting a \$200,000 bribe to overlook faulty overhauls of An-72 aircraft for the military.⁶² In December, Major-General Askar Buldeshev, former deputy commander of the air force, was sentenced to eight-and-a-half years in jail on charges of embezzling funds intended for the purchase of spare parts for air defense systems.⁶³ Dosym Satpayev, a well-known Kazakhstani political commentator, describes corruption as a threat to Kazakhstan’s national security since corruption is eroding public confidence in the ruling elite.⁶⁴

The difficulty of proving and combating corruption has instilled a pervasive social perception that the use of state resources for the enrichment of one’s family, friends, and personal networks is natural and inescapable. Resigned to the existence of corruption, many people in Kazakhstan are also deeply skeptical of the government’s desire and ability to deliver on its promises of democratic development. This crisis of confidence is growing as members of a growing young, educated middle class discover that unless they can harness nepotistic connections a glass ceiling exists to their advancement, fuelling the potential for unrest in the country in the future. Corruption also fuels discontent among less advantaged socioeconomic groups and has been identified as a factor contributing to the rise of Islamic radicalism.⁶⁵

The government moved to professionalize its highly corrupt civil service in 2013 by introducing an elite corps of civil servants called Corps A. A total of 511 civil servants joined Corps A, receiving 50 percent pay raises after being selected, while another 500 entered the reserve corps.⁶⁶

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KOSOVO

by Krenar Gashi

Capital: Pristina
Population: 1.8 million
GNI/capita, PPP: US\$8,940

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	Kosovo									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	4.75	4.75	4.75	4.50	4.50	4.25	4.50	5.00	5.00	4.75
Civil Society	4.00	4.25	4.25	4.00	4.00	3.75	3.75	3.75	4.00	3.75
Independent Media	5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.75
National Democratic Governance	5.75	5.75	5.75	5.50	5.25	5.50	5.75	5.75	5.75	5.50
Local Democratic Governance	5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	4.75	4.75
Judicial Framework and Independence	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50
Corruption	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	6.00	6.00
Democracy Score	5.32	5.36	5.36	5.21	5.14	5.07	5.18	5.18	5.25	5.14

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

In 2013, Kosovo reached a historic agreement with Serbia, making significant progress toward stabilizing relations with its neighbor and taking a substantial step toward membership in the European Union (EU). Kosovo authorities organized local elections that were assessed as free and fair despite some violence in the north. For the first time, the elections were organized throughout Kosovo, including the northern municipalities with a Serb majority. Notwithstanding these successes, the country is still facing serious challenges to democratic transition. Checks and balances of democratically elected institutions are weak and inefficient, and the fight against corruption and organized crime lacks genuine political will.

National Democratic Governance. Under the auspices of the EU, the Kosovo government signed a landmark agreement on the normalization of relations with Serbia. If implementation succeeds, Kosovo authorities will be able to extend their authority in northern Kosovo while providing a higher level of self-government for Kosovo Serbs. The Kosovo parliament became more engaged and improved cooperation with civil society stakeholders, while the governing coalition's majority in parliament continued to dwindle. Due to the signing of a historic agreement aimed at normalizing relations with Serbia, *Kosovo's national democratic governance rating improves from 5.75 to 5.50.*

Electoral Process. Kosovo held free and fair municipal elections in November 2013. For the first time since independence in 2008, the four northern municipalities with a Serb majority also participated. Although the authorities failed to complete electoral reforms initiated after the fraudulent 2010 elections, the government heavily mobilized state institutions to prevent fraud. Only a few irregularities were reported after and during the elections, including intimidation and "family voting." The situation was tenser in the north, however, where Serb groups called for a boycott and the first round had to be repeated due to violence in three polling stations. Due to free and largely peaceful local elections in 2013, *Kosovo's rating for electoral process improves from 5.00 to 4.75.*

Civil Society. Kosovo's civil sector continues to suffer from a lack of funding, and trade union rights are weak in practice. In an important decision in April, the Constitutional Court annulled a problematic law adopted in 2012. The law would have allowed authorities to privatize nongovernmental organizations (NGOs), including microfinance institutions, and distribute their estimated €100 million in capital between private shareholders instead of the nonprofit sector. Due to the

annulment of a law that endangered Kosovo's civil society ecosystem, *Kosovo's civil society rating improves from 4.00 to 3.75.*

Independent Media. International observers and domestic media experts criticized continued government interference with the public broadcaster Radio Television Kosovo (RTK); the EU election observation mission noted that the broadcaster showed a preference in its presentation of the ruling Democratic Party of Kosovo (PDK) during local elections. Due to unsuccessful appointments and the removal of its chair, the Independent Media Commission (IMC), which regulates broadcast media, remained dysfunctional in 2013. The lack of must-carry laws for cable operators resulted in a clash between cable operator IPKO and one of the biggest media companies, the Koha Group. Violence against journalists abated, however, and a study showed rapidly increasing rates of internet penetration. *Kosovo's independent media rating remains unchanged at 5.75.*

Local Democratic Governance. Under the Brussels Agreement, municipalities in the north will form the Association/Community of Serb-majority Municipalities, an umbrella organization representing the interests of local governments. The function and powers of the organization were still under discussion at year's end. In the November municipal elections, the Serbian community in the north elected its local representatives for the first time; several senior politicians also competed for local seats. In a controversial move, the Kosovo government initiated the establishment of two new municipalities on the eve of the elections. *Kosovo's local democratic governance remains unchanged at 4.75.*

Judicial Framework and Independence. A judicial reform came into effect in January, introducing a new court system and an amended criminal code and criminal procedure code. Although the constitution and the legislative framework guarantee the independence of the judiciary from the executive and the legislature, several cases of political interference were noted during the reporting period. The lack of funding, delays in appointments, and confusion over the jurisdiction of the Constitutional Court and the Supreme Court also damaged the integrity of the judiciary. *Kosovo's rating for judicial framework independence remains unchanged at 5.50.*

Corruption. Assisted by the EU rule of law mission (EULEX), Kosovo authorities secured the first verdict in a high profile corruption case. The former head of Kosovo's Anticorruption Task Force, Nazmi Mustafi, was sentenced to five years in prison for accepting a bribe. Kosovo authorities also adopted a new anticorruption strategy and made several changes to the legal framework. Despite these positive developments, corruption and organized crime remained a serious problem in the country. Pending the implementation of legal and policy-level amendments, *Kosovo's corruption rating remains unchanged at 6.00.*

Outlook for 2014. Kosovo is scheduled to hold parliamentary elections in 2014. Subject to changes in the balance of power in the parliament as well as the results of the local elections, the elections could take place in the fall, as planned, or the parties in parliament might call early elections in the summer. The implementation of the Brussels Agreement—which includes establishing the Association/Community of Serb-majority Municipalities—is likely to spark domestic political debates and verbal clashes with Serbia. The government will seek to complete the privatization of the telecom industry, a process strongly protested by the opposition.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.50	5.25	5.50	5.75	5.75	5.75	5.50

In April, the governments of Kosovo and Serbia signed the “First Agreement of Principles Governing the Normalization of Relations” or the so-called Brussels Agreement.¹ Brokered by the European Union (EU), the historic deal called for the establishment of an Association/Community of Serb-majority Municipalities, the integration of Serbian structures in the Kosovo police force, and the incorporation of judicial authorities within Kosovo’s legal framework. It also enabled the organization of local elections in the north and called on both parties not to block each other’s European accession process.² The deal did not require Serbia to recognize Kosovo’s independence but stipulated the withdrawal of Serbia’s presence from ethnic Serb-dominated northern Kosovo. In exchange, Kosovo agreed to expand the level of self-governance for Kosovo Serbs. Once implemented, the agreement is expected to open the way for Kosovo’s government to extend its control over the northern part of the country, which had de facto been controlled by Serbia.

In addition to aiming at the normalization of relations between Kosovo and Serbia, the agreement paved the way for Kosovo’s EU integration. Immediately after the conclusion of the deal, the European Commission recommended the opening of negotiations toward a Stabilization and Association Agreement (SAA), which is the first step in the path to full EU membership. The Commission also recommended concluding a framework agreement that would enable Kosovo to participate in EU programs open to other Western Balkan countries. On October 28, negotiations on the SAA started, marking a great success in EU-Kosovo relations.

Despite the landmark Brussels Agreement, northern Kosovo remained volatile for most of the reporting period, marked by simmering interethnic tension and occasional violent incidents involving firearms and explosives. Two children were injured in the ethnically divided city of Mitrovica in separate blasts in February. In July, following the arrest of two Kosovo Serbs wanted for attempted murder, two policemen serving in the EU rule of law mission (EULEX) suffered injuries in clashes with the local population in the municipality of Zvecan.³ The most serious incident of the year was the assassination of a EULEX police officer in September while he was on duty in the town of Zvecan.⁴

In the same month, Serbia decided to formally dismantle its administrative and security structures in the region, paving the way for local elections scheduled for 3 November.⁵ During the year, there were several protests against integration, and tensions increased within the Serb community living in the north as elections

approached.⁶ On election day, violent groups vandalized ballot boxes in North Mitrovica, resulting in a revote in three polling stations.⁷

The November local elections, which are generally used as a test of popularity, did not result in any major changes for the parliamentary parties. The ruling Democratic Party of Kosovo (PDK) remained the largest party, followed by the Democratic League of Kosovo (LDK), which managed to increase its support.⁸ The Alliance for the Future of Kosovo (AAK) of former prime minister Ramush Haradinaj finished third, while the Vetevendosje (Self-Determination) movement remained the fourth political power.

During the reporting period, the Kosovo parliament fulfilled its role and managed to arrive at a relatively strong political consensus regarding major political developments, such as the dialogue with Serbia. The Brussels Agreement was ratified by two-thirds of the votes of all MPs.⁹ The only political party consistently opposing the deal was Vetevendosje, while other parties had some of their members deviate from the party line. The government's legislative agenda was quite ambitious: the parliament adopted 51 laws in 2013, while 29 draft-laws were still being processed at year's end.¹⁰ Frequent and ad-hoc changes in the legislative agenda, however, hindered the efficiency and transparency of the lawmaking process.

The separation of powers between the legislative, executive, and judicial branches does not always function well, and the independence of state agencies reporting to the parliament, including regulatory bodies, continues to be challenged. The legal framework guaranteeing the functioning of these bodies is not uniform, nor are their responsibilities and accountability mechanisms clearly defined by law. In addition, the Kosovo Assembly has no sanctioning mechanisms in place in case of breaches or illegal behavior. The European Union and civil society organizations have continuously criticized the politicization of public administration as well as the governing boards of independent agencies.¹¹

In 2013, the parliament improved its cooperation with civil society organizations, promoting consultations with stakeholders.¹² The number of thematic parliamentary debates and public hearings grew, and MPs resorted to the interpellation of government ministers more often. This resulted in a more engaged parliament, where parliamentary committees were more committed to supervising the work of the government, ministries, and independent agencies. The government was not always sufficiently cooperative, and the number of cases when cabinet ministers failed to attend parliamentary interpellations remained high. Intensified engagement, however, also brought its problems. The European Commission's October progress report noted that a proposal by the parliament to debate the verdict in a high-profile judicial case in March was an unnecessary interference in the functioning of the judiciary.¹³

Due to deep divisions within the ruling PDK, the governing coalition continued to depend on the votes of nonaligned MPs in the parliament. Parliamentary support for Prime Minister Hashim Thaçi dwindled in 2012, and defections by disgruntled MPs had left the ruling coalition between the PDK, the New Kosova Alliance (AKR), the Kosovo Serb Independent Liberal Party (SLS),

and the GP 6+ parliamentary group of minority MPs with only 59 members in the 120-seat parliament. Parliamentary speaker Jakup Krasniqi, who was also PDK's general secretary, fervently criticized Prime Minister Thaçi during 2013 for his undemocratic rule and the lack of democracy in Kosovo.¹⁴ Krasniqi announced to leave PDK in February, taking with him several supporters.

Krasniqi was backed by Fatmir Limaj, former vice chairman of the PDK and one of the most popular politicians in Kosovo, who was indicted and was being tried for war crimes by the EULEX mission in Kosovo. Limaj was acquitted of all charges in September,¹⁵ and the former Kosovo Liberation Army (KLA) commander agreed with the ex-KLA secretary Krasniqi to form a new party in October.¹⁶ In the early November elections, Krasniqi and Limaj established separate citizen initiatives and ran for municipal assemblies and mayoral positions as separate entities from the PDK. Neither of them resigned formally from their positions in the PDK or the parliament whilst they publicly supported a division of the party in the election.

Following a considerable success in the elections, Krasniqi promoted the idea of a caretaker government of professionals, pointing out that the governing coalition did not have the majority in the parliament and that several of its initiatives had fallen victim to parliamentary gridlock.¹⁷ Many MPs from the governing coalition and the opposition favored early elections scheduled for spring 2014.¹⁸ Uncertainty over the date of the election could jeopardize the process, as election reform was still underway at year's end.

In April, the government proceeded with the controversial privatization of the national telecommunications company PTK and announced that a German-American consortium would get 75 percent of the shares of the most profitable company in Kosovo.¹⁹ The opposition parties, however, pointed out irregularities during the privatization process and questioned the capacity of the companies winning the bid to run the country's telecommunication giant. The parties blocked parliamentary approval of the bid and initiated a motion to start an inquiry into the matter.²⁰ Following two months of investigation, the privatization process failed and the company remained in the hand of the state.²¹

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	4.75	4.75	4.50	4.50	4.25	4.50	5.00	5.00	4.75

Kosovo held municipal elections on 3 November, with runoff votes at the start of December. Although the elections were organized under the same 2008 legal framework as the deeply flawed elections of 2010, national and international observers hailed them as largely free and fair and an important step forward for Kosovo's democracy.²² Owing to the April agreement with Serbia—which aimed at normalizing relations between the two countries—the elections encompassed the four northern municipalities (Leposavic, North Mitrovica, Zubin Potok, and Zvecan) that until recently had been administered by Serbia.²³

Senior Serbian officials, including Prime Minister Dacic, were involved in the campaign and chose to support a unified political entity for Kosovo Serbs under the banner of the Civil Initiative Srpska. The electoral alliance consisted of several Belgrade-based political parties, including the governing Socialist Party of Serbia (SPS) and the Progressive Party of Serbia (SNS). Although the Serbian government envisaged a sole contender, altogether 18 parties ran for the votes of the Serbian constituency, with 8 of them running in northern Kosovo.²⁴

Kosovo Serbs, however, were not only divided along party lines. The supporters of the “No” campaign agreed with an earlier decision of an ad-hoc local Serb assembly that participation would equal the recognition of the independent Kosovar state.²⁵ On election day, groups of people calling for a boycott gathered in front of the polling stations in northern Mitrovica and intimidated, threatened, and in some cases physically prevented people from casting their ballots. In the afternoon, the violent groups entered into three polling stations in the municipality of North Mitrovica, using tear gas and destroying ballot boxes.²⁶ The Central Electoral Commission (CEC) decided to repeat elections in these three polling stations; the decision was supported by both the Kosovar and Serbian governments and the European Union.

A successful rerun was held on 17 November. Due to the extended presence of law enforcement agencies—including EULEX—no incidents were noted during the rerun and only one isolated attack occurred in the southern municipality of Parteš during the runoffs on 1 December.²⁷

Voter mobilization led to a country-wide turnout of 46 percent; in the four northern municipalities with a Serb majority, however, the boycott resulted in a much lower turnout, averaging around 25 percent.²⁸ A persistent problem with electoral administration was the inaccuracy of voter lists. The lists reportedly included the names of deceased people or people who had left the country long ago. There were 1,779 million Kosovars entitled to vote in the 2013 elections, which represented a 12 percent increase from 2010, whereas according to the most recent estimates, around 1.81 million people lived in Kosovo.²⁹

Out-of-state voters could also register and vote; however, of the more than 41,000 applicants—most of them from Serbia and Montenegro—only about one-third were approved by the CEC. The number of invalid votes was also worrisome: of 811,498 ballots cast, 70,782 were declared invalid.³⁰ The high number of invalid ballots allegedly originated from uneducated voters, but it also raised suspicions of fraud.

Other minor irregularities included violating the secrecy of the vote in cases of “family voting,” when family members go to the voting booth together, as well as a few instances of intimidation. In addition to political parties and the CEC, state institutions were heavily mobilized to guarantee the elections are conducted freely, and relevant bylaws were in place in time. The Office of the State Prosecutor tasked 50 prosecutors, located in offices and police stations across Kosovo, with reporting irregularities on election day. The prosecutors pressed charges against around 40 people, most of them election commissioners on duty.³¹

The outcome of the elections surprised many, as most of the incumbents failed to get reelected. Shpend Ahmeti of Vetevendosje scored an unexpected victory in the capital, Pristina, ousting incumbent mayor Isa Mustafa of the LDK and putting his party in power for the first time. The LDK won in two additional municipalities, Gjilan and Ferizaj, while the Alliance for the Future of Kosovo (AAK)—the party of recently acquitted former prime minister Ramush Haradinaj—lost two of its important municipalities, Peja and Gjakova. PDK lost Gjilan, Ferizaj, and its stronghold, Mitrovica South. In the north, the Citizen Initiative Srpska won almost half of all Serbian votes.³² The defeat of the incumbents was largely seen as a result of protest votes against the parties in power, not necessarily as an endorsement of the policies of opposition parties. Mayoral candidates from the opposition, in general, received more votes than their party lists.

Due to disagreements between political parties, efforts to reform electoral legislation have stagnated since the fraudulent 2010 elections. Several meetings of political party leaders, both formal and informal, took place in 2013, but numerous issues, including the composition of the Central Election Commission (CEC) and the drawing of the electoral threshold, remained unresolved at year's end.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	4.25	4.25	4.00	4.00	3.75	3.75	3.75	4.00	3.75

The constitutional and legal framework of Kosovo guarantees freedom of association and the independence of civil society in the country. The main law that regulates the civil sector is the Law on Freedom of Association in Non-Governmental Organizations (NGOs). The provisions of the law are in line with democratic principles and guarantee an environment free of state pressure and bureaucracy. The Department for Registration and Liaison with NGOs operates within the Ministry of Public Administration. The procedure for registration of NGOs is fast and easy, and registered NGOs automatically become legal personalities and can freely operate. NGOs have legal obligations to pay income and rent tax.

According to the legislative framework, NGOs can register as associations or foundations. There were more than 7,000 NGOs registered between 1999 and 2013, out of which some 10 percent are thought to be active.³³ The law does not require the automatic deregistration of inactive NGOs.

In 2012, the government adopted the Law on the Central Bank of Kosovo and Microfinance Institutions, which contained contentious provisions that challenged a basic mechanism of Kosovo's civil society ecosystem. According to the law, the capital accumulated by defunct NGOs should no longer be distributed in the NGO sector. The law allowed the Central Bank to turn these organizations into private businesses instead, without stipulating what is to become of their assets, including donations. The law was especially relevant for NGOs that had been operating as microfinance institutions, accumulating approximately €100 million in capital up to 2012.

Civil society organizations harshly opposed the law, and, following a heated public debate, the ombudsman asked the Constitutional Court to annul the controversial articles. On 12 April 2013, the Court ruled that the five articles were not compatible with the constitution and annulled them.³⁴ As a result, the assets of NGOs can no longer be transferred to for-profit entities.

Cooperation between civil society and the government has been weak and ad-hoc, with advocacy efforts on part of the NGOs often being disregarded.³⁵ In July, the government adopted a new strategy on civil society collaboration for the period of 2013–2017. The document is a comprehensive action plan, instructing government institutions to involve civil society organizations in every step of the lawmaking process and help build a sustainable financing system. Its implementation may run into problems, however, as the strategy lacks a financial component. As a positive development, NGOs can register to receive updates and participate in meetings and public hearings of parliamentary committees.

The lack of funding remains a significant challenge for Kosovo's civil society. Most of the available funding comes from international foundations and the development programs of foreign governments. In the past few years, however, the overall interest of the donor community has declined in the Western Balkans. In the absence of clear incentives, businesses continued to support specific cultural events and charitable activities instead of NGOs, and fundraising from private sources did not yield significant revenue.³⁶ The government has not developed any instruments to engage civil society organizations in the provision of services.

The legal framework of Kosovo guarantees the freedom to join trade unions, and unions exist in most of the sectors representing workers and their rights. Implementation of the law, however, remains weak, and the Union of Independent Trade Unions—an umbrella organization—is regularly called upon to speak out against violations of the right to unionize, among other freedoms, and against workplace discrimination.³⁷ In the past, the government often supported the creation of parallel unions to undermine the membership and negotiating position of already existing unions. Several cases with workers prevented from forming unions were reported in the media, including the infamous case involving the construction company Bechtel, which laid off its employees when they wanted to unionize.³⁸

Government influence and politicization have been a problem in Kosovo's higher education system. For over a decade, politicians have been nominated for top academic positions at the University of Pristina, enjoying rapid academic advancement despite their questionable academic degrees. In March, the government decided to open three additional public universities in the towns of Mitrovica, Gjakova, and Gjilan.³⁹ It was unclear where the investment or the teaching staff would come from. There are numerous private universities, with many colleges offering different programs both in undergraduate and graduate studies. Senior policymakers continue to serve as professors in both private and public universities.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.50	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.75

Freedom of speech and press freedom is guaranteed by Kosovo's legal framework. The existence of several overlapping laws causes considerable confusion, and implementation is still lagging behind. The European Union has repeatedly criticized Kosovo authorities for having 14 separate laws to regulate the media sector.⁴⁰

The media market is likewise oversaturated. For a population of 1.8 million, the country enjoys a very plural media scene with 8 daily newspapers, 21 TV stations—out of which 3 are broadcast countrywide—and 83 radio stations.⁴¹ This oversaturation, however, significantly limits the revenue media outlets can generate from the advertising market. In the past few years, several outlets had to close down due to the lack of sufficient funding. This left the journalists working for them in a precarious situation.⁴² Many journalists work without employment contracts and insurance, on the basis of consultant agreements.

The internet remains free and unregulated, and the last three years witnessed the proliferation of internet-based news agencies, magazines, and other publications. Internet penetration is also growing fast: according to a study by the Kosovo Association of Information and Communication Technology, in 2013, more than 76 percent of Kosovo's population had access to the internet.⁴³ This number, which placed Kosovo among the best in the Western Balkans, represents an improved access to news and information for Kosovo's young population.

The picture is less positive for the traditional media, where government interference continues to be a significant problem. The board of the public broadcaster Radio Television of Kosovo (RTK) is appointed by the parliament with a simple majority, while the broadcaster is financed from the state budget, jeopardizing the editorial independence of the channel.⁴⁴ Although the RTK broadcast politically diverse opinions, the EU election observation mission noted that the broadcaster showed a preference in its presentation of the ruling PDK and Prime Minister Hashim Thaçi.⁴⁵

In 2013, the public broadcaster started a second channel, RTK2, which broadcasts in minority languages, mainly in Serbian. RTK2 is available through cable operators. Earlier, international press freedom organizations had expressed fears that the new channel would cause RTK1 to discontinue its minority language programming, but the programs continued at year's end.

The regulatory framework is plagued by political interference and a lack of resources. Print media are regulated by the Press Council of Kosovo (PCK), a self-regulatory body composed of newspaper editors, while broadcast media are regulated by the Independent Media Council (IMC), an independent body that reports to the parliament. The independence of IMC, however, had been put to question several times in the past due to the politicization of appointments.⁴⁶ Nominations

to the council are handled by an ad-hoc parliamentary committee, which selects two candidates for each open position and refers them to the parliament.

The IMC had been short of its intended seven-member total for most of 2011 and 2012 and remained dysfunctional in 2013. In April, due to deep disagreements between the governing parties and the opposition, the parliament voted against two nominees selected by the committee twice, and the positions remained vacant at year's end.⁴⁷ At the same time, two members of the IMC were dismissed due to a conflict of interest in December,⁴⁸ along with the chairman, who had held political positions before and whose 2012 appointment violated the requirements.

The dysfunctional IMC was unable to make significant progress in the digital switchover. A draft strategy was submitted to the parliament in December 2012, and two public discussions took place during the summer of 2013. The strategy, however, was not yet adopted at year's end, which risks meeting the deadline of 2015 adopted by all European countries.

The IMC had failed to provide must-carry requirements for cable operators, a significant problem that was exposed in 2013 during a dispute between the cable operator IPKO and one of the largest media companies, Koha Group. Following unsuccessful negotiations of a broadcasting fee, IPKO reassigned Koha Group's TV station, Kohavision, from channel number 3 to channel 83 in April, grouping it together with local broadcasters. Earlier, *Koha Ditore*—the daily newspaper published by Koha Group—published critical reports on IPKO's transformation from a nonprofit organization to a commercial company, as well as its purchase by a Slovenian company, Telekom Slovenije. The reports also contained allegations of political ties between previous and current IPKO leadership and Kosovar Prime Minister Thaçi.⁴⁹ IPKO claimed Koha Group is using its outlets to pressure them into securing a disadvantageous deal with Kohavision.⁵⁰

Kosovo's Law on Access to Public Documents is limited in scope, and its implementation is unsatisfactory on both the national and local level. State institutions often fail to reply to journalists within the timeframe provided by the law, and government authorities frequently deny access to representatives of the media and civil society.⁵¹

Journalists are free to associate; there are two major associations on the national level—the Association of Professional Journalists of Kosovo (AGPK) and the Union of Journalists of Kosovo (UGK)—and several other local and regional organizations. The AGPK, which played a major role in representing journalists' interests in 2012, was plagued by internal problems during the reporting period. Due to allegations of close ties between the newly elected president of the organization and business and political leaders,⁵² several board members left the AGPK, and the independent media decided not to report on its activities.⁵³ Violence against journalists abated in 2013; however, perpetrators are rarely prosecuted.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.50	5.50	5.50	5.25	5.00	5.00	4.75	4.75	4.75

The successful administration of local elections in November was a major step forward for local governance in Kosovo. Elections were held, for the first time, in the northern municipalities with a Serbian majority, where parallel structures administered by the Serbian government had been in place since 1999. The institutions—which are expected to be established in the beginning of 2014—will serve as the first legally elected local representation of the north and will seek to institutionalize cooperation with Pristina authorities.

The Brussels Agreement signed between Kosovo and Serbia on 19 April provides for the establishment of an Association/Community of Serb municipalities, which will serve as a coordinating body between the central and local levels of government. Based on the principles of the European Charter of Local Self-Government, the member municipalities will be able to transfer powers to this umbrella organization and use it as a platform for cooperation in the areas of economic development, education, health, and urban and rural planning. The Association/Community could further be strengthened by additional competences and will participate in key Kosovo institutions safeguarding national minorities. The agreement also set out the incorporation of Serbian police officers in the Kosovo police, with their own regional police commander as well as a regional special unit.

Ambiguities in the text of the agreement and differences in interpretation between Kosovar and Serbian authorities, however, could lead to problems in implementation. Disagreement between the parties over the name of the institution already signaled a difficult start to the negotiations. The Serbian delegation insisted on the word “community” (in Serbian “zajednica,” which can also be translated as “union”), which corresponds to the name of previously existing Serb institutions and conveys a potential impression of independence from Kosovo’s constitutional order. The Kosovo delegation, on the other hand, preferred to name it “association,” like the existing Association of Kosovo Municipalities, raising fears that the agreement would create a separate entity in the multiethnic state, with the new institution acquiring executive powers. Eventually, the joint name of Association/Community represented a compromise, and the actual role of the institution was still shaping up at year’s end.

Kosovo authorities have completed a substantial transfer of power from the central government to municipalities based on a decentralization plan required by the international community upon Kosovo’s declaration of independence in 2008. To this date, however, the municipalities continue to be highly dependent on the central government. According to a recent analysis by the Ministry for Local Self-Government in Kosovo, an average of 82 percent of their budget originated from the central government.⁵⁴ The collection of property tax remained the main source of revenue for municipal governments.

The decentralization process and the transfer of power to municipalities had made local governments more attractive for senior politicians. Numerous high-level politicians, including cabinet ministers, ran for municipal and mayoral positions in the November local elections. Notably, the vice chairman of Vetevendosje, Shpend Ahmeti, was elected mayor of Pristina, while PDK cabinet members Blerand Stavileci and Petrit Selimi were running for the municipal assembly of the capital. A senior official of the LDK, former deputy prime minister Lutfi Haziri, was elected mayor of Gjilan. Mimoza Kusari Lila, deputy prime minister and minister of trade and industry, resigned from her positions to get elected as mayor of Gjakova municipality.

After the government had set up Serb-majority municipalities as part of the independence plan in 2008 to empower the Serb community in Kosovo, numerous Albanian settlements wished to create their own local government structures. Between 2009 and 2011, 11 groups of villages submitted requests to the Ministry of Local Government Administration to become municipalities.⁵⁵ Since all municipalities and especially the small ones receive government grants, the status of municipality is appealing to smaller settlements because of financial gains. However, poor project management and overstaffing on the local level have been hindering the efficiency of municipal governments.⁵⁶

In two separate decisions in May and July 2013, the Kosovo government decided to establish two new municipalities: Has, in southern Kosovo, and Zhegër, in the southeast.⁵⁷ The opposition strongly protested the decision and claimed the governing parties were seeking to maximize their gains on the eve of local elections. A detailed independent analysis by GAP institute, a local think tank, showed that the creation of new municipalities would reduce the overall budget for all municipalities in Kosovo, increase public expenditure and the number of civil servants, and leave the new municipalities completely dependent on the central government due to a lack of resources.⁵⁸ Because of local elections in November, the new municipalities were not yet established at year's end.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50

Although Kosovo's constitution and laws offer a solid framework for protecting fundamental freedoms and rights, their implementation is lagging behind in practice. Enduring problems include challenges to equality before the law and political interference in the work of the judiciary both by the executive and legislative branches.

A judicial reform came into effect in January, introducing a new court system and an amended criminal code and criminal procedure code.⁵⁹ In the new system, municipal courts are replaced by basic courts and regional district courts by specialized courts of appeals, while the Supreme Court of Kosovo remains the

highest judicial authority.⁶⁰ To ensure a smooth transition process, the Judicial Council appointed representatives of the new court structures, including court presidents, on time. In a formal opinion, the Supreme Court clarified potential ambiguities in connection with the transition.

The court system remains underfunded. In 2013, the judiciary received less than 1.5 percent of the Kosovo budget of €1.5 billion, which accounted for 0.5 percent of the country's GDP.⁶¹ As a consequence, Kosovo has fewer judges and prosecutors per capita than most EU countries or neighboring Serbia, Montenegro, and Croatia. The backlog of cases continues to pose a significant problem. Even though the government had successfully implemented a strategy that lowered the number of pending cases in the past few years, the reporting period saw an increase of about 10 percent, with a total of 235,000 cases at the end of 2013. The increase in workload was partly due to the reorganization of the court system. The number of court decisions that are yet to be executed was also very high, rising past the 100,000 figure.⁶²

Due to partisan wrangling, some key positions were left unfilled during 2013. The Constitutional Court of Kosovo was still one judge short at year's end, which jeopardized the court's daily work. The major political parties, PDK and LDK, insisted that their loyalists take the position, while independent and professional candidates received little support in the parliament. Two members of the Kosovo Judicial Council (KJC)—an independent body responsible for overseeing the judiciary—were still to be appointed in December. The European Commission repeatedly instructed the government to ensure the majority of the judges are elected by their peers. In addition, the Commission criticized the authorities for filling only 334 out of 404 judicial and 125 out of 146 prosecutorial positions.⁶³

Oversight of the judiciary is inefficient. In 2013, none of the few disciplinary sanctions against judges and prosecutors resulted in dismissal.

Separation of powers is weak in practice; during the reporting period, government officials or members of parliament interfered with the work of the public prosecutor and the courts on several occasions. In March, a group of MPs demanded the establishment of a parliamentary commission to investigate the high-profile Kiqina case—in which former Kosovo guerillas were convicted of a revenge killing—calling the 2002 verdict “unfair.” The parliament rejected the probe after EU and U.S. representatives warned against overturning a decision of the judiciary.⁶⁴ The European Commission also criticized the government for statements made during the indictment of key PDK officials, who were accused of war crimes in the cases of Kleçka and Drenica Group.⁶⁵

Equality before the law and the right to a fair trial remains a persistent challenge, mainly due to judges' and prosecutors' lack of experience and disregard for separation of powers. Minor crimes and cases against people with no political ties are prosecuted quickly with often maximum penalties, while cases against influential criminals frequently drag on for years.⁶⁶ As an example, young people caught possessing small quantities of cannabis reportedly spend months in pretrial detention, while their dealers are often released.⁶⁷

The European Commission also urged Kosovo authorities to establish a sound legal framework for the interception of telecommunications, distinguishing between judicial interception and interception for intelligence purposes in order to avoid political influencing of criminal cases. Independent civil society reports noted that Kosovo judges and prosecutors breach their code of ethics by talking about ongoing investigations and trials.⁶⁸

Confusion over the jurisdiction of the Constitutional and the Supreme Court also undermined the integrity of the judiciary. In January, the Constitutional Court annulled a Supreme Court decision in the case of the former mayor of Ferizaj, Bajrush Xhemajli. The court stated that the constitutional rights of the PDK politician—who had been sentenced for dangerous driving—were violated during the trial.⁶⁹ The progress report published by the European Commission in October criticized the Constitutional Court’s decision to step in “as an (additional) court of last instance.”⁷⁰

During the reporting period, Kosovo made some progress in strengthening international cooperation by concluding two bilateral agreements on mutual legal assistance with Albania and Italy. Cooperation with countries that do not recognize Kosovo as well as with international organizations of which Kosovo is not a member, such as Interpol, is administered via the international missions of the United Nations (UNMIK) or the EU (EULEX) present on Kosovo territory.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	6.00	6.00

Generally, the political will to curb corruption and organized crime had been weak in Kosovo, and it remained largely a subject of political rhetoric during the reporting period. High perceived corruption in the state administration as well as on the level of senior politicians hinders the country’s development and makes it difficult to attract foreign direct investment.⁷¹ Witness intimidation continued to be a serious problem, and the implementation of the legal framework was limited. Despite the fact that the public sector generates about one-third of the country’s GDP—with many businesses and even entire sectors being heavily dependent on doing business with the government—and a widespread public perception of corruption as one of the biggest problems in Kosovo, the number of cases that are brought before justice remains small.⁷²

New criminal and procedural codes came into force in January 2013, strengthening the legislative framework against corruption. Pertinent changes include amendments to the definition of conflict of interest, non-declaration of assets, and failure to report criminal offenses. In March, a new Law on Extended Powers for Confiscation of Assets Acquired by Criminal Offense entered into force, filling an important gap in the fight against corruption and organized crime, as legislation enabling authorities to confiscate ill-gotten assets had been absent. The

EU progress report on Kosovo, however, noted that law enforcement agencies are very reluctant to initiate financial investigations.⁷³

The parliament adopted a new Anti-Corruption Strategy and Action Plan in February, covering the period between 2013 and 2017. The speaker of the parliament, Jakup Krasniqi, criticized the strategy, saying it was merely a piece of paper serving to boost EU integration indicators and increase the government's presence in the media.⁷⁴ The strategy included a corruption risk assessment and set out an investigation of priority sectors but was not matched by proper budgetary allocations. The first high-profile verdict for corruption and misconduct was delivered in May 2013. In a case that started in 2012, a basic court sentenced the former head of the Anticorruption Task Force—an organization founded in 2011 to work on high-profile cases—to five years' imprisonment. Nazmi Mustafi was sentenced for accepting a bribe to drop charges in an ongoing investigation.⁷⁵ At the same time, authorities failed to empower the Anticorruption Task Force, which lacked two out of five prosecutors at year's end, making its day-to-day operation difficult.

The multiplication of institutions dealing with corruption in the past few years did not bring on more efficiency. In February 2012, President Jahjaga established the National Anticorruption Council to coordinate inter-institutional efforts in the fight against corruption. Although the move was widely welcomed by the international community, the council's role remained largely ceremonial in 2012, and the institution was completely inactive in 2013. The anticorruption department of the police, in cooperation with the EULEX mission, launched six investigations, mainly covering offenses of bribery and fraud.⁷⁶ The Anticorruption Agency improved its cooperation with the prosecution, which now provides systematic feedback to cases reported by the agency.

Political party financing in Kosovo is opaque, owing to weaknesses in the law. A 2012 investigation by the *Zeri* daily revealed that companies that were sponsoring political parties during their election campaign were the most likely to win government tenders.⁷⁷ Parliament adopted an amendment to the Law on Financing Political Parties, which was requested by the EU, in a rush in August 2013. Opposition parties, especially the LDK, criticized the law, saying the changes were not substantial and left room for numerous interpretations.⁷⁸ Inconsistencies in declaration and false declaration of assets by politicians remain problems.

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Kyrgyzstan

by Erica Marat

Capital: Bishkek
Population: 5.6 million
GNI/capita, PPP: US\$2,220

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	6.00	5.75	5.75	6.00	6.00	6.25	6.00	5.50	5.50	5.50
Civil Society	4.50	4.50	4.50	4.50	4.75	5.00	4.75	4.75	4.75	4.50
Independent Media	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.25	6.25	6.00
National Democratic Governance	6.00	6.00	6.00	6.25	6.50	6.75	6.50	6.50	6.50	6.50
Local Democratic Governance	5.75	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.25	6.25
Judicial Framework and Independence	5.50	5.50	5.50	6.00	6.00	6.00	6.25	6.25	6.25	6.25
Corruption	6.00	6.00	6.00	6.25	6.25	6.50	6.25	6.25	6.25	6.25
Democracy Score	5.64	5.68	5.68	5.93	6.04	6.21	6.11	6.00	5.96	5.89

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 three years since the April 2010 ouster of President Kurmanbek Bakiyev, Kyrgyzstan has developed the most dynamic political system in post-Soviet Central Asia. In 2013, government leadership promised to uphold the schedule for parliamentary and presidential elections in 2015 and 2017, which would mean breaking a decade-long pattern of early elections that typically served to strengthen the incumbent. Political parties appear to be diversifying, and some regional political parties that won local elections in 2012 are preparing nationwide campaigns. There are also parties that strive to represent the interests of specific social groups, such as migrants and entrepreneurs, rather than self-interested political cliques.

Online media outlets and newspapers offer a growing range of views. Some attempts to restore Uzbek-language media were made during the year, mostly with the support of international donors. Ferghana News, a popular site that was officially blocked for its “extremist” content in 2011, became fully available again as the result of an April 2013 court ruling.

Kyrgyzstan’s civil society sector continues to diversify and expand its reach to vulnerable groups, though most of these positive developments take place in the capital. In 2013, a number of proposed legal changes threatened the health of civil society operations but were pushed back under pressure from NGOs and watchdogs.

Notwithstanding these signs of progress, endemic institutional weaknesses of national and local government agencies, the unreformed judicial sector, and the intermittent rule of law continue to hamper Kyrgyzstan’s democratization. Frequent changes in the composition of the ruling coalition in 2010–12 undermined the continuity of government policies. Political parties remain too weak to perform as coherent units, and the parliament is composed primarily of political forces acting to protect their individual business interests. Corruption and nepotism continue to plague government agencies.

Kyrgyzstan’s parliament still lacks specialized committees designed to address issues related to gender and ethnic minorities. Three years after their introduction, quotas for female, youth, and ethnic minority representation in parliament have not been filled—indeed, the number of non-Kyrgyz and female deputies has continued to fall. Perpetrators of the June 2010 ethnic violence in southern Kyrgyzstan, which took the lives of nearly 470 people, predominantly ethnic Uzbeks, still have not been brought to justice.

The number of “rent-a-mob” protests in Bishkek has significantly declined since 2010, and most political forces resolve their issues within the halls of the parliament. However, organized protests shifted to rural areas in 2013, calling for the nationalization of Kumtor, the gold mining company operated by Centerra

Gold of Canada. It is likely that the protests were an attempt by opposition groups to destabilize the political situation in Kyrgyzstan by fueling nationalist and populist complaints, but neither the government nor the mass media had identified any suspects by year's end.

National Democratic Governance. Political actors have yet to internalize the separation of powers enshrined by the 2010 constitution, and members of parliament continue to prioritize their own views or business interests over broader policy concerns. In April, the presidential administration adopted the “Concept of Development of National Unity and Inter-Ethnic Relations in the Kyrgyz Republic,” a long-awaited symbolic step in improving relations between the country's ethnic groups. Implementation of the concept—which is broad, and vulnerable to selective interpretation—proved challenging in 2013. Opposition forces found a rallying point in the government's new negotiations over the Kumtor gold mine, stirring up protests with nationalist rhetoric and accusing the Atambayev administration of incompetence. *Kyrgyzstan's rating for national democratic governance remains unchanged at 6.50.*

Electoral Process. Political parties in Kyrgyzstan remain institutionally weak and rely heavily on individuals' popularity or wealth to attract votes. Parties currently represented in the parliament and local councils, as well as newly registered parties, spent much of 2013 gearing up for parliamentary and presidential elections in 2015 and 2017. Local elections in August in the district of Kara-Suu in Osh were marked by a violent fight in front of one of the voting precincts between representatives of several political parties. *Kyrgyzstan's rating for electoral process remains unchanged at 5.50.*

Civil Society. Kyrgyzstan's civil society is becoming more diverse and vibrant. In 2013, a number of proposed legal changes threatened the health of civil society operations but were rejected under pressure from NGOs and watchdogs. The most controversial of these—a law closely resembling Russia's “foreign agents” law—remained under discussion at year's end after President Almazbek Atambayev refused to approve it. The government and the parliament do sometimes collaborate with civil society groups in designing policy programs and election monitoring efforts, and NGOs regularly generate discussions in mass media on human rights, political reforms, and other issues. As civil society develops the strength to effectively lobby for diverse causes and against restrictive legislation, *Kyrgyzstan's rating for civil society improves from 4.75 to 4.50.*

Independent Media. Despite proposals in parliament to ban “extremist” or “anti-Kyrgyzstan” content, the trend since 2010 has been toward greater media openness. Online news sources are particularly diverse, ranging from straight news reporting to long-form, analytical pieces. The Uzbek-language media outlets that were shut down following ethnic violence in 2010 remain closed, but new media

outlets publishing in Uzbek as well as in Kyrgyz and Russian have been launched due to international support. In 2013, a regional court challenged a 2011 ban against the popular Fergana News website on the basis that only a court, and not the parliament, may take action to block online content. The website was officially available through all Kyrgyz internet service providers at year's end. As a result of the slowly improving environment for Uzbek-language media, *Kyrgyzstan's rating for independent media improves from 6.25 to 6.00.*

Local Democratic Governance. In general, local governments have little capacity to implement policy or respond to their constituents' concerns, and most local government officials demonstrate inefficiency and low professionalism. On 5 December, Prime Minister Jantoro Satybaldiyev fired powerful Osh mayor Melis Myrzakmatov abruptly, without public explanation. *Kyrgyzstan's rating for local democratic governance remains unchanged at 6.25.*

Judicial Framework and Independence. Kyrgyzstan's judicial sector remains in dire need of reform. Political pressure, corruption, and the weak capacity of judicial employees are the main obstacles to the administration of justice. Azimjon Askarov, an ethnic-Uzbek human rights activist, remained in prison throughout 2013, while a well-known Chechen drug lord believed to have ties to President Atambayev was released on questionable grounds. After a two-year delay, appointments were made to the Constitutional Chamber of the Supreme Court, the body responsible for interpreting the 2010 constitution. *Kyrgyzstan's rating for judicial framework and independence remains unchanged at 6.25.*

Corruption. The state of corruption in Kyrgyzstan has improved slightly since the removal of Kurmanbek Bakiyev in 2010, but graft remains widespread and the government still has no unified anticorruption policy. Several officials were arrested on corruption charges in 2013—all of them from opposition political parties. Polling suggests that citizens have not noticed significant changes in their daily lives where corruption is concerned. *Kyrgyzstan's rating for corruption remains unchanged at 6.25.*

Outlook for 2014. The year 2014 will be marked by intensifying competition among national political parties in preparation for parliamentary elections in 2015. Regional parties, too, will seek to boost their national visibility, including former Osh Mayor Melis Myrzakamatov's Uluttar Birimdigi party and the labor migrant party, Zamandash. However, local parties will find it difficult to attract the same level of media coverage as those parties represented in the parliament.

As political competition between local and national political parties intensifies, mass protests may resume in rural areas. Such protests are likely to revolve around competition for local political dominance, but they may also exploit issues that concern the country at large, such as calls to nationalize the Kumtor gold mine.

President Atambayev may continue to expand his influence in the parliament, particularly if Ata-Jurt, Ar-Namys, Ata-Meken, and other parties remain weakened by infighting among their lead figures.

The government's ethnic reconciliation program, adopted in 2013, will be put to the test in 2014. International support will be key to implementing some of its core ambitions, including raising the prestige of Kyrgyz and minority languages in schools throughout the country, as well as supporting mass media outlets that publish in minority languages.

The situation in southern Kyrgyzstan will remain tense, mostly because local government lacks the capacity to ensure the equal treatment of all ethnic groups living in the region. Although some degree of normalcy has returned to daily life in most urban areas in Osh, ethnic Uzbeks remain vulnerable to random abuse by corrupt local law-enforcement agencies. Political competition among major political parties will likely revive both the nationalist voices that seek to discriminate against ethnic minorities and those that advocate inclusion.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.00	6.25	6.50	6.75	6.50	6.50	6.50	6.50

During the first two years under the 2010 constitution, Kyrgyzstan's parliament produced four different ruling coalitions. The most recent reorganization occurred in August 2012, when Prime Minister Omurbek Babanov resigned amid accusations of corruption and inefficient economic policies. The subsequent coalition included President Almazbek Atambayev's Social Democratic Party of Kyrgyzstan (SDPK), Ar-Namys (Dignity), and Ata-Meken (Motherland), with Babanov's Respublika party joining Ata-Jurt (Fatherland) in the parliamentary opposition.

The new constitution grants greater powers to parliament and includes several provisions to prevent the emergence of a single, dominant leader. No one political party may receive more than 65 of the parliament's 120 seats, and presidents are limited to one six-year term. Media in Bishkek closely follow the activities of the parliament and executive branch, providing an important check on lawmakers. Members of parliament (MPs), the president, and government employees are generally receptive to criticism from the media, and often directly respond to negative coverage.

A number of serious barriers to democratic transition remain. Kyrgyzstan's constitution is still very new, and political actors have yet to fully internalize the separation of powers. Although he is no longer formally a party member, President Atambayev continues to use SDPK as a vehicle to advance the interests of his presidency ("It is the only [party] that I can rely on," the president said in December 2013).¹ At other times, the parliament has failed to take responsibility for important issues that should fall under its purview. For instance, the parliament never acted to lift the ban it had imposed on the Fergana News site in 2011, even after it had effectively been reversed by a court ruling.

High levels of absenteeism slowed parliamentary work throughout 2013, with MPs often prioritizing their own views or business interests over broader policy concerns. Most lawmakers are primarily concerned with maintaining voter support in their parties' regional strongholds and therefore focus on local issues or procedural matters, rather than nationwide interests. In general, the parliament tends to impose new taxes and regulations, rather than creating opportunities for economic growth. When MPs met in June to address the issue of rising youth unemployment, the result was not an exchange of ideas on job-creation or improving the higher education system's capacity to train the workforce, but a Soviet-style dressing-down of university rectors, who were called upon to fulfill their "patriotic duty" by guaranteeing jobs to 30–50 percent of graduates.² (The bill they proposed did not pass, however.)

Over the past two years, Kyrgyzstan's government and parliament have regularly proposed legislation impinging on fundamental civil liberties. In late 2012, the parliament implemented a harsher version of former president Bakiyev's 2009 law limiting religious freedoms. The amended law prohibits students from traveling abroad for religious education without the state's permission, requires foreign religious organizations to obtain a state license to conduct activities in Kyrgyzstan, and increases censorship of religious literature. The legislation was passed quietly, without open discussion in the parliament, and quickly signed by President Atambayev.³ Despite international and domestic criticism, in 2013 the Ministry of Justice and the State Committee on National Security prepared further revisions to the controversial law that would punish foreign religious missionaries for proselytizing in Kyrgyzstan.⁴ Kyrgyz lawmakers further proposed outlawing "preaching" in educational institutions.⁵ At year's end, the parliament had not yet voted on these latest amendments.

Opposition forces launched several unsuccessful attempts to overthrow the government in 2013. The most visible of these centered around negotiations with Canada-based Centerra Gold over Kyrgyzstan's ownership stake in the Kumtor gold mine. Centerra Gold's original deal with Kyrgyz leadership was renegotiated with minor changes under president Bakiyev in 2009. In February 2013—after years of pressure from local and nationalist forces to pursue a more favorable arrangement⁶—the parliament scrapped the 2009 agreement, sending the government back to the negotiating table with Centerra. When the government proposed a deal in which Kyrgyzstan would trade its 32.7 percent stake in Centerra for a 50 percent share of the Kumtor mine, the parliament blocked the bill, demanding no less than 67 percent of Kumtor.⁷

Using nationalist rhetoric, the opposition accused the Atambayev administration of incompetence in the Kumtor negotiations, reigniting protests that had begun in October 2012 under the leadership of Ata-Jurt head Kamchybek Tashiev. (Tashiev and several of his supporters scaled the fence surrounding the parliament building before being arrested for attempting a coup d'état.⁸) In April 2013, opposition leader Azimbek Beknazarov (of the Banner National Revival "Asaba" party) bussed men from his native village to Bishkek with similar demands to nationalize Kumtor. His protest failed to gather momentum and quickly dissipated. Observers from the media noted that protestors were not genuinely interested in supporting Beknazarov, but joined the politician for a prospect to receive financial compensation.⁹

Additional rallies followed in Jeti-Oguz and Karakol, the two districts nearest Kumtor.¹⁰ In June, several hundred men protested in Jeti-Oguz and halted production at the mine, but other operations continued at Kumtor. Rather than turning to the police, the government sent officials from Bishkek to negotiate with the protestors. Four months later, in Karakol, protestors captured oblast-leader Emilbek Kaptagayev, demanding the right to replace him with someone would be better able to represent their interests. This time, the central government deployed special police forces to free Kaptagayev and disperse the demonstrators.¹¹ Several people were wounded in clashes between the police and protestors.¹²

Neither the presidential administration nor the parliament has been able to preempt sabotage of mining operations organized at the local level because of unclear policy and weak administrative coordination with local governments. As local governments are often unable to meet the needs of their residents or perform basic administrative duties, villagers living near mining areas distrust central and local government policies and become easy targets for nationalist and antigovernment rhetoric.

Nevertheless, Kyrgyzstan's government remained stable during 2013. Political infighting within and between parties continued, however, usually caused by competition for finances and party leadership posts. All parties represented in the parliament have experienced deep internal splits since the 2012 elections. With the exception of SPDK, every party has lost some of their MPs to new splinter groups. Some MPs allege that internal disagreements have considerably weakened Ata-Jurt and Ar-Namys as they enter the next elections.¹³ The instability of the parliament seems to leave more power to the presidential office than intended under the new constitution, allowing Atambaev to strengthen his position as the parliament continues to fumble and falter.

Three years after the June 2010 ethnic violence in southern Kyrgyzstan, discrimination persists. Ethnic minorities, especially ethnic Uzbeks, remain underrepresented in the parliament and the government compared with previous years. In general, political forces have avoided discussion of interethnic relations, especially in southern Kyrgyzstan, leaving the burden of peace building and reconciliation to nongovernmental organizations (NGOs). However, in April 2013, the government took a step forward with the adoption of a long-anticipated Concept of Development of National Unity and Inter-Ethnic Relations in the Kyrgyz Republic.¹⁴ According to the head of the Department of Ethnic and Religious Policy and Interaction, the concept is the product of over three years of debate and represents a broad consensus among nationalist MPs, human rights NGOs, and the government. The concept's goal is to spread the use of Kyrgyz as a unifying state language while also promoting multilingualism and instilling respect for the rights of minority groups. It moves away from defining the Kyrgyz as a "state-making ethnicity," contrary to the demands of the nationalists involved in drafting the concept.

Implementation of the concept—which is broad and vulnerable to selective interpretation—proved challenging in 2013. Many NGOs complained that the concept did not adequately protect minority rights. Nationalists, meanwhile, focused on promoting the Kyrgyz language, largely ignoring the concept's other goals. Planned efforts to spread Kyrgyz language will include setting up multilingual kindergartens, as well as translating more literary works into Kyrgyz for readers of all ages.

Another problem with the concept is that it relies heavily on program implementation at the local level, which local governments are not currently equipped to provide. For the concept to have a real impact on interethnic relations, Bishkek will need to invest massively in promoting Kyrgyz and minority languages, training local officials, and organizing community initiatives.

Russian president Vladimir Putin visited Bishkek twice in 2013, both times offering Kyrgyzstan greater economic and military assistance in (implicit) exchange for a reduction in Western influence. In June, Kyrgyzstan's parliament voted in support of Atambayev's decision to cancel the contract for the U.S. military transit center at Manas Airport. This decision was made shortly after Moscow's promise to write off \$500 million of Kyrgyzstan's debt and construct hydropower stations on the Naryn River in Kyrgyzstan,¹⁵ an offer the United States declined to counter. It also followed the U.S. Attorney's announcement that it would not be pursuing criminal charges for insider trading against former president Bakiyev's son, Maksim. Some analysts believe the Kyrgyzstani government had been expecting the U.S. to extradite the young Bakiyev to Bishkek.

A special working group set up by the Kyrgyz government in 2013 to design a roadmap for joining the Russia-led Eurasian Customs Union has yet to produce a final document. There is speculation that the ongoing delay may be a strategy on the part of the Atambayev administration to appease popular concerns about the union's potential impact on Kyrgyzstan's small and medium-sized businesses. Kyrgyzstan is already a member of the World Trade Organization (WTO) and has demanded that it be allowed to retain the WTO's low customs tariffs, particularly with China, after joining Russia's customs union. In the final days of 2013, Deputy Prime Minister Djoomart Otorbayev announced that a new road map would be prepared by spring 2014, adding that Kyrgyzstan would need \$200 million from the union for market and border security support—a demand likely to delay the signatory process for another year.¹⁶

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	5.75	5.75	6.00	6.00	6.25	6.00	5.50	5.50	5.50

Political parties in Kyrgyzstan remain institutionally weak and rely heavily on individuals' popularity or wealth to attract votes. Since 2010, President Atambayev's SPDK has been the only party to consistently win local elections or develop nationwide name-recognition.

Particularly in local elections, voters cast ballots for personalities, rather than parties or platforms. Currently, only two local parties—Zamandash and Reforma—have a clearly defined message (the former represents the interests of labor migrants working in Russia, while the latter advocates for the entrepreneurial community in Bishkek). In October, the Ar-Namys (Dignity) party suggested that the electoral code be amended to allow individual MPs to run as independent candidates, but the initiative received limited support in the legislature.

President Atambayev and most political forces represented in the parliament have expressed their determination to hold the Kyrgyzstan's next parliamentary and presidential elections on schedule, in 2015 and 2017, respectively.¹⁷ This would represent a step forward, as Atambayev's predecessors, Askar Akayev and

Kurmanbek Bakiyev, consistently used snap elections to bolster their preferred parties' majorities in the parliament.

In 2013, political parties and individual politicians were already preparing for the next elections. Members of parties with representation in the parliament began campaigning in their districts to assure their individual slots on party lists and lay the groundwork for electoral victory. Local parties, such as former Osh mayor Melis Myrzakmatov's Uluttar Birimdigi (Unity of Ethnicities), opened offices in Bishkek and other parts of the country, suggesting their interest in gaining national attention. The overall number of political parties has nearly doubled since the last parliamentary elections, totalling 350 in 2013.¹⁸

Article 72 of the Kyrgyz Electoral Code requires that 15 percent of each party's candidates be non-Kyrgyz. However, the code provides no guidance on dividing those spots among different ethnic groups, nor does it regulate where (in what position relative to other candidates) they must appear on party lists. A quota requiring that one-third of parliamentary seats go to female deputies has been similarly ineffective.

Only one district, Kara-Suu (in Osh province), held local elections in 2013. On election day, a violent fight broke out between representatives of several political parties in front of one of the voting precincts. While details of the skirmish remain unclear, members of local Meken Yntymagy (Fatherland Unity), Onuguu (Development), and SDPK were injured.¹⁹ The fight reportedly broke out over allegations of ballot falsification.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.50	4.50	4.50	4.50	4.75	5.00	4.75	4.75	4.75	4.50

Civil society is becoming increasingly vibrant, despite regular efforts by some lawmakers to circumscribe NGO activities. In 2013, a number of proposed legal changes threatened the health of civil society operations but were rejected under pressure from NGOs and watchdogs. The most serious of these remained under discussion at year's end after President Arambayev declined to approve it.

The year witnessed several attempts to introduce legislation with potentially negative repercussions for civil society organizations. These included controversial reporting requirements and other new oversight mechanisms added to a draft law on money laundering,²⁰ as well as a draft law imposing fines on anyone affiliated with unregistered NGOs.²¹ A treason law proposed by Ar-Namys party MP Bakir Uulu would have made sharing "state secrets" with foreign organizations illegal.²² All three measures were rejected in parliament after negative feedback and pressure from domestic and international NGOs.

The most serious assault on civil society organizations in 2013 was a bill seemingly modeled on Russia's 2012 "foreign agents" law.²³ Proposed by Uulu and another Ar-Namys deputy, the legislation would have enabled the Kyrgyzstani

government to brand as a “foreign agent” any NGO receiving financial support from abroad or engaging in vaguely defined “political activities.” Russia’s “foreign agents” law has been interpreted expansively, leading to hundreds of audits and prosecutions of NGOs. Resounding criticism from Kyrgyzstani NGOs and international watchdog groups prompted President Atambayev to publicly declare his own opposition to the bill before parliament could vote on it in mid-September.²⁴ Due to the persistence of the bill’s authors, it remained under discussion at year’s end, as criticism continued.²⁵ It is unclear whether it will come before parliament in 2014.

In October, police officials in Bishkek began soliciting letters from the general public in support of a ban on public demonstrations. It was unclear whether the police acted independently or on behalf of the city’s mayor. However, the Interior Ministry’s leadership condemned the police for partisanship.²⁶

In April, feminist groups in Bishkek organized performances of *The Vagina Monologues* in defiance of verbal intimidation from the Ministry of Culture, which accused the play of “promot[ing] scenes that destroy the moral and ethical standards and national traditions of the peoples of Kyrgyzstan.”²⁷ Government officials eventually conceded that there was no legal basis for banning the event.

These events illustrate two key realities: first, that the relationship between state institutions and civil society remains filled with distrust; and second, that civil society is becoming increasingly capable of pushing back against legislative attacks or intimidation, whether by acting locally or communicating their grievances to the international community.

The government and the parliament do sometimes collaborate with civil society groups in designing policy programs and election monitoring efforts, and NGOs regularly generate discussions in mass media on human rights, political reforms, and other issues. Several leading NGO activists have joined the government’s efforts to reform the police and judicial system. They often work pro bono and consider their collaboration with the government to be an important part of civic engagement. Activists also cooperate with like-minded members of parliament on issues such as gender equality. These actors regularly critique new legislative initiatives, especially those related to human rights, employing public protests, petitions, letters to the parliament, and public hearings to convey their views. In 2012 and 2013, civil society groups collaborated with the Interior Ministry regarding police reform. The police accreditation exam is now administered by members of the Coalition for Democracy and Human Rights and the NGO *Nashe Pravo* (Our Right). Their efforts are complemented by the work of the Alliance of Liberal Youth NGOs, which promotes greater transparency and accountability in police work.²⁸

Demonstrators are commonly visible in Bishkek’s public spaces. The area in front of the parliament building is frequently occupied by small groups of 5–50 people, advocating for a wide spectrum of social, family-related, and political issues. Other groups of activists rally for better public services—safer roads, cleaner streets, more bike lanes.²⁹ Police regulate the protests by ensuring they do not block traffic or lead to violence.

More and more individuals appear to be taking part in community work and advocacy. Several youth NGOs in Bishkek and Osh, supported by international or local donors, address complex issues such as ethnic reconciliation and political leadership. Notably, the multiethnic members of Youth of Osh address inter-ethnic reconciliation from the perspective of joint community development.³⁰ These grassroots activities as well as civil society critiques of political processes in the country are often featured in national and local media.

Kyrgyzstan's NGOs remain overwhelmingly dependent on foreign grants. As a result, the activities of the civil sector are often determined by donor priorities rather than a competition between ideas, and many organizations are out of touch with local needs. Very few NGOs have tried to solicit funds from local donors or engage local communities in their work. When it does materialize, local financing mainly comes from individual entrepreneurs, large corporations, or political leaders. For the most part, local funds are targeted at organizing one-time projects or public events, such as filming an advocacy video or organizing a charity campaign. Most of these locally generated NGO activities are concentrated in the capital. Indeed, the vast majority of NGOs and other civil society groups are based in the country's two largest cities, Bishkek and Osh. This, too, limits their impact on most citizens' daily lives.

In early 2011, then president Roza Otunbayeva, with the financial support of international donors, formed Public Advisory Councils (PACs) to monitor the work of various government agencies. PACs are composed of independent experts, academics, NGO leaders, and entrepreneurs. They have access to all relevant government documents. Some PACs continue to actively supervise the work of the ministries, while others have become dormant. A number of officials spoke out against PACs in 2013, citing concerns that the councils have access to sensitive national security information.³¹ Nevertheless, President Atambayev sent a bill to renew the councils' tenure before parliament in late 2013.³²

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.25	6.25	6.00

Despite proposals in parliament to ban "extremist" or "anti-Kyrgyzstan" content, the trend since 2010 has been toward greater media openness and more affordable access to the internet, including via third-generation (3G) mobile telephones. Online news sources are particularly diverse, ranging from straight news reporting to long-form, analytical pieces. In 2013, a regional court overturned a two-year sanction against the popular Fergana News website on the basis that only a court, and not the parliament, may take action to block online content.

The vast majority of Kyrgyzstani citizens get their information from television. There are approximately 25 television stations operating in Kyrgyzstan. Of these, only a few broadcast nationwide. According to the media registry of the Ministry of Justice, every channel in Kyrgyzstan offers some Kyrgyz-language programming

and 21 channels carry programming in Russian. The division between Kyrgyz and Russian-language content is similar in print media and radio.³³

In general, objective and reliable journalism is in short supply in Kyrgyzstan, and it can be difficult to differentiate between facts and reporters' opinions. Some independent media publish short news items of reasonable quality, but they stop short of analytical or in-depth investigative reports. In 2013, Kyrgyz media failed to fill in the information gaps on the year's most complex political issues, such as who was responsible for organizing protests in the eastern parts of the country.

State television and radio generally avoid open criticism of the president or SDPK during newscasts, though talk shows are more apt to air opposing views.

The online universe remains mostly free, and some news sites³⁴ do publish criticism of the president, parliament, and government. Citizen-journalists sometimes expose abuses of power or corruption when traditional media do not. Video recordings of police personnel breaking the law by extorting bribes or parking illegally have become the most frequent genre of online activism. Political satire is also increasingly popular and several performance groups routinely lampoon individual political leaders and take on issues such as corruption or nationalism. The performances are aired on television and can be found online.³⁵

Nationalist voices in the parliament still seek to prevent the reestablishment of Uzbek-language mass media in southern Kyrgyzstan, where nearly all Uzbek outlets were shut down in the wake of ethnic violence in 2010. They also remain vigilant against any media content and providers that might threaten "traditional" Kyrgyz values or the country's image abroad. In June 2011, lawmakers singled out the Central Asia-wide Russian-language news site, *Fergana News*, which had produced critical coverage of the government's response to the violence in Osh. Citing the outlet's "extremist" content, parliament passed a resolution banning it.³⁶ In February 2012, *Fergana News* was officially blocked by the State Communications Agency (SCA), which controls KyrgyzTelecom, the main internet service provider (ISP) in the country. Other ISPs followed suit. *Fergana News* took the SCA to court, and in late March 2013, a regional judge lifted the sanction on the basis that only courts have the authority to ban online content. In April, Kyrgyzstan's local ISPs, including KyrgyzTelecom, opened access to *Fergana News* following a letter from the SCA.

To some degree, the victory was symbolic: first, because the SCA's blocking of the website had never been entirely effective; and second, because at year's end the parliament had yet to officially overturn its 2011 ban. Nevertheless, the return of unrestricted access to a popular news site that is highly critical of all the region's governments was notable, and a sign that in some cases, the judiciary is willing to defend politically controversial speech. The OSCE Representative on Freedom of the Media welcomed this development as "a positive sign for Internet freedom in Kyrgyzstan."³⁷ Praise from the OSCE was countered by a critical reaction piece from *Fergana News*.³⁸

The Uzbek-language media outlets that were shut down in 2010 have yet to reopen, and most ethnic Uzbeks in southern Kyrgyzstan primarily watch television

channels from Uzbekistan, reinforcing their cultural marginalization within Kyrgyzstan. Thanks to strong foreign donor support, a new Osh-based radio and television station, Yntymak (Accord/Hamony), began broadcasting in Kyrgyz, Uzbek, and Russian in 2012, targeting younger listeners. The city of Jalalabad, too, has a new Uzbek/Kyrgyz TV station, although it focuses more on cultural programs than political discussions. In 2013, a journalism-focused NGO launched a trilingual newspaper, *Danek* (Kernel of Grain), written and published by students in Osh with financial support from international donors. The newspaper employs young journalists and is distributed throughout schools in Osh for a small fee.³⁹

As the 2015 parliamentary elections approach, political parties that hope to gain support in the Osh and Jalalabad oblasts will need to communicate with the ethnic-Uzbek population. It is possible that this need will facilitate the expansion of Uzbek-language media.⁴⁰

Meanwhile, in an effort to promote the Kyrgyz language, the state-owned national broadcaster ORTK (Obschestveny Teleradio Kanal) has introduced children's programming during prime time. The majority is in Kyrgyz, with some shows in Russian.

The government is looking for ways to expedite Kyrgyzstan's conversion to digital television, which must be completed by the internationally mandated analogue switch-off date in June 2015. The transition will also enable Kyrgyzstan-based broadcasters to reach a nationwide audience. Currently, the population of northern Kyrgyzstan is served primarily by television programming from Kazakhstan, while southern parts of the country often watch channels from Uzbekistan.⁴¹ The Ministry of Culture estimates that the transition to digital broadcasting will cost roughly \$11.3 million to complete.⁴² Kyrgyzstan will need extensive international support to raise this amount.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	6.25	6.25	6.50	6.50	6.50	6.50	6.50	6.25	6.25

Although local governments have become more independent from Bishkek since the nationwide local elections of 2012, their efficiency and professionalism have not improved. Local political party representatives lack experience with public service and bureaucracies and have little financial capacity to implement policy or respond to their constituents' concerns. Moreover, there is virtually no horizontal communication among local governments in the same or neighboring oblasts.

Local governing bodies have even less ethnic and gender diversity than their national counterparts, with women making up only 12 percent of local council representatives.⁴³ Usually, ethnic Uzbeks are more likely to be represented in local governments where they are the majority population, but this is not the case in Osh, where Uzbeks comprise roughly half of the city's population and only 20

percent of the city council. Women, too, are underrepresented on the Osh city council, making up less than 16 percent of its membership.⁴⁴

The degree of independence of local authorities from the national government varies. Bishkek's government is the most independent, with the mayor able to make autonomous decisions on the city's development. Of all other local leaders, Osh mayor Melis Myrzakmatov enjoyed the greatest independence in 2013, thanks to his business connections and support from the informal grouping of young men in his martial arts club. Myrzakmatov has presented himself as the primary force behind Osh's post-conflict municipal reconstruction, strategically underplaying the support of the national government and international donors. On 5 December, Prime Minister Jantoro Satybaldiyev fired Myrzakmatov abruptly, without public explanation. The dismissal came days after the mayor had participated in (and possibly organized) a public protest demanding the release of one of his allies, Akhmatbek Keldibekov, who was arrested in late November on corruption charges.⁴⁵ Also under investigation for corruption, Bishkek Mayor Isa Omurkulov resigned from his post one day before Myrzakmatov's dismissal.⁴⁶

The president's administration uses the Agency of Local Governance and Inter-Ethnic Relations to address ethnic inequality and preempt ethnic tensions. The agency is tasked with promoting the goals outlined in the "Concept of Development of National Unity and Inter-Ethnic Relations in the Kyrgyz Republic." Mira Karybayeva, the head of the department responsible for drafting the concept, says low professionalism and a lack of funding are the two most important challenges to implementing it on the local level.⁴⁷ Following the concept's adoption in April 2013, the administration began soliciting international donor funds to increase local government capacity.

Outside of election season, local governments receive little media attention. With occasional exceptions for developments in Osh and Bishkek, the mass media are mostly concentrated on the work of the national government. Likewise, local government officials are not accustomed to working with civil society, business owners, or other groups on important policy issues.

Central authorities have failed to implement actions that concretely promote interethnic peace in southern Kyrgyzstan. This has made some local governments feel immune to prosecution for discrimination, arbitrary arrests, and violence against ethnic minority groups. Three years after the violence of June 2010, the fault lines in southern Kyrgyzstan run not only between ethnic Uzbeks and Kyrgyz but also between communities, law-enforcement agencies, and local government representatives.⁴⁸

The State Agency of Local Governance and Inter-Ethnic Relations is tasked with promoting the goals outlined in the presidential administration's new Concept of Development of National Unity and Inter-Ethnic Relations in the Kyrgyz Republic. Following the Concept's adoption in April 2013, the administration began soliciting international donor funds to increase local government capacity and enable proper implementation.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.50	5.50	5.50	6.00	6.00	6.00	6.25	6.25	6.25	6.25

Kyrgyzstan's judicial system and law enforcement agencies continue to be a major source of human rights violations and corruption. Nepotism, political pressure, and lack of professionalism among judges render the court system ill-equipped to administer justice consistently or impartially. Nearly four years after the June 2010 violence, the vast majority of ethnic-Uzbek victims have yet to see their attackers brought to justice.

Courtroom violence and intimidation have been consistent features of law enforcement's response to the June 2010 violence. In related trials, relatives of some ethnic-Kyrgyz plaintiffs have attacked the lawyers of their accused Uzbek attackers or threatened presiding judges. In 2013, Kyrgyzstan's Supreme Court began reviewing appealed cases from regional trials of the last three years to assess whether intimidation practices had interfered with due process.⁴⁹ Despite the fact that ethnic Uzbeks suffered far higher casualties than their ethnic-Kyrgyz neighbors, 96 of the 107 people charged with murder in the aftermath of the 2010 violence were Uzbek.⁵⁰

In an event reminiscent of the Bakiyev era, the lawyer Ikramidin Aitkulov was brutally attacked near his home in November 2013.⁵¹ Aitkulov's relatives believe that he was targeted because of his willingness to defend politically controversial figures such as former minister of social development Ravshan Sabirov, criminal kingpin Kamchy Kolbayev, and various Ata-Jurt party leaders.⁵² Lawyers protecting opposition figures still experience political pressure, but violent attacks have become unusual.

Azimjon Askarov, an ethnic-Uzbek human rights activist, remained in prison throughout 2013. Following an arrest and prosecution marked by egregious violations of due process, Askarov is serving a life sentence for his alleged complicity in the death of an ethnic-Kyrgyz police officer killed during an outburst of ethnic violence in June 2010. Askarov's appeals to the Supreme Court were denied in late 2011. In August 2013, the human rights organization Bir Dyino-Kyrgyzstan asked a court in Jalalabad to review allegations that Askarov had been tortured by police while in detention. The request was denied by both the Jalalabad court and the Supreme Court.

Despite continuous international pressure, Atambayev's administration shows little political will to take up the Askarov case. When journalists asked the president about the issue during an official visit to Brussels, Atambayev said there is no evidence suggesting that the activist might be innocent.⁵³

It took parliamentary, judiciary, and civil society actors three full years to establish a legal body (the Constitutional Chamber of the Supreme Court) for interpreting the 2010 constitution. During this delay, which was caused primarily by disagreements over the selection of chamber members, various political forces

had the opportunity to draft unconstitutional legislative initiatives, some of them restricting basic civil liberties. Important examples include the 2012 and 2013 legislation limiting religious freedoms. The proposals pushed back by NGO pressure in 2013—especially Kyrgyzstan’s version of the Russian “foreign agents” law—were also initiatives that a functioning Constitutional Chamber would have examined closely.⁵⁴ The same may be assumed of parliamentary deputy Yrgal Kydyralieva’s 2012 proposal that women under 23 years of age should be compelled to obtain parental consent before traveling abroad. (After months of outcry from domestic and international rights groups, in June 2013 the parliament adopted a non-abiding decree based on Kydyralieva’s other travel and migration–related proposals, without any specific mention of a minimum travel age for women.⁵⁵) All members of the Constitutional Chamber were finally instated in July 2013.

The abrupt release of Aziz Batukaev, a notorious Chechen crime boss accused of drug trafficking and violent crime, was seen by most as evidence of the government’s ties to the criminal underworld. In early April, Kyrgyzstani authorities terminated Batukaev’s 16-year prison term on the grounds that he was suffering from acute leukemia. Soon after Batukaev returned to Chechnya, rumors surfaced that he was in good health and had married a young Chechen woman.⁵⁶ As news of “Operation Free Batukaev” spread, outraged parliamentarians called for the resignation of officials they accused of falsifying Batukaev’s health reports in order to secure his release. These included Deputy Prime Minister Shamir Atakhanov, Interior Minister Abdylida Suranchiev, Ombudsman Tursunbek Akun, and prison chief Zarylbek Rysaliev. President Atambayev himself is suspected of having ties to Batukaev and other known criminals.⁵⁷

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.00	6.25	6.25	6.50	6.25	6.25	6.25	6.25

The level of corruption in Kyrgyzstan has declined slightly since the 2010 ouster of Kurmanbek Bakiyev, whose son Maksim wielded informal control over virtually all sectors of the economy. Unlike most of his predecessors, Atambayev himself does not appear to be engaged in large-scale corruption deals, nor does he seek to impose family rule over the national economy. Nevertheless, graft remains widespread, permeating all government agencies.⁵⁸ MPs regularly use their political positions to protect and promote their personal business interests. Citizens encounter corruption in their everyday lives, whether in dealings with the police or when trying to send their children to school. According to a study conducted in Osh and Bishkek by the SIAR Research and Consulting Group, corruption is considered to be one of the top three most pressing problems in Kyrgyzstan: 64 percent of SIAR’s respondents indicated that they had bribed the police and 70 percent had bribed judges.⁵⁹

Shortly after his election in 2011, President Bakiyev declared corruption to be a top priority and a matter of national security. In order to insulate high-level

corruption investigations from political manoeuvring or bribery, he created a special Anti-Corruption Service (ACS) under the supervision of the State Committee on National Security (SCNS) and tasked it with fighting corruption in the parliament, executive branch, Supreme Court, and law-enforcement agencies.⁶⁰

Still, two years into Atambayev's presidency, Kyrgyzstan has no unified anticorruption policy. Instead, ad hoc measures are used to prosecute corrupt officials. Several high-profile political officials were arrested in 2013, mostly from opposition political parties, including the popular former mayor of Bishkek Nariman Tuleev (Ata-Jurt), Minister of Social Development and Ravshan Sabirov (Ata-Meken), and Nurlan Sulaimanov (Ata-Jurt), who is reportedly hiding in Moscow. It remains unclear whether the crackdown on opposition party leaders is the result of a political directive from the president's office or an objective decision by the ACS. In 2013, President Atambayev's fight against corruption touched members of almost every political party—except his own SDPK. In October, Chairman of State Correction Service Zarylbek Ryzaliev accused four opposition MPs of looting after the collapse of the Bakiyev regime.⁶¹ All four denied the charges, insisting that the accusations were made to exert pressure on them in parliament.

In November, the Parliamentary Committee on Law, the Rule-of-Law, and the Fight Against Crime discussed taking the ACS out of SCNS's control. The SCNS resisted the change, pointing to its successful track record. According to the head of ACS, this includes some 500 criminal investigations of alleged corruption to date—70 percent of them against government officials.⁶²

Kyrgyzstan receives a score of 24 on the 0-to-100 scale of Transparency International's latest Corruption Perceptions Index, with 0 as the worst possible performance.⁶³ However, the World Bank's *Doing Business 2014* report granted Kyrgyzstan a 2-point upgrade on its hundred-point scale, mostly thanks to positive changes in “resolving insolvency,” “starting a business,” and “trading across borders.”⁶⁴

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Latvia

by Juris Dreifelds and Valts Kalniņš

Capital: Riga
Population: 2.0 million
GNI/capita, PPP: US\$21,820

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.75	1.75	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75
Civil Society	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	2.00
National Democratic Governance	2.25	2.00	2.00	2.00	2.50	2.50	2.25	2.25	2.25	2.00
Local Democratic Governance	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Judicial Framework and Independence	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	3.50	3.25	3.00	3.00	3.25	3.25	3.50	3.25	3.00	3.00
Democracy Score	2.14	2.07	2.07	2.07	2.18	2.18	2.14	2.11	2.07	2.07

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

Latvia has eased into calmer waters after the tremendous turbulence caused by the recent global economic crisis, when the country's gross domestic product (GDP) plunged by 24.1 percent and the official unemployment rate jumped to 20.5 percent.¹ Although precrisis prosperity levels have not yet been reached, the above-average growth of the last three years and the positive future growth trajectory predicted by the International Monetary Fund (IMF) are strong signals of stabilization. While Latvia still has among the highest rates of inequality and poverty in the European Union (EU) and popular discontent with the government is high, the previously large contingent of emigrants searching for employment abroad has slowed down significantly.

The government in 2013 finalized plans for Latvia to join the Eurozone—a group of countries using the euro currency—and the country is expected to adopt the new currency in January 2014. Harmony Center, a party that draws much of its support from Latvia's ethnic Russians and which opposes Eurozone membership, performed well in local elections held in June. Its strong performance in Riga, the capital, allowed Harmony Center leader and Riga mayor Nils Ušakovs to continue presiding over the affairs of the capital city.

On 21 November, Latvia was shaken by the deadly collapse of a supermarket roof in a Riga suburb, which killed 54 people. The event precipitated a flurry of finger-pointing and claims of shoddy workmanship, failed official oversight, shortcomings in legal regulations, and bribery in the construction business. In an attempt to calm the situation, Prime Minister Valdis Dombrovskis resigned unexpectedly on 27 November, but remained in his position until an interim leader is found to govern until elections set for late 2014.

National Democratic Governance. In 2013, the government finalized plans for Latvia to join the Eurozone, despite low popular enthusiasm for the initiative. The government also adopted amendments to the citizenship law, extending the possibility of Latvian citizenship to many ethnic Latvians living abroad, as well as to some resident noncitizens. Opinion polls show low public trust in the Saeima (parliament), owing largely to the economic struggles many people continue to experience. Due to the stability of the ruling coalition under challenging circumstances, *Latvia's national democratic rating improves from 2.25 to 2.00.*

Electoral Process. Municipal elections for 119 regions were held in June without any major problems. At 46 percent, voter turnout was lower than in previous years; however, the relative contentment of participating voters was reflected in the reelection of many incumbents. Harmony Center maintained control of the city

council in Riga, while a party headed by Aivars Lembergs—or one of the handful of powerful businessmen who have exerted influence on the country's politics for many years—won nearly 70 percent of the vote in Ventspils. *Latvia's electoral process rating remains unchanged at 1.75.*

Civil Society. The number of nongovernmental organizations (NGOs), including those with the official status of public benefit organization, is rising, but civil society groups struggle for financial sustainability. State funding of NGOs is not transparent; a weak culture of voluntary work and private donating also represent key obstacles. Civil society groups are involved in the crafting of public policy to some extent, but civil servants in some cases ignore NGO advocacy. *Latvia's rating for civil society remains unchanged at 1.75.*

Independent Media. Financial pressures have resulted in the merger of a number of independent media outlets, while others have seen changes in ownership or senior editorial staff in recent years. Despite a growing advertising market, newspaper outlets suffered significant losses in 2013. Following a large financial loss at Latvian Independent Television (LNT), which the Swedish holding company Modern Times Group (MTG) had acquired in 2012, MTG announced in October that LNT and another Latvian station it controlled, TV3, beginning in 2014 would only be available to cable-television subscribers. Due to ongoing media consolidation and the poor economic environment for independent journalists and media outlets, *Latvia's rating for independent media declines from 1.75 to 2.00*

Local Democratic Governance. Public opinion polls reflect a much higher level of trust in municipal governments than in the national government. Since July 2013, elected council members cannot work in municipal executive organizations. Some local government representatives criticized the national government for being out of touch with local governments' priorities. *Latvia's rating for local democratic governance remains unchanged at 2.25.*

Judicial Framework and Independence. Latvia provides fair protection for fundamental rights; however, violations related to excessive length of trials or inappropriate procedures for pretrial detention are commonplace. In 2013, important reforms to the court system continued in an effort to improve professionalism, but suspected wrongdoing by some judges still generated mistrust. Conditions in prisons remain unacceptably poor and an August report by the Council of Europe Committee Against Torture (CAT) highlighted violence among prisoners and the lack of proper healthcare as particular problems. *Latvia's rating for judicial framework and independence remains unchanged at 1.75.*

Corruption. Latvia in 2013 saw moderate progress in its ongoing struggle against corruption, as well as some setbacks. So-called administrative corruption has gradually diminished and the business environment has improved. Anticorruption

legislation is fairly comprehensive but whistleblower protection remains poor, and a draft law on lobbying transparency is bogged down in disputes. The Corruption Prevention and Combating Bureau (KNAB) suffered from damaging internal struggles during the year. The length of court proceedings, too, continues to hinder Latvia's fight against corruption. *Latvia's rating for corruption remains unchanged at 3.00.*

Outlook for 2014. Entry into the eurozone on 1 January 2014, will present some challenges for Latvia. A majority of Latvia's population opposed adopting the euro currency, and most people expect a jump in prices despite protective regulations established by the government. The economic growth trajectory indicates that Latvia will reach the precrisis level of prosperity in 2014. Strained relations between the ethnic Latvian and ethnic Russian communities are unlikely to improve, and national elections set for October 2014 could inflame tensions in both camps. The leadership of the nationalist National Alliance party has already called for unity among ethnic Latvian-majority parties, but with little resonance. Thus there is a fair probability that the predominantly Russian-oriented Harmony Center will be included in the next ruling coalition. If it is forced to once more remain in opposition ranks, there could be sharp Russophone reactions and increased ethnic discord.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.25	2.00	2.00	2.00	2.50	2.50	2.25	2.25	2.25	2.00

The three-party, right-leaning coalition government comprised of former president Valdis Zatlers's Zatlers Reform Party (ZRP), Prime Minister Valdis Dombrovskis's Unity bloc, and the conservative National Alliance worked in relative harmony during the year, apart from brief conflicts over a few policy issues. These included disagreements over more funding for child support, limited quotas for Latvian residence permits in the case of non-European Union (EU) property investors, and the inclusion of an optional ethnic identity category in passports. Coalition members also clashed in November, when Dombrovskis refused to expel the sitting justice minister, Janis Bordans, as demanded by his former party.² National Alliance expelled Bordans from its ranks on 1 November, claiming he had become inappropriately involved in the activities of another political force, the Democratic Patriots' movement, which had recently announced its intention to form a new party. Bordans maintains the reasons were more complicated, and connected to his "meddling" in important economic interests.³

The governing coalition remained united in its drive to join the Eurozone—the group of nations that uses the euro currency—even though opinion polls showed euro adoption to be unpopular among a majority of Latvian residents. Nevertheless, lawmakers in January 2013 approved a bill to move forward with the adoption and the EU approved the initiative in July, setting up Latvia to adopt the euro at the start of 2014.⁴

Relative stability in the parliament was backstopped by the conciliatory and cautious leadership style of Prime Minister Dombrovskis. On 30 August 2013, he became the longest continually serving democratic prime minister in Latvian history, having taken office in 2009.⁵ However, on 27 November, Dombrovskis unexpectedly announced his resignation as prime minister to accept political responsibility for the deadly tragedy in the Riga suburb of Zolitude, where 54 people were killed when a supermarket roof collapsed. He remained in his position in a caretaker capacity at the end of the year. The next parliamentary elections are scheduled for October 2014.⁶

The government in May amended the Latvian Citizenship Act to allow dual citizenship for Latvians living abroad. The move was largely a response to a spike in emigration from Latvia to higher-wage countries such as Great Britain, Germany, and Norway. The law also conferred citizenship upon noncitizen and stateless children who were born in Latvia after August 1991 and remained permanent residents. A provision that would have required the parents to promise they would teach their child the language and raise them as Latvian patriots did not pass.⁷

About 14 percent of Latvia's residents are noncitizens—many of whom are ethnically Russian and speak Russian as their primary language—and the government faces continuing criticism, as nonresidents are ineligible to hold public office or vote either at the national or regional level.⁸ Nonresidents not granted citizenship through recent amendments to the citizenship law have a special temporary status and can acquire citizenship through a naturalization process; calls for automatic citizenship have been ignored by the government so far. Between 1995 and September 2013, 140,725 individuals acquired Latvian citizenship, according to Latvia's Office of Citizenship and Migration Affairs.⁹ All residents of Latvia may vote in the Latvian Noncitizens' Congress, but the organization has no official political powers.¹⁰

Despite ethnic polarization, the predominantly Russophone Harmony Center party has been quite successful in recent years. In tandem with an allied, ethnic Latvian party, Harmony Center elected a majority of deputies to the Riga city council in the June municipal elections. In addition, Harmony Center head Nils Ušakovs, who is ethnically Russian and draws much of his support from Latvia's ethnic Russian population, has held the mayorship of Riga since 2009, providing Latvian Russophones with a prominent center of power and patronage.¹¹

According to a Latvian opinion poll conducted in April 2013, only 10 percent of respondents expressed trust in the Saeima, and just 12 percent in the cabinet.¹² Trust in other public institutions aside from the legislature and cabinet is significantly higher, with 55 percent of respondents in a 2012 poll expressing confidence in the Constitutional Court, 51 percent in the state police, and 48 percent in the church. According to the same poll, 45 percent of respondents expressed confidence in local governments, 45 percent in prosecutors, 43 percent in the ombudsman, 41 percent in the media, and 34 percent in the president.¹³

The government's unpopularity is largely fueled by continuing economic insecurity that persists in many regions of Latvia in spite of the rapid economic growth of the past two years. The International Monetary Fund (IMF) has projected a 4 percent growth in Latvia's gross domestic product (GDP) in 2013, and 4.2 percent in 2014.¹⁴ In addition, the dissatisfaction reflects a wide gap between expectations of the government by many of Latvia's residents and the realistic capabilities of the administration. An extensive opinion study by the marketing and public opinion research center SKDS, published in February 2013, found that most of Latvia's residents—while voting for right-leaning parties—preferred a greater role for the state. The study highlighted a disconnect in which even though a majority of people participating demonstrated a socialist-leaning orientation and leftist belief system, many who held such beliefs also indicated that they tended to vote for right-leaning parties.¹⁵

A November 2012 opinion poll showed a widespread feeling that government officials have inflated salaries and that these should be cut back; the poll showed that 75 percent of respondents recommended a wage cut for lawmakers, 66 percent recommended cuts in cabinet members' wages, 63 percent said the prime minister's salary should be reduced, and 56 percent said the president should earn less.¹⁶

The average monthly salary for ministers is 1180 LVL (\$2,400), about double the average income in Latvia.¹⁷

Latvia's free-market economic credentials are stable. The World Bank *Doing Business* report, released in October, ranked Latvia 24 out of 189 countries and territories.¹⁸ The national debt is under 40 percent and is being repaid through market bonds, and the budget deficit is below 2 percent.¹⁹ The Fitch credit rating agency raised Latvia's standing almost immediately after the positive signal for membership by the eurozone leadership. Experts have praised Latvia for implementing sharp austerity measures to overcome a deeply debilitating economic crisis, saying the resulting economic stabilization restored investor confidence in the country.²⁰

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75

Representatives to the 100-seat Saeima are elected to four-year terms, and the president is elected by the Saeima. The next Saeima elections are set for October 2014, and the next presidential election will be held in May 2015. Local elections are held every four years, with the latest round taking place in June 2013. European Parliamentary elections are held every five years, with the next elections for eight Latvian deputies planned for May 2014. Only Latvian citizens can participate in national, local, and EU parliament elections. All elections of the last two decades have been considered fair with only minor problems, which were duly investigated by the Central Elections Commission (CVK).²¹

The 1 June municipal elections were uneventful and orderly in all 119 electoral districts. In contrast to parliamentary and European Parliament elections, voters had to be registered in their place of residence or where they had property holdings 90 days prior to the election date. Despite preelection polls predicting high turnout, only 46 percent of voters voted compared to 53.8 percent in 2009.²² The polls also showed that the most urgent issue Latvians wanted local governments to confront was unemployment, followed by the state of local roads, social welfare, and healthcare programs.

Of the 8,725 candidates running for office, roughly 60 percent were men and 40 percent were women, and the average candidate age was 44.8 years.²³ Preelection campaigning was allowed from 2 February until 1 June—except for paid television advertising, which was prohibited for a month before the elections. According to polling agency SDKS, 86 percent of residents supported the ban on paid television advertising by political parties, which was intended to focus the campaign on substance.²⁴ Voters could cast a ballot up to three days before the actual election date.

Elections in Riga to 60 city council seats were a major focus of media attention. The contest was mainly between a coalition led by the Russophone mayor Nils Ušakovs and his Harmony party—which also included the ethnic Latvian party

Gods Kalpot Rīgai (Proud to Serve Riga)—and Dombrovskis’s Unity bloc, led by former editor of the newspaper *Diena*, Sarmīte Ēlerte. At 55.5 percent, voter participation in Riga was above the national average. Harmony Center and its partner party won a majority and improved their standing by two seats, from 37 to 39, while Unity’s representation decreased to 9 seats, from 14 previously. The nationalist National Alliance, which had not previously held seats in the city council, won 12 seats.²⁵

The victory of mayor Ušakovs and his Harmony party has generated concerns among many observers that parliamentary elections set for October 2014 could inflame tensions between ethnic Latvian and Russophone parties and voters. The National Alliance has raised the possibility of uniting all ethnic Latvian-majority parties, but this idea has not been embraced by the major parties.²⁶

In another notable race, the For Latvia and Ventspils party—led by Ventspils mayor Aivars Lembergs—won 69.4 percent of all votes in Ventspils.²⁷ Lembergs, who is among the powerful figures widely regarded as oligarchs, has been implicated in numerous corruption schemes, and criminal proceedings against him are ongoing. Elections to the Latvian Noncitizens’ Congress—a movement advocating for voting rights for those without a Latvian citizenship—were also held in June, though the organization has no official political powers. All Latvian residents are eligible to vote for representatives to the body.²⁸

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

The Latvian constitution protects the right to form associations, political parties, and trade unions. The right for workers to strike is also constitutionally protected.²⁹ Many professional, industrial, and social associations operate in Latvia. The number of nongovernmental organizations (NGOs) has been increasing, as of July 2013, there were 17,550 registered in the country, amounting to approximately 8 organizations per 1,000 inhabitants.³⁰ Most media outlets consider civil society groups independent and reliable sources of information and commentary.

NGOs can apply for public benefit organization status, which allows their donors to receive income tax deductions. The status can be awarded if activities of the organization are deemed to serve the public good in line with legally defined criteria.³¹ According to the State Revenue Service, in 2011, this legal arrangement reduced government income tax revenue by approx. 12.6 million LVL (approx. \$23 million).³² During 2013, 227 NGOs received public benefit organization status. Of them, 109 of them were charity organizations, 65 were organizations focused on civil society issues, and 62 were sports organizations.³³ It is a common practice among entrepreneurs to fund their own NGOs that host annual charity events, but which otherwise revolve around their founders’ hobbies and do not undertake any other significant civil society initiatives.³⁴

While Latvia's GDP is growing, economic recovery after the financial crisis has been slow in practice, and financing of NGOs through private donors still has not reached levels sufficient for a sustainable, proactive civil society. Even though numerous NGOs count highly trained professionals as staff members, many lack sufficient administrative and financial resources and struggle to produce empirically-supported studies to assist policymakers.³⁵ Many NGOs are financed by state institutions or state-owned companies, but the distribution of public funds to NGOs has been criticized for a lack of transparency.³⁶

In 2013, the finance ministry drafted new rules to regulate how state institutions provide financing to private entities.³⁷ Meanwhile, the welfare ministry has been working on new regulations on social entrepreneurship that would provide additional ways for active civil society organizations to maintain financial stability in the future.³⁸ While NGOs can participate in public procurement, they are banned from participating in some of the tenders.³⁹

Latvian officials in 2012 drafted new regulations on voluntary work, which, if adopted, would define such work and the restrictions on it, as well as the rights and duties of volunteers and NGOs.⁴⁰ Supporters of the law hoped that the new regulations would encourage more people to participate in volunteer work, which does not have a long tradition or broad social support in Latvia.⁴¹

Latvia has several online platforms for public participation in policy making. Among them is the internet platform *Mana Balss*, or *My Voice*, which allows people to submit their own policy initiatives and collect signatures of support. If an initiative wins support from 10,000 backers, it will be admitted to discussion in the parliament. Since the *Mana Balss* project was launched in 2011, a total of 11 separate initiatives have collected more than 10,000 signatures, and 2 have subsequently become law after debate in the Saeima. During the last year and a half, 25 percent of the Latvian population has used *Mana Balss*, and 11 initiatives have been proposed in 2013, receiving more than 35,000 signatures collectively.⁴² The project receives some support from the Latvian government, as well as from the governments of Norway, Lichtenstein, and Iceland.⁴³

Musuvlsts.lv, meaning "Our State," is another platform that allows the crowdsourcing of policy ideas. In 2013, one of the discussions focused on the idea of introducing a preamble for Latvia's constitution. The initiative was also debated in the Saeima, and critics have pointed to the exclusion of civil society in the discussion as well as the proposal's emphasis on the role of ethnic Latvians in forming the state.⁴⁴

NGOs are able to participate in the process of policymaking, but problems, such as the lack of expertise and administrative capacity, hinder meaningful contributions.⁴⁵ In some cases, public officials ignore NGO advocacy or decline to seek input from NGOs.⁴⁶ However, the National Tripartite Cooperation Council—a group that encourages cooperation between employers, government bodies, and trade unions—played a major role in reaching an agreement to increase the minimum wage in Latvia starting in 2014.⁴⁷ The government amended the procedures for public participation in the development of new legislation in

2013 and codified the obligation of state institutions to post certain information online in a timely manner.⁴⁸ Some state institutions have come up with their own initiatives to involve civil society in government operations. For example, the State Chancellery in 2012 launched an internet tool, *Mazināsim slogu kopā*, or “Let’s Reduce the [administrative] Burden Together,” where citizens can submit examples of ineffective bureaucratic procedures.⁴⁹

In general, the Latvian education system is free of political influence and propaganda, although recently a debate has been developing regarding the language of instruction in kindergartens and regarding history classes taught in Russian-language schools—including the usage of textbooks from Russia in those classrooms.⁵⁰ Meanwhile, in 2012, Latvia also ranked 12th in the world gender equality index.⁵¹

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	2.00

Latvia’s constitution and laws protect media freedom, and there is a wide acceptance of the need for an independent media by the national and local governments and by a vast majority of the population. For two decades Latvia had a very diverse range of media outlets in both the Latvian and Russian languages, but economic pressure and changing media orientations have forced many of them to consolidate or close operations in recent years. In spite of economic constraints, people in Latvia have access to a broad spectrum of news outlets, and several insightful investigative journalism programs are broadcast on television. Re:TV, a new television outlet for Latvian-language regional programs broadcast online, appears to be receiving increasing popular attention.⁵²

The newspaper sector has suffered great losses in recent years due to continuously decreasing advertising revenues and advertisers’ increased focus on broadcast and internet outlets. Even though total media advertising rose by 3 percent in the first half of 2013, the revenue of newspapers declined by 9 percent.⁵³ Economic pressures have forced journalists to undertake increased tasks for lower pay, resulting in a rapid turnover of reporters and management. The leading Latvian newspaper organization, *Žurnāli un Diena*, or *Diena Enterprises*, has suffered losses of over 10 million LVL (\$19.6 million) in the last five years and almost 4 million LVL (\$4 million) in 2012 alone.⁵⁴ As a result of the squeeze from advertisers and plunging readership, the daily *Diena* has gone through eight different editors in the last five years. For example, the well-known pollster, Aigars Freimanis, began as editor in January 2013 but quit four months later. Gatis Madžīņš, coopted from Latvian TV, replaced him in the post.

Changed ownership patterns due to financial pressures on the media market have resulted in increased consolidation. In 2012, the Latvian Competition Council

allowed the Riga Commercial Port (RTO) to obtain a controlling package of shares in Diena Enterprises and take over the daily *Diena*. The final shareholders in this venture have not been publicized, and the newspaper has allegedly been controlled by oligarchs since the acquisition.⁵⁵ Economic pressures have forced changes in newspaper ownership at other outlets, including at *Neatkarīgā Rīta Avīze* and *Latvijas Avīze*, as well. The Russian newspapers *Chas* and *Vesti Segodnya* merged in 2012, while the Russian-language *Telegraf* is owned by an offshore company since 2010. The Riga city council voted in October to set aside funding for a free monthly bilingual newspaper to reach its constituents.⁵⁶

Two of Latvia's major TV channels merged in 2012, when the Swedish holding company Modern Times Group (MTG) bought out Latvian Independent Television (LNT). Despite the consolidation, the newly acquired LNT suffered losses worth 2.2 million LVL (\$4.3 million) in 2012.⁵⁷ The loss was apparently the catalyst for an October 2013 announcement by MTG that starting in 2014, LNT and another Latvian station it controlled, TV3, would only be available to cable television subscribers. The move will affect the 7 percent or so of viewers who cannot afford to pay for broadcasting packages or satellites, and instead rely on free stations.⁵⁸

A major controversy arose in 2013 regarding the proposed merger of the public service television and radio outlets. Latvian public radio stations, which account for almost half of the national radio audience, opposed the move. Supporters argue that the blending of two news organizations could save money. The merger, which was worked out by over 200 experts in 45 separate meetings, would proceed over 5 years and cost 42 million LVL (\$81.7 million).⁵⁹

The major Russian-language television station in the Baltic region, Pervi Baltiiski Kanal (PBK), primarily shows programs produced in Russia. Many in the Baltics view its broadcasting as a troubling incursion of Russia's soft power. On 4 October, the PBK program *Chelovek i zakon* (*Man and the Law*), aired a dubious interpretation of the January 1991 Vilnius shootings, which took place during Lithuania's process of separation from the Soviet Union, drawing protests from the Latvian and Lithuanian media supervisory organizations. The media holding group Baltijas Mediju, PBK's broadcaster, subsequently removed the program from the airwaves in Latvia, Lithuania, and Estonia, saying authorities would "evaluate it."⁶⁰

In the first half of 2013, 73 percent of Latvian residents used the internet, while 61 percent used it daily. Among those aged 15 to 19, the daily access rate was 95 percent.⁶¹ Indeed, all national newspapers and many regional newspapers have a presence on the internet. They compete with a number of multinational-owned digital news websites such as TVnet.lv, Apollo.lv, and Delfi.lv—which rarely expend any effort at news research and instead recycle news provided by two of Latvia's major news outlets, Leta and the Baltic News Service (BNS).

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25

The responsibilities of municipal governments are broad, and include the oversight of primary and secondary education, social assistance (except pensions and family care benefits), healthcare, water supply and sewage works, local roads, and a portion of the country's housing. Following 2009 reforms that consolidated more than 500 local units into a smaller number of municipalities and cities, 39 municipalities still have fewer than 5,000 people, and local administrations in most of these areas are not able to fulfill all the mandated functions, let alone improve the development of their areas. Accordingly, the Saeima has tasked the Ministry of Environmental Protection and Regional Development (VARAM) to assess and propose changes to improve local decision-making.⁶² Ahead of the elections, in February, the parliament approved an initiative to reduce the number of deputies in local governments to reflect the size of local populations. The 39 smallest constituencies thus saw their council representation reduced to 9 people each.⁶³

Local governments receive much higher trust ratings than many other state organizations; according to recent polling data, 45 percent of respondents trusted them.⁶⁴ The reelection of two-thirds—or 79 of 119 municipal mayors—by their respective councils in June's municipal elections also served as a measurement of satisfaction with their work. The level of trust reflects a greater degree of personal interaction between inhabitants and council representatives and a wider flexibility and cooperation between deputies of different political persuasions at the municipal level. Political party adherence has been fluid; of the 79 reelected mayors 27 had had changed their political allegiance since the previous round of local elections.⁶⁵

Since 1 July 2013, elected council members cannot work in municipal executive organizations. Subsequently, five elected deputies in Riga from the Harmony Center–led coalition resigned from their elected posts in order to take lucrative positions and lead city departments.⁶⁶

All municipalities depend on funding from personal and business taxes, but because of uneven wealth and industrial distribution, an equalization fund allows for the transfer of money from wealthier to the more impoverished municipalities. Only 16 local governments will be paying out funds under the measure, while 92 will be receiving benefits. The city of Riga will pay out 15.9 percent of its budget, amounting to about 55 million LVL (\$106 million).⁶⁷ In an apparent move to strike a balance with the equalization payments, Riga has decided to lower public-transportation charges for card-carrying Riga inhabitants, and double fees for outsiders. Opponents of the plan managed to collect 10,000 signatures on *Mana Balss*, thus sending the initiative for debate in the parliament. Nevertheless, the differentiated pricing plan is set to take effect at the start of January 2014.⁶⁸

The central government in 2013 faced some criticism from local authorities for purportedly being out of touch with citizens' concerns and local governments' priorities. Andris Jaunsleinis, chair of the Latvian Association of Local and Regional

Governments, in August criticized numerous policies of the central government, including the government bailouts of major companies such as Parex Banka, Latvijas Krājbanka and Liepājas Metalurģs, following the outbreak of the global economic crisis. Jaunsleinis claimed the money should have been used to fix the country's roads. He also asserted that the lowering of personal income taxes by the government in 2012 was "a major mistake," and expressed concern over a government proposal to privatize the water supply as well as heating companies.⁶⁹ The deputy executive director of Latvian Large Cities Association, Maris Kučinskis, in August claimed that there is a municipal crisis in the Saeima because none of the deputies have worked in local governments, and stated that the mainstream political parties are out of touch with the needs of ordinary people.⁷⁰

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Latvia provides reasonable protection for most fundamental political, civil, and human rights in both law and practice. The country's judiciary includes courts of first instance, regional courts, the Supreme Court, and the Constitutional Court. A Judicial Ethics Commission established in 2008 is responsible for reviewing suspected ethics violations and providing counsel to judges.⁷¹ In 2009, rules that required a rigorous selection procedure for first-time candidates for judicial posts were adopted.⁷²

The Justice Ministry in recent years has also worked to introduce new digital tools to streamline court operations.⁷³ In 2013, a new system for the performance assessment of judges came into force.⁷⁴ Additionally, the Saeima adopted major amendments to the Law on the Judiciary.⁷⁵ Among other important changes, the amendments attempt to address the issue of delays by requiring chairpersons of courts to set goals for the average duration of cases. Additionally, court judgments now must be published, a reform aimed at increasing transparency.⁷⁶

Meanwhile, certain suspicions of corruption and unethical conduct in the courts linger on. In April, the weekly *It* published information suggesting illicit collusion between particular judges and certain companies that were undergoing insolvency procedures, in an apparent scheme by which the companies were able to secure waivers of debt.⁷⁷ The Constitutional Court in October requested that the prosecutor general conduct an inquiry into the actions of one such judge in connection with the allegedly corrupt insolvency procedures.⁷⁸ Also in October, a public prosecutor indicted the former chair of the Riga City Zemgale District Court, Ziedonis Strazds, who is suspected of collecting salaries paid out to nonexistent court employees.⁷⁹ In November, an appeals court upheld a guilty verdict for Vineta Muižniece, a now-suspended Constitutional Court judge who had been convicted of forgery in her earlier capacity as a member of parliament; she still had the opportunity to appeal to the instance of cassation.⁸⁰ In December, the government

gave conditional approval to several proposals aimed at reducing corruption among insolvency administrators, including one that made them subject to disciplinary liability. However, the amendments had not been adopted at the end of the year.⁸¹

Judicial independence in Latvia is generally respected. In 2009 and 2010, the parliament rejected two candidates for the Supreme Court even though they had satisfied all formal requirements and few had objected openly to them. In the case of administrative court judge Maris Vīgants, some claimed the vote was arranged at the request of Ventspils mayor Aivars Lembergs, following an earlier a criminal case against him where Vīgants had been the sitting judge.⁸² In July, Justice Minister Jānis Bordāns refused to approve a second term for Judge Sandra Strence as chairperson of the Riga Regional Court, and instead used his legal authority to appoint another judge to the position.⁸³ Bordāns claimed that Strence had failed to oversee sufficient improvements in the court's performance, and cited previously undisclosed information from the Corruption Prevention and Combating Bureau (KNAB) regarding allegedly dubious decisions the court had issued during Strence's tenure. Nevertheless, the situation was sensitive because Strence had been selected as a suitable candidate by a competition commission, and the executive disregarded its decision.⁸⁴

Recent judgments by the European Court of Human Rights (ECHR) have highlighted abuses in the judiciary and law enforcement bodies in Latvia. Notably, in July, the ECHR found in the case of *Nagla v. Latvia* that police had searched a journalist's home and computer equipment without just cause. The police in 2010 had seized a computer and memory devices from the home of the journalist Ilze Nagla, who had covered a leak from a database of Latvia's state revenue service. The court ruled that police had lacked "relevant and sufficient" reason for the search and seizure.⁸⁵ In January, the ECHR ruled that a state-run care institution had held a disabled man against his will, without allowing him to challenge his confinement in court.⁸⁶ Other cases against Latvia included violations of the prohibition of inhuman or degrading treatment, the right to a fair trial—especially those related to the excessive length of trials—and infringements on the right to respect for private life.⁸⁷

In July, the government appointed Ilona Spure as the new head of the state prison administration office. Previously, she had been the head of the administration's rehabilitation department. Spure replaced Visvaldis Puķīte, whose dismissal in June was related to numerous irregularities in public procurement.⁸⁸ Abuse in Latvian detention and prison facilities remains a concern. In October, the ECHR ruled against Latvia for a failure to protect from ill-treatment in prison a former police informant and convict for sexual offences against minors.⁸⁹ In August, the Council of Europe's Committee Against Torture (CAT) published a report from its 2011 visit to Latvia, which found that "persons in police custody continue to face a certain degree of risk of being subjected to ill-treatment," that violence among prisoners was a problem in all of the visited prison facilities, and that many inmates were denied proper health care.⁹⁰

The current ombudsman, Juris Jansons, has maintained social rights, such as the provision of free learning materials in schools, among his priorities and has kept

the public profile of the office quite high.⁹¹ Latvia only had a few infringement cases—for breaches of EU law—pending against it as of November 2013.⁹²

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.25	3.00	3.00	3.25	3.25	3.50	3.25	3.25	3.25

Latvia in 2013 saw moderate progress in its ongoing struggle against corruption, as well as some setbacks. According to Transparency International's 2013 Global Corruption Barometer, 68 percent of respondents considered political parties corrupt or extremely corrupt, while 63 percent viewed public servants and civil officials in the same light.⁹³ A survey commissioned by the Corruption Prevention and Combating Bureau (KNAB) in November 2012 revealed that 34.7 percent of respondents had admitted at least some preparedness to bribe a public official, a slight improvement in comparison with 39.4 percent in 2007.⁹⁴

Latvia has seen a gradual reduction of so-called administrative corruption as well as improvements within its business environment. The World Bank's *Doing Business* assessment, released in October 2013, ranked Latvia 24 of 189 countries and territories, and showed progress within a number of indicators. For example, the time required for the registration of property fell from 55 days in 2004 to 18 days in 2013. Additionally, the cost associated with procedures to legally build a warehouse fell from 43.5 percent of income per capita in 2006 to 15.4 percent in 2013.⁹⁵ Such developments should help decrease incentives to engage in corruption.

Latvia's anticorruption legislation is fairly comprehensive. In September 2013, Latvia was invited to join the antibribery convention of the Organization for Economic Cooperation and Development (OECD), a mark of international recognition of the quality of Latvia's anticorruption criminal provisions.⁹⁶ In January, the Saeima amended the Law on Local Governments to prohibit elected members of municipal councils from simultaneously holding executive posts within the same municipality.⁹⁷ The amendments addressed the difficulties of some municipal councils to execute proper oversight of their own executive agencies; previously, elected politicians themselves could also be the managers they were tasked with supervising.⁹⁸ In April, the parliament approved provisions on administrative liability for procedural violations in public procurement, thus closing a major gap that for many years had undermined possibilities to apply penalties for infractions that fell short of being criminal offences.⁹⁹

Among remaining legislative weaknesses are poor protections for whistleblowers, insufficient requirements for competitive recruitment in government bodies, and incomplete transparency in lobbying. The Labor Law prohibits retaliation against employees who report administrative or criminal violations to competent bodies. However, a victimized whistleblower would have to seek compensation through potentially costly and lengthy court procedures and be prepared to carry the burden

of proof against defamation charges. Proposals to strengthen the legal protection of whistleblowers have met with reluctance from politicians, in part due to a lack of recognition of their importance in encouraging good governance.¹⁰⁰

Latvia lacks unified and clear principles for hiring in the public administration. In May 2013, the government approved a concept paper that proposed broader use of open competition for the selection of candidates.¹⁰¹ In August, the government approved amendments to the State Civil Service Law to ensure a more centralized, impartial, and merit-based selection of heads of public bodies.¹⁰² However, these policy initiatives have not yet materialized as laws adopted by the parliament.

During 2013, the KNAB unsuccessfully tried to reach an agreement with other public bodies on a draft law on lobbying transparency; the law would require public institutions to disclose information about lobbyists online.¹⁰³ There was uncertainty about how to distinguish between lobbyists and ordinary citizens who voice their grievances to state authorities, and the prospects of the bill's approval remain vague.

Institutionally, the KNAB is at the center of Latvia's anticorruption policy. The powerful, multifunctional agency has a strong performance record from the past but was bogged down by internal struggles during 2013, and some experienced investigators decided to leave the agency.¹⁰⁴ Notable new investigations in 2013 included a €120,000 bribe paid in connection with projects carried out by a municipal heating company in Daugavpils; three people involved in the case were taken into custody in February.¹⁰⁵ In June, the KNAB started an investigation into allegations of large-scale corruption at the State Revenue Service (SRS).¹⁰⁶

The length of court proceedings in complicated criminal matters represents a major stumbling block in Latvia's fight against corruption. A suspected major fraud scheme concerning digitalization of television in Latvia has remained in the court of first instance since 2007.¹⁰⁷ A complex corruption case against Ventspils mayor Lembergs has been in the court of first instance since 2008.¹⁰⁸ A simpler but nevertheless salient case of suspected bribery in the University Children's Hospital has been pending in the court of first instance since 2010. According to the prosecutor of that case, as of September, the court had managed to hear 2 witnesses out of 30 and the completion of the first-instance procedure was not expected even in a year's time.¹⁰⁹ The defendants hoped that the courts will apply Section 49.1 of the Criminal Law, which allows for milder sentences when the right to justice in reasonable time has been violated.¹¹⁰ Overall, few of the most prominent corruption cases have reached final court decisions.

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Lithuania

by Kaetana Leontjeva

Capital: Vilnius
Population: 3 million
GNI/capita, PPP: US\$23,540

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00
Civil Society	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.25
National Democratic Governance	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75
Local Democratic Governance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.75	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	3.75	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.50
Democracy Score	2.21	2.21	2.29	2.25	2.29	2.25	2.25	2.29	2.32	2.36

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

EXECUTIVE SUMMARY

Parliamentary elections in December 2012 swept the center-right Homeland Union–Lithuanian Christian Democrats (TS-LKD) from power and brought together a center-left ruling coalition between the formerly opposition Lithuanian Social Democratic Party (LSDP), the Labor Party (DP), the conservative Order and Justice Party (TT), and the Electoral Action of Poles in Lithuania (AWPL). Lithuania, which joined the European Union (EU) in 2004, took over the six-month presidency of the European Council (EC) in July 2013. Having suffered serious losses during the global economic downturn, in 2013, Lithuania's residents saw their standard of living return to pre-recession levels.

Over the past decade, much-needed reforms in the public sector have been slow, and corruption remains a concern. Lithuania's residents have little trust in major democratic institutions, and largely feel removed from the political process. In July, DP founder Viktor Uspaskich and three other DP officials were convicted of a fraud scheme, following legal proceedings that had dragged on for years. Uspaskich was sentenced to four years in prison and the others received lesser sentences; all four remain free, and have filed appeals. President Dalia Grybauskaitė and Prime Minister Algirdas Butkevičius were the most popular political leaders in Lithuania, recording public trust rates between 60 and 70 percent throughout the year.

Press freedom advocates sounded the alarm when Lithuania's Special Investigation Service (SIS) pressured the Baltic News Service (BNS) to reveal its sources in a story related to Lithuanian foreign intelligence, leading to searches and interrogations of BNS staff and the seizure of a number of its computers. Eventually, the court reversed the disclosure order against BNS. In recent years, independent media outlets in Lithuania have suffered due to an unfavorable tax regime, with the situation being especially grave in the regions outside the capital.

National Democratic Governance. Lithuania held the presidency of the European Council for the second half of 2013, becoming the first Baltic country to hold the post. Several high-profile instances of unprofessional behavior by public officials tarnished the government's reputation, including the dismissal of the economy minister in May amid concerns that she had used a private jet for government business, paid for by people trying to curry favor with the ministry. Despite criticism of the government's policies and the president's handling of the so-called milk crisis, Prime Minister Butkevičius and President Grybauskaitė remained the most popular politicians in 2013. Lithuania continued to pursue energy independence throughout the year. *Lithuania's national democratic governance rating remains unchanged at 2.75.*

Electoral Process. Lithuania's political parties are unpopular in general, with opinion polls showing low levels of public trust. The Organization for Security and Cooperation in Europe (OSCE) in January assessed the 2012 parliamentary elections as having been generally free and fair, though there were widespread allegations of voter fraud. Throughout the year, the LSDP became a clear leader in party popularity ratings, while support for the DP decreased following the fraud convictions of its founder and several other officials. In June 2013, a parliamentary working group presented an electoral legislation package and the parliament approved amendments to the laws on campaign financing, the Electoral Commission, and presidential and European Parliament elections in November. *Lithuania's electoral process rating remains unchanged at 2.00.*

Civil Society. Lithuanian nongovernmental organizations (NGOs) and civic groups function without interference from authorities. Volunteerism and private donations to charity have been increasing in recent years. In December, the parliament adopted a law on NGOs, replacing scattered legal provisions with a specific legislation. Participation in demonstrations has decreased in recent years. However, in March, a group of right-wing extremists commemorated Lithuania's independence by marching in the city center of Vilnius, and the July Baltic Pride March was disrupted by hundreds of protesters, with a number of them arrested. *Lithuania's civil society rating remains unchanged at 1.75.*

Independent Media. In November, the agents of the SIS exerted pressure on BNS, the largest news agency in the Baltics, in an effort to compel it to identify its information sources. A subsequent judicial order led to searches and interrogations of BNS staff, and the seizures of several computers. Eventually, the court reversed its disclosure order. Changes to the tax regime since 2009 have made it virtually impossible for many outlets to remain profitable. Most national newspapers announced a halt in their Monday print editions as of 2014. There are many online news outlets in Lithuania, and competition in that sector is robust. However, public trust in Lithuania's mass media outlets is low. *Lithuania's independent media rating declines from 2.00 to 2.25.*

Local Democratic Governance. Business managers view local government as the most corrupt institution in Lithuanian society, a view reinforced by frequent corruption scandals involving municipal officials. Local government remained limited in its financial independence as municipal debts continued to increase. While there is broad support among the public and among lawmakers for reforms that would allow the direct election of mayors, such reforms have yet to be implemented. Mayors are still chosen by municipal councils, in which the public has little trust. *Lithuania's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. The public continues to perceive the judiciary as insular, and opaque, and long delays in legal proceedings are common.

In recent years, Constitutional Court rulings have nullified austerity measures imposed during the recent financial crisis, raising concerns about its power to restrict lawmakers' ability to cut public spending in order to address public deficits and debt. A number of controversial decisions raised concerns over the justice system, while Lithuania's prisons remained overcrowded and short of international standards. *Lithuania's judicial framework and independence rating remains unchanged at 1.75.*

Corruption. Public opinion surveys as well as ongoing investigations indicate that corruption remains prevalent in Lithuania. In July—in the first case where proceedings against senior politicians were not aborted—a court found senior DP officials guilty of tax fraud, though the accused have appealed their sentences and remained free at the year's end. The government made some progress in implementing an anticorruption program in 2013 and continued to reform regulatory agencies, though the impact of these changes has yet to be seen. *Lithuania's corruption rating remains unchanged at 3.50.*

Outlook for 2014. In 2014, the government has pledged to maintain its focus on joining the Eurozone, so Lithuania will have to remain focused on fiscal discipline. The government is likely to announce a decision on the building of a new nuclear power plant during the year. Presidential and European Parliament elections will take place in 2014, so the focus of the politicians is likely to be on campaigning rather than much-needed reforms in the public sector.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75

Elections to the Lithuanian Seimas (parliament) in December 2012 brought together a center-left ruling coalition between the formerly opposition Lithuanian Social Democratic Party (LSDP), the Labor Party (DP), the conservative Order and Justice Party (TT), and the Electoral Action of Poles in Lithuania (AWPL). The coalition remained intact throughout the year, while former prime minister Andrius Kubilius's center-right Homeland Union–Lithuanian Christian Democrats (TS-LKD) led the opposition. In July, Lithuania took over the six-month presidency of the European Council, becoming the first Baltic nation to hold the position since Lithuania, Latvia, and Estonia joined the European Union (EU) in 2004.¹

Following a high-profile court decision that found several DP officials—including DP founder Viktor Uspaskich and Deputy Parliament Speaker Vytautas Gapšys—guilty of tax fraud, the party reshuffled its senior officials and its top parliamentary appointees. In early October, Gapšys resigned as deputy speaker on the eve of a no-confidence vote that appeared likely to force him from the position; Parliament Speaker Vydas Gedvilas resigned along with him, but returned as deputy parliament speaker under new parliament speaker Loreta Grauziniene. Gapšys additionally stepped down as DP head, and Grauziniene became the party's new leader.² She quickly criticized a number of DP-appointed ministers for lack of progress in their areas,³ leading to a removal of two vice-ministers of social affairs and labor.⁴

Public officials, especially parliamentary deputies, have a poor reputation due to criminal charges against members of parliament as well as unprofessional behavior among some officials. Neringa Venckienė, the leader of the Way of Courage (WC) party, fled the country after a parliamentary committee in March stripped her of parliamentary immunity. The former judge Venckienė is under criminal investigation for disrespecting a court and for failing to carry out a court order, among other offenses.⁵ In May, President Dalia Grybauskaitė, dismissed Economy Minister Birutė Vėsaitė, after the minister had traveled to a business forum in Kazakhstan on a jet chartered by a company apparently seeking favor with the ministry, sparking concerns about conflicts of interest.⁶ Earlier, in December 2012, Algimantas Salamakinas of the LSDP, a former head of the parliamentary commission for ethics and procedures, was caught voting on a 2013 budget proposal on behalf of Prime Minister Algirdas Butkevičius, who was present for the vote and reportedly appeared surprised to see that someone had voted in his place.⁷

Grybauskaitė and Butkevičius remain popular, with polls showing public trust in their leadership at around 60–70 percent throughout the year.⁸ Grybauskaitė

faced some criticism from Prime Minister Butkevičius for her handling of the so-called milk crisis of late 2013, in which Russia banned dairy imports from Lithuania in an apparent attempt to intimidate several former Soviet republics and discourage them from expanding ties with the EU.⁹ Grybauskaitė had insisted that the government find a solution to the issue, prompting complaints that she was reluctant to confront the problem herself. In late December, Russia indicated that it would lift the dairy ban.¹⁰

Butkevičius, for his part, faced some criticism for inconsistent leadership, while his government was accused of lacking a coherent strategy. Throughout the year, the legislature put off making decisions on energy policy, while the government proposed controversial reforms to the healthcare system. In June, members of the opposition failed to oust Minister of Health Vytenis Andriukaitis over his attempts to curb patients' choice of healthcare providers through reforms that would restrict funding for private healthcare institutions.¹¹ Andriukaitis, who regards the Soviet system as a model for healthcare reform in Lithuania, had also suggested medical personnel should be prohibited from simultaneously working at both public and private institutions. The proposed bill suffered a defeat at the Constitutional Court in May, when the court ruled that mandatory healthcare insurance funding could be used to pay for both public and private services.

Lithuania imports more than 80 percent of its energy from Russia, and is wholly dependent on Gazprom, Russia's state-owned energy conglomerate, for its supply of natural gas.¹² The state security department in a June report said the nation's dependence on Russia for natural gas represented a threat to Lithuanian state security.¹³ Gazprom currently charges Lithuania one of the highest gas prices in the EU. In 2012, Lithuania sued Russia for LTL 5 billion (\$1.9 billion) at the Stockholm Arbitration Tribunal, claiming that Gazprom was overcharging it for gas shipments. The case is ongoing. Meanwhile, in the fall of 2013, Lithuania began negotiations with Gazprom regarding new gas prices, the implementation of the Third Energy Package—a slate of EU-backed reforms to electricity and gas markets—and gas transit to Kaliningrad. By the end of October, Gazprom had lifted trade restrictions that would allow Lithuania to purchase gas from Latvia, which has a better deal on Russian natural gas imports than does Lithuania. However, Lithuania and Latvia by the end of the year had yet to strike such a deal.

Hoping to reduce Lithuania's dependence on foreign energy, in June 2012, the parliament passed a bill allowing the government to sign a concession agreement with Hitachi to build a new nuclear power plant. However, in a consultative referendum held in October, 65 percent of the electorate voted against its construction.¹⁴ In April 2013, Prime Minister Butkevičius indicated the project could be amended, but it was not clear by year's end how the government plans to proceed.

A controversial shale gas exploration deal with the U.S.-based energy company Chevron collapsed in 2013; the project had drawn protests from environmentalists and had prompted debate in the parliament on numerous related pieces of legislation. Chevron won the tender but pulled out of the project in October, citing an unpredictable regulatory environment.¹⁵

Meanwhile, Lithuania continues to pursue electricity grid deals with Poland and Sweden, and is developing a liquefied natural gas terminal expected to come into operation in 2014. Lithuania was set to interconnect with the Nordic electricity market in late 2015, but since Poland has delayed purchasing the necessary land, Lithuania's full interconnection with continental Europe will be postponed until at least 2016.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00

Elections held in Lithuania since 1993 have been assessed as free and fair by domestic and international monitors. Citizens freely exercise their political rights and directly elect the president for a five-year term, representatives of the Seimas (the parliament) for four-year terms, and representatives of the European Parliament for five-year terms. The most recent parliamentary elections took place in 2012 and President Dalia Grybauskaitė was elected in 2009.

While there were widespread allegations of voter fraud during the 2012 parliamentary elections—most of which involved the DP—the Organization for Security and Cooperation in Europe (OSCE) in a January 2013 report expressed a high level of confidence in the polls, saying they had been professionally administered. The Central Electoral Commission of the Republic of Lithuania enjoys a high level of public trust and was widely perceived to be impartial and professional. Significant segments of the public, however, considered the polls to have been riddled by fraudulent behavior, and police received more than 500 reports and launched 37 pretrial investigations, 21 of which was dismissed, 9 reached the court, and 7 are still ongoing.¹⁶ The OSCE claimed that the broad interpretation of the definition of vote-buying resulted in an “exaggerated impression of the level of corruption.”¹⁷

In March, voting for the 2012 elections to the Seimas was repeated in three single-member districts where the election commission had annulled previous results over claims of voter bribery.¹⁸ The LSDP won two mandates and the TT won one mandate in the re-run,¹⁹ monitored by the White Glove movement. The movement, organized by civic-minded youth, was established after the record number of complaints in the 2012 parliamentary elections.²⁰

Political parties in Lithuania may register and campaign freely, with the exception of the Communist Party, which is banned. Coalitions shift frequently and party mergers are common. In April, the DP merged with the smaller, affiliated Laborist Party; the merger allowed the DP to escape prosecution in the ongoing tax fraud case against several officials of the party. Before the merger, the DP was also discussing merging with the TT, a member of the center-left ruling coalition; the move would have resulted in the largest party in Lithuania. The merger fell through in May over disagreements about the leadership of the new party.²¹ In October,

the Christian Party (KP) headed by former prime minister Gediminas Vagnorius, merged with the DP.²²

In 2013, there were 43 registered parties in Lithuania. More than a third of these did not participate in the 2012 parliamentary elections, and 10 out of 28 that did participate failed to win a single mandate. Political parties remain the most unpopular public institutions in the country; they are viewed positively by only 7.2 percent of the population, a slight increase from 4.2 percent in 2012.²³ The lifespan for most new Lithuanian political organizations is quite short, as many fade from prominence quickly due to infighting or weak leadership, or are absorbed into larger parties. Voting rates are relatively low among younger people, reflecting their disenchantment with the political process.²⁴

Only 114,000 Lithuanians, 3.8 percent of the population, are registered with a political party, and DP and LSDP have the largest membership.²⁵ The political participation of minorities is fairly strong, the two largest minority groups, the Polish and the Russians, are represented by the Electoral Action of Poles in Lithuania (AWPL) and the Russian Alliance parties, which often run together on elections.²⁶ AWPL currently has eight seats in the Seimas. Other minorities, including the Belarusians and the Ukrainians, do not have active parties representing them.

Following its victory in the previous year's parliamentary elections, the LSDP's popularity grew in 2013, while support for the DP decreased following the July convictions of several party officials for fraud. A mid-2013 opinion poll showed scant support for the opposition, conservative TS-LKD, with just under 9 percent of respondents selecting it as their favored party. In the same poll, 24 percent of respondents said they favored the LSDP; 9.4 percent favored TT; while the DP registered just under 8 percent of respondents' support.²⁷

Based on Constitutional Court rulings, the electoral framework has been significantly revised recently. As of 2012, a law came into effect banning both corporate and individual donations to political parties, except for individual donations made during elections.²⁸ Widespread vote fraud in 2012 indicated this ban is ineffective, in line with predictions that previously legal, transparent donations would become illegal, unrecorded, and untraceable.

In June 2013, a parliamentary working group presented an electoral legislation package that aims to codify existing electoral laws and implement recent Constitutional Court rulings. In November, the Seimas approved amendments to the laws on campaign financing, the Electoral Commission, and the election of the president and members of the European Parliament.²⁹ The adoption of the remaining laws is scheduled for 2014 and 2015. Virginija Baltraitienė, the leader of the working group, highlighted that one of the key provisions allow the participation of public election committees, consisting of at least 15 voters, at municipal and European Parliament elections.³⁰

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Civil society in Lithuania is active and continues to increase in visibility. Civil movements have gained importance in the past few years, however, the civic sector is fragmented and nongovernmental organizations (NGOs) are challenged by limited administrative and financial resources and low public participation. While NGOs and civic groups function without interference from authorities, some groups, such as those that represent the interests of the LGBT (lesbian, gay, bisexual, transgender) community, sometimes face harassment.³¹

An uptick in volunteer work and donations to charities emerged following the onset of the 2008–09 global economic crisis, with crisis-induced budget cuts prompting the mobilization of various societal groups into public-works and charity associations.³² Donations to the Food Bank (Maisto Bankas), founded in 2001, increased nearly tenfold between 2008 and 2012, and the charity now distributes food to nearly 40 thousand individuals.³³

Lithuanians participate not only in community service helping the children or the elderly, but also volunteer for the fire brigades and the police. Volunteer fire brigades are active, and volunteers frequently report crimes and administrative offenses to police.³⁴ Numerous private companies are involved in social-responsibility projects, including museum maintenance, the construction of public recreation facilities, and church restorations. In 2013, one company donated LTL 22 million (\$9 million) to the construction of an entertainment and sports center.³⁵

In December, the Seimas adopted a law on NGOs submitted by President Grybauskaitė. The law, which will come into force on 1 April 2014, will bring progress in regulating the activities of civil society as it will be the first legal instrument to establish a clear definition of NGOs, and regulate NGOs' organizational structure and cooperation with municipal and state authorities.³⁶

Statistics on the number of NGOs are ambiguous, with many more of them officially registered than are actually operational. At the beginning of 2013, there were 9,896 active associations, 2,692 public institutions (excluding schools and hospitals), and 220 charity and sponsorship funds.³⁷ Private individuals may donate 2 percent of their personal income tax to NGOs.³⁸ Funding to NGOs through this provision has begun increasing again, after a period of a decrease due to the economic crisis and a 2009 cut in the personal income tax rate. Both the number of recipient NGOs and charities and the number of donors increased in 2012, with the total amount donated increasing from LTL 40.9 million (\$16.1 million) in 2011 to LTL 42.8 million (\$16.9 million) in 2012.³⁹ According to official data, donations to charities and sponsorships rose by 7 percent between 2010 and 2012.⁴⁰ Private companies account for 86 percent of total sponsorships and donations, with the remaining 14 percent coming from individuals and anonymous donors.

Sports teams are the major recipient of private donations, followed by social-care organizations, cultural groups, and healthcare organizations.

Business associations and trade unions are traditionally the most influential NGOs in the policymaking arena. Labor-group coalitions include the Lithuanian Confederation of Trade Unions, the Lithuanian Labor Federation, and Solidarity; the country's leading employer organizations are the Lithuanian Confederation of Industrialists and the Lithuanian Business Employers' Confederation. These groups, together with the government, constitute the Tripartite Council, which makes recommendations on national labor policy. Despite its wide powers, the council has low representation—trade unions claim only about 9 percent of the workforce, and the employer confederations represent just 14 percent of enterprises.⁴¹

According to the Civil Society Institute's 2013 Civic Empowerment Index, the public perception of civil society's influence increased, however, Lithuanian citizens were less involved in the activities of political parties. Public participation in the demonstrations, rallies, and strikes also declined.⁴²

Individuals and groups must obtain permission from authorities before staging protests larger than 15 people.⁴³ On 11 March, despite a municipal ban on marching in the center of Vilnius, radical nationalists marched to commemorate Lithuania's independence. In the previous years, the marches were marked by violence and incidents of hate speech toward minorities. The 2013 march passed without major incidents, except for individual chants of "Lithuania for Lithuanians."⁴⁴ In May, authorities ruled that a member of the Electoral Action of Poles in Lithuania pay LTL 500 (\$198) for holding an unsanctioned demonstration, but the fine was later canceled on appeal.⁴⁵

In July 2013, the Baltic Pride march, an LGBT event, took place in central Vilnius, the capital. City officials had attempted to ban it but event organizers successfully appealed the move. However, antigay protesters, including parliamentarian Petras Gražulis and the leader of the Union of the Fighters for Lithuania political party Vytautas Štusauskas attempted to disrupt the march, leading to the arrest of 28 individuals.⁴⁶

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.25

In early November, Special Investigation Service (SIS) agents pressured Baltic News Service (BNS), the largest news agency in the Baltics, to identify its sources. The pressure came after BNS, citing Lithuanian intelligence sources, reported that the State Security Department had warned government officials and parliamentary committees that the Russian government was about to launch a misinformation campaign targeting President Grybauskaitė. A pretrial investigation was opened with the aim of identifying BNS's sources. A BNS editor was then instructed by a

judge to reveal her sources of information, leading to a search of the editor's home, interrogation of six BNS employees, and the seizure of several BNS computers.⁴⁷

Lithuanian journalists, who viewed the judge's demand as a threat to their community, loudly protested the order, and both the president and the prime minister criticized the action taken against BNS. On 8 November, the Seimas board asked the Commission for Parliamentary Scrutiny of Criminal Intelligence to look into the issue, and on 3 December, the Vilnius Regional Court issued a final order annulling the earlier disclosure order.⁴⁸

Two weeks after the scandal erupted, the president proposed a bill that would bring Lithuania in line with EU laws and regulations on media source protection. However, the parliament voted against the president's request to pursue urgent procedures to adopt the bill and was expected to debate it in 2014.⁴⁹ Libel and defamation are punishable by fines or imprisonment.⁵⁰

When the Lithuanian economy entered a state of recession in 2009, the government rapidly introduced some 60 changes in tax law, including two that significantly affected the media. The value-added tax rate for media quadrupled from 5 percent to a standard 21 percent, and journalists were no longer exempt from paying into the state social security system, contributions to which reached 34 percent in 2011. To avoid the high tax burden, some businesses forced their employees to purchase business certificates or to receive part of their wages illegally. By late 2012, these illegal practices, most notably by outlets indirectly linked to the DP, became a matter of public debate.⁵¹

Legally operating media companies complain that it is virtually impossible for them to stay profitable under the current tax regime. In mid-2013, most national newspapers (including *Lietuvos Rytas*, *Lietuvos Žinios*, *Respublika*, and *Verslo žinios*) announced plans to stop publishing Monday print editions in 2014. A former daily newspaper, *Vilniaus Diena*, became a weekly in January 2013. Another newspaper, *15min*—which had already been transformed from a daily to a weekly—discontinued its print edition in July. In addition to the tax hikes, newspapers have also experienced a rapid decline in revenue from advertising in recent years; papers' income from advertising more than halved between 2008 and 2012, from LTL 135 million (\$53 million) to LTL 56 million (\$22 million).⁵²

The financial situation is particularly serious in the regional media; around 50 local outlets have closed or gone bankrupt in the past four years.⁵³ Meanwhile, the weekly news magazine *Veidas* estimated in January that only about 10–15 percent of regional media outlets are truly independent; the majority are either owned by local business elites or are financially dependent on revenue from announcements and advertisements commissioned by municipalities.⁵⁴

In general, Lithuania's independent media face criticism for their partisanship and lack of investigative depth. The coverage of political news is often perceived as lacking rigor, and private media are accused of increasing "tabloidization." Most private mass-media companies are owned by businesspeople or obscure conglomerates and are widely regarded as representing business interests. In exchange for public advertising revenue, many regional outlets do not print criticism of local elites or government figures.⁵⁵ Public trust in mass media hovered around 33 percent in 2013 (the lowest

in 15 years), down by 3 percentage points since 2012, and 50 percent over the past decade.⁵⁶

With the exception of the state-owned Lithuanian National Radio and Television, media in Lithuania are privately owned. Lithuania has four national daily newspapers—*Lietuvos Rytas*, *Vakaro Žinios*, *Respublika*, and *Lietuvos Žinios*. The *Lietuvos Rytas* and *Respublika* groups dominate the newspaper market.⁵⁷ In October 2013, Big Group, a subsidiary of Fragrances International owned by businessman Benas Gudelis, purchased Snoras Media, which holds a 34 percent stake in *Lietuvos Rytas*.⁵⁸

Lithuania does not have sector-specific regulations on the concentration of media ownership, but legislation on competition sets a general limit at 40 percent market share, in an effort to ensure that no single business group can gain a dominant market share and exert unlimited influence through mass media. An initiative by the Lithuanian branch of Transparency International works to expose links between different media consortiums in an effort to increase the overall transparency of Lithuanian media ownership.⁵⁹

Of the approximately 50 radio broadcasters in Lithuania, all are private except for the state-run Lithuanian National Radio, which in spring 2013 had the largest audience share at 19.8 percent.⁶⁰ Of the roughly 30 broadcasters in the television market, the leading national outlets are TV3 (owned by the Scandinavian conglomerate Modern Times Group), LNK (owned by Lithuania's MG Baltic), and the publicly operated Lithuanian National Television's LTV1. In October 2012, Lithuania made a full transition to digital television, promising to increase viewership of channels like the news-oriented *Lietuvos Rytas TV*, which previously could be viewed only in major cities. Between mid-2012 and June 2013, the number of digital television subscribers grew by 12 percent to 408,100 households.⁶¹

The internet continues to grow in importance in the media market. In 2013, 65 percent of Lithuanian households were connected to the internet, up from 55 percent in 2012, and 69 percent were regular internet users, a slight increase over the previous year. Household surveys revealed that online newspaper reading, reported by 91 percent of internet users, is the most popular use of the internet.⁶² News portals within Lithuania's online media market are extensive, and outlets enjoy healthy competition. Television broadcasters have upgraded the selection of shows available online, and some offer live streaming. Social media use has also grown rapidly. For example, more than 60 percent of Lithuanian internet users had Facebook accounts in 2013, up by almost 10 percent from 2012.⁶³

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Public confidence in local government is undermined by politicking, graft, bribery, and mismanagement. Throughout 2013, public trust in municipal governments

remained below 30 percent, according to an opinion poll conducted by the market research firm Vilmorus Ltd.⁶⁴ Municipal councils are widely viewed as lacking accountability to their electorate.⁶⁵ Private citizens have little faith that the councils will act in their best interests, nor do business leaders and managers. According to a 2013 survey commissioned by the SIS that investigated business representatives' opinions, 48 percent of respondents who had experience with the municipal process of approving building permits claimed that the process was very corrupt.⁶⁶ Anti-corruption commissions, which are operating in some municipalities, remain ineffective.⁶⁷ The management of municipally owned enterprises lack transparency and in many cases, their socially and commercially oriented functions are not clearly separated.

Mayors are elected by municipal councils whose members are chosen in general elections. Reforms under which mayors would be popularly elected have been debated for years, and a new draft bill was to be presented to the parliament in November 2013; while it has not been passed, most political parties support the measure. Prime Minister Butkevičius has expressed a goal to have direct mayoral elections by 2015.⁶⁸ Direct elections would allow mayors to focus on their immediate functions rather than engage in continuous political bargaining to maintain coalition support.

Local governments are limited in the functions they have the independence to perform. Currently, municipalities cannot manage urban or rural state-owned land, an ability that would allow them to more quickly realize investment projects. Local governments are also limited in their financial independence. Central budget allocations account for about half of municipal budgets; the remaining portion comes from property and land taxes and local fees. But in reality, much of the municipalities' independent proceeds go to the central government wage fund and utility payments. Thus, municipal councils are free to distribute less than one-tenth of municipal budgets.⁶⁹ In the national budget, the portion of total personal income tax revenue allocated to local governments dropped from 73.5 percent in 2010 to 57.3 percent in 2013, but will be raised to 67.8 percent in 2014.⁷⁰ Many municipalities experienced financial difficulties following minimum-wage increases in 2012 and 2013, because the government failed to offset municipalities' increased spending on wages with additional allocations.

Wide regional disparities in local government revenues are leveled through revenue transfers. Cities with higher personal income tax revenues are net donors, while poorer regions are net recipients. In effect, the central government dictates the share of personal income tax revenues for each municipality, thus undermining municipalities' independence. The situation is particularly serious in Vilnius, where 58 percent of personal income tax is redistributed to other cities, even as the city's debt steadily rises.⁷¹ Vilnius Mayor Artūras Zuokas in July said that the share would drop to 50 percent in 2014.⁷² Despite this lower share of revenues, Vilnius is required to perform costly functions unique to the capital. In 2013, Vilnius and its municipally owned enterprises accrued debts of nearly LTL 1 billion (\$392 million), an amount close to its entire yearly budget. Overall, year-on-year growth in municipal debt stood at 5 percent in mid-2013.⁷³

In May, the Seimas approved a draft amendment to the Local Municipal Law,⁷⁴ mandating the establishment of anticorruption commissions in every municipality. The draft stipulated that only representatives of the opposition could be appointed to head the commissions. Currently, there are two mandatory municipal commissions, the Administrative and Ethics Commission.⁷⁵ The draft was not adopted by year's end.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Lengthy investigations and trials, and occasional corruption scandals in the judiciary have damaged the reputation of Lithuania's court system. Prior to 2013, there were debates on reforming the prosecution service and state security with a view toward making them accountable to the government, rather than the president.

In 2013, the parliament amended the Statute of the Parliament, passing changes regarding the dismissal of the heads of more than 15 state institutions, including the Prosecution Service.⁷⁶ The prosecutor general is appointed by both the president and the parliament, while the amendment allows the parliament to unilaterally dismiss him or her, if the parliament does not approve the institution's annual report. In the fall of 2013, the parliament exercised the new provision by disapproving Prosecutor General Darius Valys's annual report. The parliament has begun hearings on a decree to dismiss Valys, amid the president's claims that such a move would violate the Constitution. Grybauskaitė expressed concerns that direct parliamentary control over the appointment of the prosecutor general could interfere with the Prosecution Service's ability to investigate corruption, especially political corruption. The parliament, however, overturned the president's veto in December.

The public perceives the judiciary as insular and opaque, and its impartiality is widely challenged. Recent public opinion polling showed that only around 18–21 percent of the population trusts the courts.⁷⁷ A national anticorruption program aims to increase judicial transparency by creating a computerized system that randomly assigns cases to judges and by publishing information on court proceedings online. In July 2013, Lithuanian courts' services launched e-services portal E.teismas.lt, where registered users may formulate and submit pleadings to court, pay the stamp duty, access to cases' files, send documents, and listen to audio recordings of court hearings. Currently, e-documents may be presented only in civil and administrative suits.⁷⁸

The court system continues to suffer from delays, which are partly due to poor management within the courts. In March 2013, the president presented a draft amendment to the Code of Criminal Procedures that would limit court session breaks to one month and define legitimate reasons for court breaks.⁷⁹ The bill was not adopted by year's end. Currently, the length of the court session breaks is unlimited,

and it may be the case that courts are not in session for up to four months.⁸⁰ In the past two decades, about a third of the cases Lithuania has lost in the European Court of Human Rights were related to lengthy trials.⁸¹ Planned mergers of the courts would allow spreading judges' caseloads more evenly; presently caseloads vary greatly, with some judges assigned three times as many cases as others. The number of complaints to the Judicial Ethics and Discipline Commission, an institution that adjudicates disciplinary cases within the judiciary, has decreased in recent years, with a 21 percent fall recorded in the first three quarters of 2013.⁸²

In 2013, a court in Vilnius pronounced a sentence in a controversial trial involving a young female Lithuanian Muslim convert, Eglė Kusaitė. Kusaitė was detained in late 2009 after being accused by Lithuanian prosecutors of plotting a terrorist act in Russia. The prosecutor asked for a 10-year prison sentence, but a court in May sentenced her to 10 months for planning a terrorist attack, which she had already served during her arrest. In August 2013, prosecutors appealed the ruling and the Lithuanian Court of Appeals opened hearings on the matter, with no decision handed down at the year's end.⁸³ While in custody in 2010, Kusaitė reported physical and psychological abuse by Lithuanian authorities and Russian security officials who were allegedly allowed to participate in a pretrial investigation.⁸⁴ Concluding that they were not supported by any objective records, the Lithuanian prosecution refused to conduct a pretrial investigation of Kusaitė's complaints. Human rights groups have appealed to Lithuanian authorities, claiming that the court, the prosecution, and the State Security Department jointly operated without an adequate system of checks and balances.

A number of other developments have raised concerns about the Lithuanian justice system. In February, a search was performed in the home of a movie director, leading to a seizure of a movie depicting home birth, which is illegal in Lithuania; the Vilnius District Court is currently pursuing a separate home birth case.⁸⁵ In another case, Andrius Romanovskis, a registered lobbyist who was indicted on corruption charges, claimed that authorities presented him with a choice: either he give evidence against another suspect in the case, or be placed in pretrial detention. Following his refusal to testify, he was detained for several weeks. This event has increased the public attention on the abuse of pre-trial detention, whereby the officials may pursue excessive detention.

The number of laws deemed unconstitutional by the Constitutional Court has been on the rise since 2010, with many of them annulling austerity measures. This has raised concerns about the high court's power to restrict lawmakers' ability to cut public spending in order to address growing deficits and debt. In July, the Constitutional Court ruled that recent non-proportional cuts in the civil servants' and politicians' salaries had been unconstitutional. During the recent economic crisis, the parliament passed laws cutting civil servants' salaries by anywhere between 8 and 36 percent, with higher cuts imposed on the top earners.⁸⁶ Following the high court's ruling, salaries are to be restored to their original levels and the unconstitutional cuts compensated. The ruling drew criticism from President Grybauskaitė as well as from the conservative opposition, which argued that

decisions on civil servants' salaries should be made by the parliament and that the court had overstepped its mandate. Opposition lawmakers indicated that they might try to modify the constitution in order to curb the court's ability to decide civil servants' salaries.⁸⁷

The Lithuanian prison system is overcrowded and does not conform to international standards. Prisoners lack access to proper medical care.⁸⁸ In 2013, a court in Northern Ireland refused to extradite an individual to face trial in Lithuania because that "would expose him to a real risk of inhuman and degrading treatment by reason of prison conditions."⁸⁹ The prisoners are held in unsanitary conditions and have just two square meters of cell space per person, and tensions among them result in frequent conflicts between officers and the prisoners.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.50

While corruption in Lithuania remains a major concern, follow-through on corruption cases has increased somewhat in recent years. In July, convictions were handed down in a corruption case involving senior members of the DP; additionally, in early 2013, investigations by the SIS led to arrests in a corruption case involving hotel reconstruction and preparations for the European men's basketball championship, which had been held in Lithuania in 2011.⁹⁰ However, corruption investigations often linger for years before reaching the courts.

In July, the Vilnius Regional Court pronounced DP founder and current MP Viktor Uspaskich, and Parliament Speaker Vytautas Gapšys, also of Labor, guilty of fraud and fraudulent bookkeeping in a criminal case first opened in 2008.⁹¹ The case marked the first investigation and judicial trial where criminal proceedings against senior politicians were not aborted. Uspaskich was sentenced to four years in prison, and Gapšys was fined LTL 36,000 (\$14,000) but escaped a prison sentence. Vitalija Vonžutaitė, also a DP MP, was sentenced to three years in prison in connection with the scheme, while former DP accountant Marina Liutkevičienė was sentenced to one year in prison.⁹² All four appealed the verdict, though it could take up to two years before a final ruling is handed down; in the meantime the four remain free.⁹³ The DP itself avoided legal persecution by means of an April merger with the smaller, affiliated Laborist Party, as existing criminal proceedings cannot be pursued against a legal entity that no longer exists.⁹⁴

The implementation of an updated national anticorruption program for 2011–14 progressed during the year. The program emphasizes well-defined objectives and measurable criteria to allow a more accurate assessment of anticorruption efforts. One of its central aims is to reduce bureaucracy and introduce computerized infrastructure designed to assist with many official tasks, in particular for the corruption-prone areas of territory planning and construction permits. By mid-

2013, 41 measures had been fully realized and 3 had failed, with 34 still in the process of implementation.⁹⁵ A new Law on Territory Planning envisaging reduced bureaucratic procedures is expected to take effect in 2014.

Public procurement remains one of the most corrupt areas in Lithuania. According to a 2013 survey commissioned by the SIS that investigated business representatives' opinion, 55 percent of those who have had experience with public procurement claimed the process is very corrupt.⁹⁶ In February 2010, the Public Procurement Office (PPO) began publishing all reports and decisions of purchasing organizations online. Since 2011, the number of business representatives viewing public procurement as corrupt has gone down by only 4 percentage points.⁹⁷ In 2013, the office investigated 253 public procurements, identifying violations of official procedures in roughly 20 percent of those cases.⁹⁸ Public institutions' directors are not held personally liable for procedural violations, and penalties for violators are disproportionately low. The procurement of EU assistance, which accounts for over a quarter of state budget revenues, is especially prone to mismanagement. The number of public tenders carried out through the centralized online public procurement system remains relatively low at 2.8 percent, accounting for 14.5 percent of the total value of public procurements.⁹⁹

While the public perception of corruption declined since 2011, people in Lithuania are the most likely to report having been asked a bribe in the EU.¹⁰⁰ According to a 2012 study by the SIS, 44 percent of respondents reported that they had been asked for bribe money at public healthcare institutions, and 34 percent reported paying bribes. According to Transparency International survey in 2013, 77 percent of Lithuanian respondents said that based on their experience, personal networking is important in order to receive appropriate public services. Almost two-thirds (63 percent) of Lithuanians believe that the public institutions represent major stakeholders' interests rather than residents' interests.¹⁰¹ Without legal copayments for patients or a clear incentives structure for healthcare professionals, the healthcare system is one of the most vulnerable sectors for corruption.¹⁰² Many individuals do not file official complaints of bribe extortion, fearing damage to their relationship with healthcare institutions. Patients who use public healthcare facilities typically experience long waits, and the process of deciding whether certain treatments are covered by the public healthcare fund is opaque.

Lithuanian businesses are burdened with onerous reporting regulations, comprising some 900 requirements in the areas of statistics, consumer protection, and corporate, labor, and tax law, as well as another 1,200 in vertical sectors of the economy such as transport, finance, trade, and construction.¹⁰³ In 2013, there were about 60 regulatory agencies in Lithuania.¹⁰⁴ The new government has continued reforms of business supervision procedures, coupled with functional and institutional mergers designed to prevent abuse, excessive interventions, and unjustified penalties. As of 2012, regulatory agencies perform inspections according to questionnaires, which are expected to relieve regulatory burden and tension (a measure useful to both businesses and inspectors). Breaches not covered by legally approved questionnaires may not be punished; however, 43 percent of surveyed

companies reported that questionnaires were not used during inspections.¹⁰⁵ These regulatory reforms have improved business conditions, allowing Lithuania to jump from 27th to 17th spot in the World Bank's *Doing Business* rankings.¹⁰⁶

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Macedonia

by Ljubic Grozdanovska Dimishkovska

Capital: Skopje
Population: 2.1 million
GNI/capita, PPP: US\$11,540

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.00	3.25	3.25	3.25	3.50	3.25	3.25	3.25	3.25	3.25
Civil Society	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Independent Media	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.75	4.75	5.00
National Democratic Governance	4.00	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25	4.25
Local Democratic Governance	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.25	4.25
Corruption	5.00	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00	4.25
Democracy Score	3.89	3.82	3.82	3.86	3.86	3.79	3.82	3.89	3.93	4.00

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

At the end of 2012, Macedonia's governing coalition went to extreme lengths to approve the 2013 national budget, forcibly ejecting journalists and members of the largest opposition party from the National Assembly during the vote. "Black Monday," as the date of these events came to be known, exacerbated the already difficult relationship between the ruling Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE) and the opposition Social Democratic Union of Macedonia (SDSM), resulting in a political crisis that virtually paralyzed governance in 2013. Both parties repeatedly threatened each other with early elections, and it took an intervention by the European Commission and other international bodies to dissuade the SDSM from boycotting local elections in March.

Although the political crisis nearly delayed the vote on the European Commission's spring report, the annual progress report published in October acknowledged a number of positive developments in Macedonia and stated the country is still on track toward candidate status. Nevertheless, the naming dispute with Greece, which claims exclusive rights to the geographical designation "Macedonia" on historical grounds, led the European Council to postpone the beginning of accession negotiations for a fifth consecutive year.

Concerns about declining media freedom in Macedonia over the last several years were amplified in 2013 by the arrest and harsh sentencing of investigative journalist Tomislav Kezarovski. Kezarovski, who was kept in pretrial detention for several months, was sentenced to four and a half years in October for revealing the identity of a protected witness. International media watchdogs also reacted negatively to a packet of media legislation that could potentially curb freedom of speech; the government promised to amend the laws at year's end.

After a member of the opposition Liberal Democratic Party (LDP) was elected mayor of Centar, he fulfilled a campaign promise by initiating an audit of the multimillion-euro urban redevelopment project Skopje 2014. The investigation revealed several irregularities. Additional scandals linked to public procurement and party financing further underscored the scale of Macedonia's corruption problems.

National Democratic Governance. The events of "Black Monday" effectively paralyzed governance in Macedonia for the first half of 2013, undermining progress towards European Union (EU) accession. Political deadlock eased after SDSM agreed to participate in the March local elections, but other deep-rooted problems, such as the name dispute with Greece or legacies of the 2001 interethnic conflict, remained largely unaddressed. Ethnic tensions rose in March, following the appointment of a

former Albanian National Liberation Army (NLA) commander as defense minister. *Macedonia's national democratic governance rating remains unchanged at 4.25.*

Electoral Process. The ruling VMRO–DPMNE claimed the most seats in local elections held on 24 March, winning in 54 of Macedonia's 80 municipalities, including the city of Skopje. The elections were assessed as free and fair, though minor incidents and irregularities were noted. In the months leading up to the elections, opposition SDSM threatened to boycott the vote, but they relented after the international community intervened to broker an agreement between the two main parties. Party financing in Macedonia lacks transparency, and the electoral framework remains in need of reform. *Macedonia's electoral process rating remains unchanged at 3.25.*

Civil Society. Compared to previous years, the government appeared more open to cooperation with the civil sector in 2013. Several initiatives, such as the online legislative register and the e-Democracy portal, aimed to foster cooperation and provide a favorable environment for civil society in Macedonia. At the same time, the number of politically connected NGOs remained high, and political ties with the government continued to discredit the sector. *Macedonia's civil society rating remains unchanged at 3.25.*

Independent Media. Media outlets in Macedonia are increasingly dependent on government advertising for financial support, contributing to their growing politicization and a further loss of credibility and readership. Pressures facing Macedonian media and journalists drew significant attention in late 2013, when investigative journalist Tomislav Kezarovski was sentenced to four and a half years in prison for revealing the identity of a protected witness in the 2008 “Oreshe” case. Local and international press watchdogs condemned Kezarovski's harsh sentencing and lengthy pretrial detention, raising many questions about the merits of the case itself. In December, the government drew additional criticism when it adopted controversial media legislation in a quick, nontransparent process. Among other changes, the new laws expanded statutory regulation to print and online media. As the legislative and economic environment for independent media deteriorates, *Macedonia's independent media rating declines from 4.75 to 5.00.*

Local Democratic Governance. Political battles between the country's largest parties hindered tangible progress on pressing issues such as decentralization or the need for greater fiscal independence from the central government. After local elections in March, both the governing and opposition parties repeatedly accused each other's local representatives of abusing their position. In Centar, a key municipality of Skopje, newly elected opposition mayor Andrej Zernovski faced protests and pressure from the central government after he initiated an audit of the multimillion-euro redevelopment project Skopje 2014. *Macedonia's democratic governance rating remains unchanged at 3.75.*

Judicial Framework and Independence. The judiciary in Macedonia is still plagued by allegations of selective justice, indirect political pressure, and unusually expedited lawsuits. The influence of the executive branch over legal proceedings was criticized in numerous high-profile cases during the year. Meanwhile, the Kezarovski trial highlighted flaws in the legal framework and a general lack of understanding of the institution of witness protection. As of December 2013, Macedonia replaced investigative judge-led proceedings with an adversarial system. *Macedonia's rating for judicial framework and independence remains at 4.25.*

Corruption. Although nearly every government in independent Macedonia's history has claimed to prioritize the fight against corruption, graft remains widespread. The transparency of party finance and general public expenditures is especially lacking, and most citizens are still unwilling to report incidents of corrupt or illegal behavior. Newly documented irregularities and mismanagement related to the Skopje 2014 redevelopment project highlighted the nontransparency of procurement procedures, as well as an apparent lack of political will to improve the situation. A 2013 audit of the project initiated by the mayor of Centar concluded that uncompetitive bidding procedures and other irregularities had cost taxpayers approximately €8 million. As anticorruption efforts stagnate, *Macedonia's corruption rating declines from 4.00 to 4.25.*

Outlook for 2014. Pervasive corruption, the deep politicization of the civil sector, and media outlets' declining credibility threaten Macedonia's democratic development and the future of EU and NATO integration. Presidential and parliamentary elections held in 2014 are not likely to result in sweeping changes, though they will probably expose pernicious political polarization. Poverty and high unemployment rates will continue to pose a problem and already fragile ethnic relations may suffer in case of another political deadlock.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25	4.25

Political deadlock in the first half of 2013 jeopardized Macedonia's spring progress report and stalled accession negotiations with the European Union (EU).¹ The country was granted candidate status in 2005, but continuous problems, including a 20-year-long naming dispute with Greece, resulted in the repeated postponement of opening talks. Macedonia, after Turkey, is the second country to spend almost a decade in the EU's waiting room.

The deadlock started with a political crisis on 24 December 2012. Earlier, opposition Social Democratic Union of Macedonia (SDSM) had sought reductions in the 2013 budget to prevent a rise in the national debt, but the governing majority had denied their request. On "Black Monday," as the day came to be known, SDSM members boycotting the vote were removed from parliament along with all journalists, and the budget was approved solely by MPs from the ruling Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO–DPMNE) and its coalition allies. Outraged, SDSM continued its parliamentary boycott into 2013, announcing that it would boycott local elections held in March. The opposition also called for civil disobedience, organized protests, and set up blockades in front of government buildings and on the streets of Skopje.

Even though both VMRO–DPMNE and SDSM were aware that the crisis negatively affected the country's EU integration process, neither showed willingness to overcome differences. Instead, both sides hoped they could improve their position and threatened to call early elections, revealing the polarized nature of Macedonian politics.²

Following repeated calls by representatives of foreign governments and international organizations—including EU enlargement commissioner Štefan Füle and the U.S. Embassy in Macedonia—negotiations resumed between the two main parties. At the end of January, President Gjorge Ivanov initiated the setup of an independent expert commission to investigate the events of 24 December. All parties welcomed the initiative, except SDSM, which claimed the commission was just "an attempt to avoid responsibility."³

After a visit by the EU enlargement commissioner and two European Parliament members, however, SDSM agreed to participate in the ad-hoc commission and in local elections scheduled for 24 March. The so-called March 1 deal was hailed as a big success. In exchange, SDSM demanded a review of the electoral code based on recommendations by the OSCE's Office for Democratic Institutions and Human

Rights (ODIHR), the amendment of the Law on the National Assembly, and a review of the Rules of Procedure of the National Assembly.⁴

A month after the ad-hoc commission started working in June, its chairman resigned, stating the work of the commission was blocked because VMRO–DPMNE and SDSM “did not share common ground.”⁵ SDSM continued to insist that the events of “Black Monday” constituted a direct attack against the constitution, while VMRO–DPMNE claimed that members of parliament (MPs) of the biggest opposition party did not obey the Rules of Procedure of the National Assembly and therefore should be criminally charged.⁶ The commission report, containing recommendations on the parliament’s rules of procedures to prevent similar crises in the future, was published at the end of August.⁷

On a few occasions in 2013, disputes between politicians included legal battles. In July, a Skopje court ruled in favor of Prime Minister Nikola Gruevski in a libel suit against the leader of the opposition New Social Democratic Party (NSDP), Tito Petkovski. Petkovski was ordered to pay damages in the amount of €10,000⁸ after he allegedly damaged Gruevski’s reputation and honor by telling the weekly newspaper *Focus* that he had agreed to change the country’s name in accordance with Greece’s demands.⁹

The naming dispute—which dates back to Macedonia’s independence from Yugoslavia in 1991—has stalled progress toward joining the North Atlantic Treaty Organization (NATO) and the EU for several years. Greece believes the use of “Macedonia” should refer solely to its own province of the same name and has pushed Macedonia to adopt “the Former Yugoslav Republic of Macedonia” as its international moniker. Several proposals, such as the “Upper Republic of Macedonia” or the “Northern Republic of Macedonia,” were circulated in 2013 without any significant progress. However, the October report of the European Commission commended the continuation of official and expert-level contacts between the two countries. Ali Ahmeti, the leader of junior coalition partner Democratic Union for Integration (DUI) representing mostly ethnic Albanians, stated Albanians would accept any name that reflects the multiethnic character of Macedonia.¹⁰

The internationally backed Ohrid Framework Agreement, which ended fighting between Albanian separatists and Macedonian security forces in 2001, grants Albanian-majority areas the right to education in their native tongue and provides guarantees of multiethnic participation in government. Other legacies of the interethnic conflict, such as the issue of financial support to families of those killed in the conflict or the status of former members of the so-called Albanian National Liberation Army (NLA), remained unaddressed. Interethnic tensions flared up once again in March 2013, after former NLA commander Talat Xhaferi was appointed defense minister. His appointment was followed by angry demonstrations by ethnic Macedonians on 1 March and counter-protests by ethnic Albanians the following day. Both protests turned violent, ethnic-Albanian protesters damaged cars and set fire to a bus, and several police, including policemen, got injured.¹¹

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	3.25	3.25	3.25	3.50	3.25	3.25	3.25	3.25	3.25

Parliamentary elections in June 2011 gave Prime Minister Gruevski and the ruling VMRO–DPMNE a renewed mandate. The DUI party, which represents parties from the country’s Albanian minority, is a coalition partner, though the parties had repeatedly disagreed on some key issues, including EU and NATO integration and the name dispute with Greece. Elections put a dent in the VMRO–DPMNE’s parliamentary majority, though it still held 56 seats in the 123-member National Assembly while DUI won 15 seats. The opposition SDSM took 42 seats by winning some of VMRO–DPMNE’s former spots. Nevertheless, the elections marked the party’s fifth consecutive electoral loss to VMRO–DPMNE (three parliamentary elections, the 2009 local elections, and the 2009 presidential contest).

VMRO–DPMNE won in 54 of 80 municipalities, including in the city of Skopje, at municipal elections held on 24 March and 7 April 2013.¹² International and domestic observers assessed both rounds as free and fair, though minor incidents and irregularities such as group voting or problems with votes from diaspora citizens were noted.¹³ Branko Crvenkovski, president of the opposition party SDSM, resigned following his party’s defeat. He was replaced by Zoran Zaev, mayor of Strumica.¹⁴

The elections also shook up the coalition government. In February, Gruevski reshuffled his coalition, mainly changing departments headed by DUI-nominated ministers as some of them were planning to run in the elections. Deputy Prime Minister Teuta Arifi, for example, resigned from her position to become mayor of Tetovo.

The biggest electoral battle took place in Centar, one of the 10 municipalities composing the capital. Liberal Democratic Party (LDP) candidate Andrej Zernovski—who ran against incumbent mayor Vladimir Todorovik of VMRO–DPMNE—announced he would undertake a general audit of the government’s controversial multimillion-dollar Skopje 2014 urban redevelopment project.¹⁵ Both rounds of the election and the rerun were characterized by high turnout and complicated by problems around voter identification. Albanian citizens from Pustec—a municipality bordering Macedonia with a significant Macedonian minority—allegedly obtained Macedonian identification documents and were transported on buses to vote for Todorovik.¹⁶ The acquisition of identification documents was facilitated by a fast-track procedure that had been in use in previous elections, with no need for voters to prove residency in the municipality they registered to vote. Despite the increase in the number of registered voters, opposition candidate Zernovski won the mayoral seat.

Fallout from the violent ejection of opposition MPs from parliament during the December 2012 budget negotiations also affected the 2013 electoral campaign. In January and February, it was uncertain whether SDSM would continue with the

boycott throughout the elections. They agreed to participate only at the beginning of March, after a visit from a European Commission delegation. In the first two months of 2013, however, the party did not nominate candidates in any of the municipalities, which led to some confusion. Stevcho Jakimovski, the incumbent mayor of Skopje's Karposh municipality, for example, submitted his nomination as a candidate for the Serbian Advanced Party in Macedonia (SNSM) and was subsequently expelled from the SDSM. Jakimovski won the election and registered his own political party under the name of Civic Option for Macedonia (GROM).¹⁷

As predicted in 2012, VMRO-DPMNE and SDSM put rivalry aside and forged coalitions in the Albanian-dominated municipalities of Kichevo and Struga.¹⁸ The move was vociferously criticized by civil society organizations, who argued it resulted in heightened interethnic competition and endangered the already fragile relationship between the two ethnicities in Macedonia. In the end, both seats were won by the Albanian candidate.

In mid-October, the president of the State Electoral Commission and SDSM MP Boris Kondarko resigned following accusations of hindering the work of the committee by VMRO-DPMNE; he cited personal reasons behind his resignation. The electoral code, which was revised in November 2012, did not comply with recommendations from the OSCE's Office for Democratic Institutions and Human Rights (ODIHR).

Political party financing, regulated by the Electoral Code and the Law on Financing of Political Parties, lacks transparency in practice. Surveys on electoral campaign funding have shown a failure to report donors—except for a few party members—which means the biggest donations to political parties are concealed from the public. At the same time, overspending by parties during the campaign remains a problem—this was especially true in the case of advertising spending by the two biggest political parties, VMRO-DPMNE and SDSM. Opaque practices in campaign advertising are also problematic: although price lists quote equal prices to all candidates, major political parties are often given significant “discounts” on their advertisements.¹⁹

Throughout 2013, Macedonia's major political parties threatened to call early elections. SDSM demanded snap elections following the events of last December and their subsequent parliamentary boycott.²⁰ Media also speculated that early parliamentary elections might be scheduled to take place alongside the presidential election planned for 2014.²¹ However, as of late December 2013, there were no concrete plans to move forward the legislative contest due to take place in 2015. In any case, a complete overhaul of the legal framework concerning elections—especially the laws on financing political parties and campaigns—will be key to creating an environment for healthy competition between ideas and platforms.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95

The government appeared more open to cooperation with civil society organizations in 2013. To signal this new approach, it requested the Ministry of Information Society and Administration to develop a framework that promotes communication and facilitates cooperation between stakeholders.²² The main goal of the newly created online legislative register and the e-Democracy portal was to provide a favorable environment for the development of the civil sector.

In the second half of 2013, additional funding became available from the Instrument for Pre-Accession Assistance II (IPA II), the successor of IPA for the budgetary cycle 2014–2020. Both IPA and IPA II are structural funds administered by the EU that aim to help a country's accession. Fatmir Besimi, the Deputy Prime Minister in charge of European Affairs, announced the government is open for suggestions from NGOs on how to allocate these funds.²³ Several NGOs heeded his call and petitioned the government to take advantage of IPA II; the Macedonian Center for European Education, an NGO that had been analyzing the distribution and absorption of IPA funds, argued allocation of the funds for civil society development would create 8,000 new jobs in the sector.²⁴ According to a comparative analysis on the use of IPA funds, Macedonia received €622 million in the period between 2007 and 2013—out of which only 1 percent reached the civil sector.²⁵ In addition to lack of funding, this period was characterized by unwillingness from the government to cooperate with local NGOs and a lack of innovative ideas.

Despite cautious efforts at improving the dialogue between the government and the civil sector in 2013, cooperation was still unsatisfactory in many areas, especially on Roma rights, LGBT rights, gender equality, and other social issues. Following mob attacks on an LGBT support center and a gay TV star's home in summer 2013, the parliament voted on a proposal to define marriage as “between a man and a woman” in the constitution. As a positive development, the amendment was voted down in September.²⁶

The government took some steps toward implementing the 2012 strategy for cooperation, but most of its goals remain unattained. There was no real progress in amending current tax laws, which provide few tax breaks for NGOs and set administrative hurdles to accepting donations. Foreign funds remained the main source of financing, although many foreign donors left the country and some of them went through restructuring, replacing their country presence with regional offices in the Balkans. In some cases, donors decided to allocate all their funding in their home country.

Macedonia's civil society sector remained highly polarized in 2013. Parallel civil movements with similar goals but different political loyalties continued to support different agendas throughout the year. Some of the NGOs critical of the

government were linked to SDSM, while many organizations that supported the policies of the government, such as limiting abortion rights, had close ties with the ruling party VRMO–DPMNE and received funds from the central government budget.²⁷ This politicization hurt other organizations working for civil causes as they often failed to secure funding due to the lack of political connections.

In August 2012, a civil movement called AMAN was formed to protest the constantly growing price of central heating, electricity, and fuel. It led a petition drive for legislation that would protect consumers from what organizers saw as unfair pricing imposed by energy monopolies. At the end of January 2013, the movement succeeded to collect more than 13,000 signatures and submitted them to parliament, hoping that MPs would discuss the initiative and vote in favor.²⁸ The petition, however, was voted down in February.

In June, the parliament adopted a new law on abortion, introducing several measures that limited the right of pregnant women over their bodies, as well as the number of abortions within a year.²⁹ The law met with outrage from civil society organizations and elicited a torrent of responses, especially from NGOs working on patients' rights. The initiative was backed only by a small NGO called Revita, which was founded by a member of VRMO–DPMNE and was asked to give an expert opinion on the law in the parliament.³⁰

The Skopje-based Association for Health Education and Research (HERA) issued a strong statement, claiming that after the adoption of the law, Macedonia no longer belonged to the group of liberal democracies in Europe.³¹ The organization also sent an open letter to President Gjorge Ivanov, asking him not to sign the law, but Ivanov dismissed the request, stating the organization had no legal arguments.³² A few months later, HERA submitted a draft framework on sex education in schools, but this initiative was dismissed as well—this time by Minister for Education and Science Spiro Ristovski.³³

Also in June, a civil initiative called Veritas protested against the alleged plan of Centar's new mayor, Andrej Zernovski, to halt the building of a church in the center of the capital. Volunteers for Veritas, whose founder was married to a former deputy minister at the time of the protests, allegedly received free transport and sandwiches before the protests.³⁴ Zernovski announced he was planning to revise all building permits issued for the area where the project Skopje 2014 was being implemented.³⁵ The Church of St. Helena and St. Constantine was being built in the revised area—though it was unclear whether the mayor wanted to stop its construction.³⁶ His statement triggered an avalanche of criticism, including from priests and high-ranking representatives of the Orthodox Church. The Commission for Religious Relations and Religious Groups stated Zernovski's actions were against God.³⁷ After several protests, one of which resulted in a broken window and an injured employee at the municipality, Zernovski announced the construction would go forward.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.75	4.75	5.00

Macedonia's media are increasingly politically polarized and often fail to provide objective or balanced reporting. Journalists are poorly paid and usually lack the technical resources to cover important stories. Government advertising accounts for a large share of the advertising market, contributing to self-censorship; at least 1 percent of the annual national budget is spent on state advertising campaigns, with government-friendly media favored highly over others.³⁸ The harsh sentencing of journalist Tomislav Kezarovski in 2013 elicited a powerful reaction among Macedonian media and NGOs as well as international media watchdogs, many of which interpreted Kezarovski's arrest, lengthy pretrial detention, and sentencing as an act of government and judicial intimidation.

As an editor for the magazine *Reporter 92* in 2008, Kezarovski published two articles about a murder case known as "Oreshe," along with a copy of the court records and the first name of the main witness.³⁹ Five years later, in May 2013, Kezarovski—now a journalist for the daily *Nova Makedonija*—was taken into custody, where he remained until one month after his first-instance court sentencing in October. Following an immense public outcry, the courts amended his sentence to one of house arrest in November, pending the decision of the court of appeals.

Kezarovski's arrest was unanimously condemned by local and international press freedom organizations. OSCE Representative on Freedom of the Media Dunja Mijatovic, who had been closely following the case, called on the authorities to release Kezarovski, warning that the fact of his arrest and detention had already done serious damage to media freedom in Macedonia.⁴⁰ In addition to international criticism, hundreds of local journalists protested with tape over their mouths in front of the Museum of the Macedonian Struggle for Independence on 23 October. The protesters, who lit candles symbolizing "the burial of democracy in Macedonia," were blocked by riot police from reaching their destination. The Skopje office of the Helsinki Committee for Human Rights said police had violated the demonstrators' freedom of assembly.⁴¹

Troubling details about the Kezarovski case also drew accusations of foul play. In February, the witness named in Kezarovski's articles testified that he had given his original testimony against the "Oreshe" defendants under police pressure. He also stated that he had gained protected status only in 2010, two years after the publication of Kezarovski's articles in 2008.⁴² Other observers noted that Kezarovski's arrest coincided with his investigation into the suspicious death of Nikola Mladenov, the owner of the critical newspaper *Fokus*.⁴³

Throughout Kezarovski's trial, government-oriented media tried to downplay the significance of the case by reporting on press freedom violations in other democratic countries and by claiming Kezarovski violated several other laws. Surveys about the March municipal elections also confirmed deep politicization;

they showed unbalanced and partisan reporting, which was mostly biased toward the ruling VMRO-DMPNE.⁴⁴

The events of “Black Friday” in December 2012 and the ensuing political crisis negatively influenced dialogue between government and journalists in 2013 and halted negotiations with the Association of Journalists on important issues regarding media freedom. Although both sides reached agreement on decriminalization of defamation in 2012, which was noted as a progress, high court fees and related expenses in civil lawsuits continue to threaten media pluralism.

In April 2013, the government introduced two draft laws—the Law on Media and the Law on Audiovisual Services—both of which were adopted in a quick, nontransparent process in December.⁴⁵ Several media organizations and independent experts criticized the laws, pointing out they aim to regulate all media, including print and online, through the same government-dominated media regulator, with seven of its members serving nine and its head eight years. In addition, the proposed laws included the definition of a journalist, placed blanket prohibitions on content, provided for hefty fines, and contained vague provisions that could be subject to abuse.⁴⁶ Responding to concerns that the adopted laws were not in line with Council of Europe and OSCE recommendations, at year’s end the Ministry for Information Society and Administration promised to make amendments.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

Macedonia has 84 municipalities, plus the city of Skopje, a self-governing area consisting of 10 other municipalities. Though much emphasis has been given to the importance of the decentralization process called for under the Ohrid Framework Agreement in 2001, Macedonia’s local self-government is still controlled by both the central government and the national leadership of the political parties of municipal mayors. The decentralization process continued, but there was little progress in ensuring the financial independence of municipalities. The share of VAT transferred to local municipalities, for instance, was still insufficient to cover the costs of their responsibilities.

Municipal elections in 2013 resulted in a slight improvement in gender equality on the municipal level. Following 2009, when no female candidate got elected, four women were elected as mayors in Tetovo, Bogdanci, Gradsko, and Kisela Voda.

The political crisis following the removal of opposition MPs and journalists from parliament in December 2012 also had consequences on the local level. Most of 2013 was characterized by political battles which hindered tangible progress on several pressing issues, such as decentralization and fiscal independency from the central government. After local elections in March, both the governing and opposition parties repeatedly accused each other’s local representatives of abusing their position.

The most-discussed case was the case of Andrej Zernovski, newly elected mayor of Centar, one of the 10 municipalities composing Skopje. Zernovski, the president of the opposition Liberal Democratic Party (LDP), won the mayoral seat after three rounds of elections in March and promptly suspended ongoing construction projects for the controversial multimillion-euro development project Skopje 2014. In addition, he announced a detailed audit of the project and promised to submit the findings to the Public Prosecutor's Office for investigation.⁴⁷ The audit, which was published in August, revealed numerous irregularities, cost overruns, and allegations of corruption connected to the bidding processes conducted under previous mayor Vladimir Todorovik.⁴⁸

In the same month, Zernovski halted the building of a Baroque-style parking garage in place of a small park to determine if the construction company had the relevant permits; the government accused him of boycotting the project. A month later, police detained 11 activists who protested against the demolition of the park and the disappearance of green spaces in the city center. The police deployed several hundred policemen, who stormed the park during the night to detain the activist. In the end, the building company was able to clear the area, cut the trees, and start building the garage.⁴⁹

Over the course of the year, Zernovski was faced with several protests, pressure from the government, and vigorous verbal attacks from the ruling parties. In May, following accusations by VRMO-DPMNE that he was employing people close to him from the party without advertising for the positions, inspectors from the Ministry of Labor and Social Politics paid a visit to the municipal office. The ministry later stated they were unaware of any investigation against Zernovski and the visit was part of a regular inspection.⁵⁰ In June, the mayor had to be evacuated from the municipal building after protesters—demonstrating against alleged plans to halt the building of an Orthodox church as part of the Skopje 2014 project—started chanting “Muslims!” and broke a window.⁵¹

According to SDSM, the government attempted to win back the majority in the municipality of its traditional stronghold, Centar, by accusing one of the councilors of fraud and placing him in pretrial detention.⁵² In October, very shortly after SDSM party member Miroslav Sipovic was elected chairman of the Centar municipal council, he was accused of fraud in his role of chairing a local company's board. As part of the investigation, police arrested 12 people for causing damages of €1 million to the company Masino Promet between 2008 and 2011. Since Sipovic was not in Macedonia at the time of the arrests, the Ministry of Justice issued an international warrant and asked Austrian authorities to extradite him. Sipovic claimed he was boarding the flight on his way back from a private visit to the U.S. when authorities detained him at Vienna International Airport. After its chairman was placed in custody, the municipal council was led by the oldest members of the council, and VMRO-DPMNE was lobbying for new elections. At year's end, the Centar council had 23 members, narrowly divided between coalitions led by the biggest parties—12 belonging to the coalition called “Union for the Future,” led by SDSM, and 11 to the coalition named “For a Better Macedonia,” including VMRO-DPMNE.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.25	4.25

The EU progress report, published on 16 October, remained critical about the situation of the judiciary in Macedonia. The report listed several problems, including “claims of selective justice, indirect political pressure, judgments which are unusually expedited in terms of outcome or speed” and high-profile cases that have a potential effect on the careers of judges working on them.⁵³ Even though a 2012 Council of Europe report indicated some positive developments and ranked Macedonia as a middle performer concerning judicial efficiency, the excessive length judicial proceedings continue to pose a problem.⁵⁴ The progress report also noted problems within the prison system—which remains understaffed and underfunded—ranging from torture and ill-treatment by prison guards to overcrowding. The latter was acknowledged by Ombudsman Idzet Memeti during his visit to journalist Tomislav Kezarovski in October.⁵⁵

The Kezarovski case exposed flaws in the legal framework and the implementation of laws. The journalist—who had been arrested for revealing the identity of a protected witness in May—had already spent 172 days in pretrial detention by the time the courts changed it to house arrest. The finalization of the decision also took a few weeks, delaying the appeals process and extending Kezarovski’s detention. The first-instance ruling, which sentenced him to four and a half years in prison, was widely condemned by international and local human rights organizations; the Skopje branch of the Helsinki Committee claimed it to be unprecedented in Europe.⁵⁶

The case revealed problems with the 2005 witness protection law, showing a lack of understanding of the institution of protected witness. Democratic Union MP Pavle Trajanov prepared amendments to the law in November, proposing to increase the punishment for perjury from a maximum of 4 years to at least 10 years.⁵⁷ In addition, he proposed to lower the punishment for journalists revealing information about a protected witness from at least four years to three months. Shortly after submitting it, however, he retracted the proposal, stating that there should be a broader public debate on the issue.⁵⁸

The Skopje Criminal Court sentenced former prime minister Vlado Buchkovski to three years in prison in the case called “Tank Parts.”⁵⁹ Buchkovski and four other people were sentenced for misusing state funds; they had been accused of buying spare parts for Macedonian T-55 tanks in 2001—when Buchkovski was minister for defense—and spending over €2 million from the state budget. The former prime minister and SDSM party member claimed the case was politically motivated. A first-instance court sentenced Buchkovski for three years and five months in 2008; however, that ruling was quashed by an appellate court. The Skopje branch of the Helsinki Committee announced they plan to send the ruling to the European Court of Human Rights (ECtHR) for review, criticizing the influence of the executive in high-profile cases in Macedonia.

In July, in a high-profile case, police arrested the head of the Cultural Heritage Protection Office, Pasko Kuzman, for his alleged involvement in the smuggling of valuable archeological artifacts.⁶⁰ Kuzman, who is a well-known archeologist and is linked to the Skopje 2014 project, was charged along with 18 other suspects as part of an investigation called “Phalanx 2.” According to the charges, Kuzman and other government employees helped the transfer of artifacts out of the country. Minister for Internal Affairs Gordana Jankulovska ensured the public that police acted under the directions of the Public Prosecutor.⁶¹

Starting on 1 December 2013, the previous Law on Criminal Procedure was phased out, and investigative judge-led prosecutions were substituted by the adversarial system, where defense lawyers and public prosecutors have to collect evidence and investigate. The responsibilities of public prosecutors also changed with the new code: they can decide not to prosecute cases with a fine or penalty up to three years in jail in case the suspect agrees to “fulfill certain commitments by which the harmful consequences of the crime will be reduced or annulled.”⁶² Even though the new law came into effect with a one-year delay, public prosecutorial teams were understaffed and investigation centers were not yet established at year’s end. Head Public Prosecutor Marko Zvrlevski, Minister for Internal Affairs Gordana Jankulovska, and Minister for Justice Blerim Bedjeti were optimistic, claiming the new law will provide faster justice for the citizens of Macedonia.⁶³

Financial and quality management problems continued to plague the judiciary. The judicial budget was €29.6 million in 2013, with 80 percent of it allocated solely to pay the salaries of judges and administrative staff. The number of judges, however, was still about 50 percent higher than the rest of Europe compared to the size of the population.⁶⁴ The budget of the Academy for Judges and Prosecutors (AJP), which provides trainings and lifelong learning programs to members of the judiciary and prosecutors, decreased in 2013. Even though it is required by law for all new appointees to have graduated from AJP, the Judicial Council continued to ignore this requirement, appointing only 4 AJP graduates out of 39 new judges in 2012 and only 1 out of 13 in the first half of 2013.⁶⁵ Despite claims that there is a lack of qualified and well-trained judges and appointments are overly political, the director of AJP Aneta Arnaudovska was hopeful, stating in November that recent reforms contributed to an increasingly independent judiciary. She added that judges and prosecutors should be more “resistant to politics.”⁶⁶

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.00	4.75	4.75	4.50	4.25	4.00	4.00	4.00	4.00	4.25

Although nearly every government in independent Macedonia’s history has claimed to prioritize the fight against corruption, graft remains widespread. Year after year, EU progress reports criticize the nontransparency of party finance and general public

expenditures, citing these as significant problems. The government's response has been ad hoc, and 70 percent of respondents to Transparency International's 2013 polling feel that corruption has either remained the same or worsened over the past two years.⁶⁷

For five years, Skopje 2014 has been a source of controversy in Macedonia. It has been criticized for its baroque architecture and the nationalistic undertones evident in the choice of statues and monuments, but the dominant complaint concerns the project's immense cost, which many believe is connected to public procurement fraud. When the project was launched in 2008, it was projected to cost around €80 million.⁶⁸ At a press conference in April 2013, the Ministry of Culture admitted that a total of €207 million had been spent on new buildings, monuments, and sculptures. However, NGOs estimate that the government has spent well over twice that amount,⁶⁹ and opposition parties like SDSM insist that the figure is closer to €1 billion.

Upon his election in March, the new mayor of Centar municipality initiated an audit to discover how the money being diverted from the state budget to Centar for the Skopje 2014 project was being spent. The first part of report, published in August, found €58 million of the funds transferred from the central budget account to the municipality of Centar unaccounted for. In addition, the review commission noted that the municipality had no right to approve monuments of national significance; such decisions could only be passed by parliament under Article 3 of the Law on Memorials and Monuments.⁷⁰ In November, the commission published its final report, which concluded that uncompetitive bidding procedures, cost overruns, lack of quality control, and other irregularities had cost taxpayers at least €8 million.⁷¹ VMRO-DPMNE dismissed the report as biased.

Problems with rule of law and corruption were criticized in the annual EU progress report as well. The report concluded that corruption remained a "serious problem," especially in the areas of public procurement and political party funding. Even though the legal framework was brought into line with European legislation in the past several years, implementation is still lagging behind. Maximum penalties with a deterrent effect are rarely used, and the courts' capacity in prosecuting corruption cases needs significant improvement. Internal controls against corruptive behavior in state and public administration are poor and need to be overhauled.⁷²

Lack of transparency in public procurement continued to pose a significant problem in 2013. According to a report by the Center for Civil Communications, a Skopje-based NGO, every fourth public procurement contract was concluded with only one company participating in the bidding process. Additionally, institutions avoided disclosing important information about the bids, and even though e-auction is mandatory in Macedonia, such auctions were not organized in 38 percent of the monitored procurements. Tenders were often annulled, and in the first quarter of 2013, contracts worth about €11 million were signed without prior calls for bids.⁷³

There were some positive improvements, however. According to the May report of the Group of States against Corruption (GRECO), Macedonia had made progress in implementing GRECO's recommendations from 2012; 35 out of 44

recommendations had been fully implemented, 6 were implemented partially, and 3 remained unimplemented.⁷⁴ A survey by Brima Gallup published in October found the perception of corruption is lowest in Macedonia (67 percent) and Montenegro (50 percent) in the Balkans; a Transparency International (TI) report concluded that the percentage of people admitting to have paid a bribe in the past 12 months dropped by 4 percentage points to 17 percent, compared to 2010.⁷⁵ Still, Transparency's global corruption barometer showed a one-point increase in perceived corruption for 2013.

Reporting corruption, however, is still a taboo in practice. Hotlines for reporting bribery and corruption are dead, according to a survey published by the Center for Investigative Journalism SCOOP Macedonia in May. The survey showed that very few people reported any cases on the telephone lines set up by the government in 2007, and hotlines operated by state institutions were even less used.⁷⁶ The SCOOP survey, however, revealed that citizens do report corruption on hotlines operated by NGOs; they mostly complained of corrupt behavior in municipalities, law enforcement, the real estate market, tax corruption, etc.⁷⁷ A new initiative by USAID launched on 18 September aims to support civil society organizations and improve the integrity and accountability of state institutions. The program includes several innovative methods, including the Corruption Monitoring System (CMS), which will help gather detailed information about the types, levels, and trends of corruption.⁷⁸

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Moldova

by Sergiu Miscoiu

Capital: Chişinău
Population: 3.6 million
GNI/capita, PPP: US\$3,630

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	4.00	3.75	3.75	3.75	4.00	4.25	4.00	4.00	4.00	4.00
Civil Society	4.00	4.00	3.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25
Independent Media	5.00	5.00	5.25	5.50	5.75	5.75	5.50	5.00	5.00	5.00
National Democratic Governance	5.75	5.75	5.75	5.75	5.75	6.00	5.75	5.75	5.50	5.50
Local Democratic Governance	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.75	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50	4.75
Corruption	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75	5.75
Democracy Score	5.07	4.96	4.96	5.00	5.07	5.14	4.96	4.89	4.82	4.86

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 a stable and promising year in 2012, Moldova was shaken in the first half of 2013 by political scandal and turmoil that culminated in the collapse of the coalition government led by Vlad Filat of the center-right Liberal Democratic Party of Moldova (PLDM) and the threat of early elections. Parliament lacked a ruling majority between February and May, and the opposition Communist Party of the Republic of Moldova (PCRM) appeared likely to return to government if elections were held. Faced with the possibility that Moldova's pro-European orientation could be reversed, the PLDM repaired its rift with the Democratic Party of Moldova (PDM) and joined with a splinter faction of their former coalition partner to reconfigure a majority and confirm a new government led by the more politically neutral Iurie Leancă, previously the minister of foreign affairs.

Despite the political crisis early in the year, the Moldovan authorities continued to work toward the ruling parties' main objective of strengthening ties to the European Union (EU). Their efforts bore fruit at a summit in Vilnius in November, when Moldova initialed an EU Association Agreement and a related trade pact. In addition, the country concluded the implementation of an action plan for visa liberalization, and the European Commission recommended that Moldovans be granted visa-free travel in 2014. Meanwhile, however, the so-called 5+2 talks on a resolution of the status of Transnistria remained at a relative standstill, as Russia became increasingly aggressive toward former Soviet states seeking closer links with the EU.

National Democratic Governance. The governmental crisis that pushed Moldova to the verge of early elections highlighted the fragility of the political system, the degree of endemic corruption, and the reach of informal networks of overlapping political, financial, and judicial interests. However, the crisis, during which Filat acted as caretaker prime minister for almost three months, was finally resolved in a consensual manner through the recreation of the incumbent coalition, with some alterations. Because of this fairly orderly outcome and the government's technical achievements linked to European integration, *Moldova's rating for democratic governance remains unchanged at 5.00.*

Electoral Process. There were no national elections in 2013, though several local elections with no national impact were successfully organized, and their results were not contested by political parties or civil society. The spring coalition crisis prompted the parliamentary parties to pursue rival amendments to the electoral

code in view of the expected early elections, which ultimately did not take place. After the new majority coalition was formed, most of these amendments were reversed or withdrawn. *Moldova's electoral process rating remains unchanged at 4.00.*

Civil Society. After 2012 improvements in the participation of civil society representatives in decision-making and monitoring processes, especially through their inclusion in the Antidiscrimination Council and the National Integrity Commission, there were no significant legislative developments concerning the civil society sector in 2013. During this year, the most active organizations continued to monitor the performance of public institutions and to campaign against abuses, corruption, and discrimination, raising public and sometimes international awareness of these issues. Overall, however, the impact of civil society on governmental decisions has been limited. *Moldova's civil society rating remains unchanged at 3.25.*

Independent Media. The Moldovan media continued to develop in 2013, as several new radio and television stations were licensed to broadcast. While there were no significant legislative changes, journalists continued to complain of dependence on media owners who have specific political orientations, leading to partisan coverage of public affairs. *Moldova's independent media rating remains unchanged at 5.00.*

Local Democratic Governance. Control over the allocation of resources for local administrative units and the reassignment of revenue from local taxes were key concerns of both the local and the central administrations during 2013. Numerous villages, towns, and cities are controlled by the opposition PCRM, which made decentralization part of its strategy for resisting the pro-European government. Parliament adopted a law that increased local financial autonomy, stipulating that villages and small towns could retain 75 percent of the income from local taxes, while the higher-level counties and large municipalities would hold 25 percent and 50 percent, respectively, though the measure's application would remain experimental and restricted to four regions in 2014. *Moldova's local democratic governance rating remains unchanged at 5.50.*

Judicial Framework and Independence. The government continued to pursue its reform strategy for justice during 2013. There have been some improvements in both the legal framework and its implementation. However, the scandal that erupted at the beginning of the year and led to the dissolution of the coalition government revealed informal connections between the top officials of the judiciary and powerful figures in the business and political world. Some implicated individuals were forced to resign from their positions in the justice system, but many others remained in office. *Moldova's judicial framework and independence rating declines from 4.50 to 4.75.*

Corruption. In December 2013, Moldova finally adopted an extensive anticorruption package, a move that was strongly advised by the European Commission and other international monitoring agencies. However, the components would not come into force until 2014, and there were no tangible improvements in the state of corruption during the year. The public continued to perceive a high degree of corruption among government officials,¹ and there have been few successful prosecutions of prominent figures to date, though a number of allegations were raised for partisan reasons during the 2013 political crisis. *Moldova's corruption rating remains unchanged at 5.75.*

Outlook for 2014. Moldova is scheduled to hold legislative elections in November 2014. The electoral year will most certainly be marked by competition between the pro-European coalition parties and the PCRM, as well as among the coalition parties themselves, as each will seek to gain the leadership of the bloc and the right to nominate the next prime minister.

Moldova's democratic future depends on the results of the 2014 elections. If the PCRM were able to form a majority, it would step back from the current pro-European path and reorient the country toward Russia, possibly by moving to join the Russian-led Eurasian Economic Union. The current crisis in Ukraine will further encourage separatist actions by Transnistria and its repeated requests to be annexed by Russia. If relations with Russia deteriorate because of the Transnistrian dispute and Moldova's EU integration process, Moldova could face further retaliation, such as commercial sanctions or higher effective prices for Russian gas.

Even if the processes of democratization and institutional consolidation continue steadily after Moldova's planned formal signature of the EU Association Agreement in June 2014, there will be a major risk of populist reversals, as all the major parties are searching for ways to secure their positions and win more mandates in the elections. Unexpected changes to the electoral code are also probable, despite the Venice Commission's admonitions against amendments less than one year before an election.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.75	6.00	5.75	5.75	5.50	5.50

After a period of political stabilization following the much delayed election of Nicolae Timofti as president of Moldova in March 2012, the country began 2013 with a new and unexpected political crisis. In January 2013, the leader of the Anti-Mafia Movement, Sergiu Mocanu, revealed a December 2012 incident in which a businessman, Sorin Paciu, was accidentally shot and killed during a hunting excursion in a national park. The event, later dubbed the “Lords’ Hunt” by the press,² had initially been hidden from the public because several prominent politicians, businessmen, and judicial officials took part in the illegal hunt, including Prosecutor General Valeriu Zubco. Gheorghe Crețu, the vice president of the Court of Appeals, was ultimately charged with firing the fatal shot. Zubco was a nominee of the Democratic Party of Moldova (PDM), part of the governing three-party Alliance for European Integration 2 (AIE-2), and when he was forced to resign later in January, the coalition members clashed over his replacement. In February, Prime Minister Vlad Filat of the Liberal Democratic Party of Moldova (PLDM) renounced the agreement that formed the basis of his party’s alliance with the PDM and their junior partner, the Liberal Party (PL), accusing them of corruption and the political capture of judicial offices.

Consequently, between February and mid-May, there was no governing majority, and each party allied with others in accordance with its immediate interests. For example, the PLDM and the opposition Communist Party of the Republic of Moldova (PCRM), which sought to exploit the divisions among the AIE-2 parties, voted together in February to dismiss wealthy businessman and PDM power broker Vladimir Plahotniuc as first deputy speaker of Parliament. By the end of February, there were negotiations between the PDM, the PL, the small Socialist Party, some independent members of Parliament (MPs), and the PCRM on removing the Filat government. The vote of no confidence took place on 5 March, and the Filat government was ousted with 54 votes in the 101-seat chamber, of which 34 came from the PCRM. The 12 PL MPs did not participate in the procedure in the end.

Two months of bitter negotiations and mutual threats of early elections followed. On 10 April, in an attempt to reconstitute the AIE-2 majority, President Timofti reappointed Vlad Filat as prime minister, but in a controversial decision the Constitutional Court declared this nomination unconstitutional.³ The court stated that Filat was unable to exercise his mandate because his government had been dismissed over accusations of corruption against several of his ministers. Three days later, Filat made a final move in his war with the Democrats; with the help of the PCRM, his party dismissed PDM leader Marian Lupu as speaker of Parliament.

The only remaining option for avoiding the early elections sought by the PCRM was to convince Filat to withdraw and to configure a majority around a more moderate political figure from his party, which remained the largest pro-European parliamentary faction. On 25 April, President Timofti designated Iurie Leancă, then the minister of foreign affairs and European integration, as the new prime minister. After a fortnight filled with difficulties and hesitation, during which the PLDM voted most often with the PCRM, the negotiations for creating a majority without the Communists took a positive turn. An agreement for a new Coalition for Pro-European Governance (CEG) was signed on 30 May by the PLDM, the PDM, and a breakaway faction of seven PL members who later formed the Liberal Reformist Party (PLR). Also that day, Igor Corman of the PDM was elected as the new Parliament speaker, and the new CEG government won a confidence vote with support from 58 MPs.

Upset by this restoration of the pro-European coalition, the PCRM began a long series of parliamentary and street protests, including September demonstrations that Communist leader Vladimir Voronin said would initiate a “Velvet Revolution.”⁴ In spite of all their efforts and Moscow’s unofficial but effective support, the PCRM and other allied groups failed to prevent Moldova from initialing the EU Association Agreement at the Vilnius summit in November 2013.

Moldovan and EU policymakers expressed hope that improved trade ties and the anticipated visa-liberalization regime in 2014 would make unity more attractive to residents of Transnistria, but the pro-Russian separatist authorities took a number of provocative actions in 2013 that dimmed prospects for any substantive progress on a resolution of the long-standing dispute. The so-called 5+2 negotiations—consisting of Moldova and Transnistria, with Russia, Ukraine, and the Organization for Security and Cooperation in Europe (OSCE) as mediators, and the EU and the United States as observers—were largely confined in practice to technical matters related to freedom of movement for people and goods. During the first half of the year, the discussions were hampered by the lack of governmental stability in Chișinău, but also by an April incident in which Transnistrian officials attempted to install new checkpoints on territory controlled by the Moldovan government,⁵ and a June decree by Transnistrian president Yevgeniy Shevchuk that set a “state border” encompassing districts currently under Moldovan jurisdiction. During the second half of the year, the Transnistria issue was caught up in the heightened tensions surrounding the Vilnius summit and particularly the eruption of protests in Ukraine against President Viktor Yanukovich, who had abruptly canceled plans to initial an EU agreement for his country. During this period, the authorities in Tiraspol radicalized their separatist discourse and made moves to advance their long-standing goal of union with the Russian Federation. Meanwhile, politicians in Moldova’s autonomous Găgăuzia region who also opposed the country’s pro-European orientation threatened to hold referendums on whether to sign the EU pact, join the Russian-led Eurasian Economic Union, or even pursue independence.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	3.75	3.75	3.75	4.00	4.25	4.00	4.00	4.00	4.00

There were no parliamentary, presidential, or nationwide local elections in 2013. The next parliamentary balloting was scheduled for the fall of 2014, but the dissolution of the ruling AIE-2 coalition in February 2013 and the contentious negotiations on a new parliamentary majority led the main parties to prepare for the possibility of early elections.

In April, in spite of the fall of the Filat government, the three former coalition parties—the PDM, the PLDM, and the PL—adopted a change to the electoral code that was intended to give them an advantage. Instead of the closed-list proportional electoral system, they instituted a hybrid system in which 51 deputies would still be elected through proportional representation in a single national constituency, while 50 deputies would be elected in uninominal constituencies in a two-round majoritarian competition. As the PCRM has few strongholds where it could obtain an absolute majority—partly because the Russophone population, which traditionally votes Communist, is scattered across Moldova—the party appealed to the Constitutional Court to block the new code. However, the petition was rejected, and the new system was set to be applied for the next parliamentary elections.

Less than two weeks later, the conflict between the PLDM and the PDM intensified when Filat's nomination as prime minister was declared unconstitutional and Lupu was dismissed as Parliament speaker with PLDM votes. This led to a tactical rapprochement between the PLDM and the PCRM. Although they held opposite views on national policy, they shared an interest in further manipulation of the electoral code. Consequently, in early May, the two parties used their combined votes to annul the newly adopted hybrid system and return to the national-proportional voting arrangement. They also withdrew two provisions introduced in 2010 that were seen as favorable to the pro-European parties: the ability of university students to vote in whatever polling stations they preferred, and the right of polling places for Moldovans living abroad to extend voting after 9 p.m. in case of an excess of voters. In addition, the PCRM-PLDM majority reinstated the right of Soviet passport holders to vote, and increased the electoral threshold for individual parties to win representation from 4 percent to 6 percent. As all these changes appeared to favor the Communists much more than the Liberal Democrats, the PLR and PDM accused the PLDM of "treason."⁶ Under heavy pressure from its CEG allies and pro-European public opinion, the PLDM later agreed to reverse some of the May changes. It was only in July, more than six weeks after the reconfiguration of the pro-European coalition, that some of the PCRM-PLDM amendments were canceled, though the hybrid electoral system introduced in April was not reinstated, and the higher electoral threshold remained in place.

A series of isolated local elections took place in May 2013, in municipalities and villages from different regions. While the results were not nationally representative,

they suggested overall gains for the PDM at the expense of the PCRM and, to a lesser extent, the PLDM. No notable irregularities were reported, but the degree of competitiveness in such elections tends to be rather low, and the results are often predictable.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	4.00	3.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25

Moldovan civil society can be described as increasingly diverse and active. During the last 10 years, the country's nongovernmental organizations (NGOs) and think tanks have developed considerably, thanks in large part to support from international donors. In 2013, the sector was still dependent on foreign support for more than 80 percent of its funding. The 2012–15 Strategy for the Development of the Civil Society, which was unanimously adopted by Parliament in 2012 and applied for its first full year in 2013, attempted to address this problem. Among other measures, lawmakers in December 2013 passed legislation that would allow citizens to redirect 2 percent of their income tax payments to an NGO of their choice. The system was due to be implemented in 2014.

Most Moldovan NGOs are concentrated in Chişinău, where they have much more numerous and effective opportunities to express their opinions and lobby the government. Nevertheless, during 2013, some local initiative groups developed in small towns and villages, having succeeded in accessing special international financing dedicated to the improvement of civil society outside major urban centers.

Moldova's political culture continues to operate according to the conviction that decision making is the business of the governing politicians. Consequently, the impact of civil society organizations on the creation of public policy remains rather limited. However, inclusion of NGOs in the legislative process is gradually improving. They have been particularly active in the field of anticorruption, and played a significant role in the drafting of the December 2013 anticorruption package.

Some federations of organizations, such as the NGO Council,⁷ have contributed to the nascent effort to increase NGO activity outside Chişinău and to the development of civil society participation in policymaking. In 2013, the council was actively involved in criticizing two important bills—one concerning waterborne transportation, which was faulted for provisions that could have a negative ecological impact, and one concerning the College of Medical Doctors, which the council said was adopted in a nontransparent process.

By the end of the year, numerous NGOs had publicly expressed their solidarity with Ukrainian civil society as the Yanukovich administration violently suppressed pro-EU protests. With some exceptions, Moldovan civil society groups proved to be democratic and pro-European. Romania, an EU member state that shares a common language with most Moldovans, has been a major proponent of Moldova's

European integration, and cooperation between Moldovan and Romanian NGOs increased during 2013. A roundtable involving all the major governmental and nongovernmental actors was organized in December 2013 to discuss spending plans for a €600,000 donation by Romania for the development of Moldovan civil society. During the meeting, representatives of the Romanian Center for European Policies (CRPE) presented a policy paper calling for the creation of a Romanian-Moldovan Development Fund.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.00	5.00	5.25	5.50	5.75	5.75	5.50	5.00	5.00	5.00

The media landscape continued to grow more dynamic and diverse in 2013, though there were no major changes in legislation or ownership structures. According to a survey by the Institute for Public Policies, television remained both the most frequently used and the most trusted source of information for a majority of Moldovans (87 percent and 61 percent, respectively), followed distantly by the internet and radio.⁸ The use of the internet as a source of credible information continued to expand at the expense of the print sector, whose readership declined further. Among television stations, the leaders in terms of audience and public trust were Prime TV, owned by Plahotniuc of the PDM; Moldova 1, the main station of the public broadcaster Teleradio Moldova (TRM); Pro TV, the Moldovan station of a Romania-based group owned by the Central European Media Enterprises (CME) conglomerate; Jurnal TV; Publika TV, initially owned by the Bucharest-based group Realitatea-Cașavencu and now controlled by Plahotniuc; TVT; and 2 Plus, also owned by Plahotniuc.

In 2013, the Audiovisual Coordinating Council (CCA), the country's broadcast media regulator, issued 13 new television broadcasting licenses. The pro-Communist station NIT, which had its license withdrawn for politically biased reporting in 2012 and sued the CCA to get it back, lost a final appeal in the case in May 2013, though it planned to pursue a complaint with the European Court of Human Rights (ECHR). Meanwhile, the NIT editorial team—including the PCRM MP Constantin Stariș, who hosted one of the station's most popular political programs—joined Accent TV, a station that had recently been taken over by the Russian company Volga-Export.⁹

The CCA has been sued for other controversial decisions. In 2013, it decided to seek a settlement in a pending ECHR case over its 2008 suspension of one of the frequencies of Romanian Television (TVR), Romania's public broadcaster, despite a contract that granted the license to TVR from 2006 to 2011. Also during the year, the CCA faced a trial regarding its decision to require radio broadcasters to devote at least 30 percent of their programming to locally produced content. The measure, meant to protect the “cultural-linguistic national patrimony,” was severely criticized by radio companies, which sued the CCA but lost in the court of first instance.¹⁰

TRM continued to suffer from major organizational and financial problems in 2013. Like other state-owned media companies in Europe, TRM is split between two conflicting objectives: to gain more revenue by expanding its audience and to maintain the qualitative standards of the public broadcasting service. In an effort to rationalize its expenses, the broadcaster decided to change its employees' contracts from continuous to fixed-term agreements. In 2013, the labor union mobilized in such a way that the decision was finally withdrawn.¹¹ Separately, an open competition for the nomination of the head of the television news department—a particularly influential position given the coming national elections—proved to be exceedingly complicated, with vocal contestations at each phase of the procedure and with a court decision to annul the designation of Vitalie Guțu as the winner. Such disputes are also common at Teleradio Găgăuzia.

Parliament in 2013 adopted a series of changes to the penal code that included the criminalization of acts of censorship and deterrence of the activities of mass media. The law stipulates specific offenses and assigns corresponding punishments to the perpetrators, including temporary bans on holding public office.

Also during the year, the PLDM initiated a bill designed to make ownership of media outlets more transparent by enlarging the definition of media ownership and stipulating conflicts of interest more precisely.¹² The bill received positive recommendations from the parliamentary committees, but it had yet to be adopted at year's end.

Several acts of aggression against reporters took place in 2013. The main objective was to discourage or intimidate the journalists. For example, both Voronin, the PCRM leader,¹³ and Mihai Ghimpu, leader of the PL,¹⁴ frequently argue that the press mistreats them and react by insulting and threatening journalists. Moreover, the head of the Supreme Court, Mihai Poalelungi, stated in a September interview that he would make every effort to recriminalize libel and defamation, claiming that he had repeatedly been abused by the press.¹⁵ The Centre for Independent Journalism provides Moldovan press workers with legal aid in the event of lawsuits and other abuses.

Conditions for the media remain far worse in Transnistria. In May 2013, several websites and blogs were shut down by the separatist authorities in an effort to eliminate any media that deviated from official propaganda. According to President Shevchuk, all websites that conduct journalistic activities and are not registered as news media should be closed. After the government action, only one site, the fairly moderate *Disput*, registered as a mass media institution. The authorities also prepared a draft law that further limited the freedom of the media and imposed strict regulations on journalists in relation to their editorial supervisors. By the end of the year, new rules for the accreditation of the foreign press had been enacted, making the process even more onerous and underscoring the fact that foreign journalists are not welcome in Transnistria.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Moldova has a three-tiered administrative structure. The smallest units are the towns (*orașe*) and villages (*sate*), with mayors and local councils that are directly elected by residents. The second level, which features its own elected government institutions, is made up of counties (*raioane*), the city of Chișinău, the Autonomous Territorial Unit of Găgăuzia, and Transnistria. Since 2012, the city of Bălți has also had the status of a municipality with greater autonomy. The Moldovan authorities have not had effective control over the separatist region of Transnistria since the 1992 armed conflict.

Moldova has been undergoing a process of decentralization since 2010. However, as numerous reports indicate, decentralization without proper empowerment and accountability can lead to inefficient and corrupt local administrations. The two main problems of local government in the country remain underfinancing and endemic corruption. In 2013, the National Anticorruption Centre (CNA) opened several cases against public servants at the local level. CNA prosecutors estimated that their activity would increase with the implementation of new financial decentralization measures that will allow the local administrative units to withhold and use larger shares of the taxes they collect.

The public debate over the draft law on financial decentralization, which was mainly animated by the Congress of Local Authorities of Moldova (CALM), reflected two contradictory stances.¹⁶ On one hand, some mayors and county presidents requested the acceleration of the adoption of the law, as it was supposed to increase not only their autonomy but also their immediate control over their budgets. The opposition PCRM in particular sought to take advantage of the proposed changes, as it controlled numerous local governments in rural areas and was eager to shift power away from the national government. On the other hand, the local authorities were concerned about the new set of responsibilities that would inevitably come with financial decentralization. The experience of other countries in the region had shown that the administration of schools and hospitals with limited budgets and increasingly complex needs and expectations is a particularly daunting challenge for local governments.

The bill on financial decentralization was finally adopted in November, but its application would be only experimental in 2014; the law will fully apply in three counties (Basarabasca, Ocnița, and Râșcani) and in the capital city. Ultimately, the villages and towns will retain 75 percent of the income from their taxes on citizens' revenues, while the counties will hold 25 percent and the municipalities 50 percent. This discrepancy is due to the fact that the local rural and small urban areas are confronted with the mass migration of their taxpayers to Western Europe, resulting in chronic underfinancing. Notably, the municipality of Chișinău will suffer a decrease in revenue, as it received 55 percent of local revenues before the new law.¹⁷ Many mayors pressed for universal application of the law to be accelerated, accusing MPs of trying to keep them in a state of dependency during an electoral

year. EU representatives also recommended full implementation. At year's end, Sweden decided to suspend its financial support for Moldova's decentralization to emphasize its objections to the staggered process.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50	4.75

According to the constitution, the judiciary is independent from the legislative and executive branches. However, as a recent report by the International Commission of Jurists and the Soros Foundation–Moldova states, Moldova inherited the Soviet tradition of judicial subordination to the executive power, and further efforts are still required to guarantee judicial independence in practice.¹⁸

The “Lords’ Hunt” scandal of January 2013 implicated top representatives of the judiciary, demonstrating both the informality of the connections between the courts and the business and political worlds and a lack of moral probity among those involved in the affair; the participants remained silent about the incident until it was revealed to the media two weeks later. Zubco, the prosecutor general, was initially one of the suspects in the fatal shooting, and the vice president of the Court of Appeals, Gheorghe Crețu, was ultimately charged with the crime.¹⁹ Both men were forced to resign, but the subsequent political infighting among the former AIE-2 parties exposed even more signs of political influence in judicial and law enforcement bodies.

For example, as the PLDM feuded with its former coalition partners in February, the CNA—headed by a PDM-backed appointee—launched investigations against a number of PLDM ministers and allies, and alleged wiretap recordings were leaked to the media. In March and early April, Parliament approved new judges supported by the PDM and PL to fill vacancies on the Constitutional Court. The court then ruled on 22 April that Filat could not return as prime minister due to the corruption allegations against his ministers. The PLDM in early May pushed through a bill that would have allowed Parliament to remove Constitutional Court judges with a supermajority vote, but President Timofti blocked the measure.

The process of choosing a replacement for Zubco as prosecutor general was similarly affected by political concerns. In mid-April, at a time when the PLDM and PDM were attempting to repair their rift, Parliament appointed Corneliu Gurin. Although he was seen as more of a technocrat than Zubco, he was accused by the PL of being politically biased and pro-Russian, as he had been a PCRM candidate in the 2005 parliamentary elections. Nevertheless, the PCRM voted against his nomination, arguing that he was too dependent on the governing parties.

After the Constitutional Court rejected Filat’s eligibility for the premiership and the conflict between the PDM and the PLDM was renewed, the latter joined the PCRM in early May to revoke Gurin’s appointment on the grounds that he had allegedly falsified his credentials and that there had been fraud in the counting

of lawmakers' votes in favor of his nomination.²⁰ Independent MP Sergiu Sirbu contested Gurin's removal at the Constitutional Court, which decided a few days later that it was invalid. Gurin was consequently reinstated as prosecutor general.

In terms of legislative reforms, there were some important steps forward during 2013. After two years of consultation with NGO representatives, the government submitted a draft law governing the activities of the ombudsman. The bill was amended by Parliament in December to increase the required 5 years of experience to 20 years. This change was strongly contested by the NGOs, which considered it much too restrictive and asked President Timofti to send it back to Parliament for reexamination.²¹

Also during the year, the justice minister won passage through Parliament of a series of limitations on the immunity of judges. Under the new rules, the prosecutor would be able to initiate inquiries against judges, detain them, and carry out searches with a simple court mandate, as with all other suspects. The Supreme Court of Justice contested the new law at the Constitutional Court, and in September the latter rejected some of the provisions, stipulating that preventive measures could be taken against judges only with the approval of the Supreme Council of Magistrates (CSM). However, it allowed the initiation of criminal investigations without prior approval from the CSM.²² In keeping with this trend of diminishing impunity for judges, several investigations against judges were launched during the year, and more judges who were under investigation decided to resign in 2013 than in 2012. Among other developments, a procedure for the professional reevaluation of judges began operating, and reforms of the prosecutor's office continued to progress.

Other advancements included the implementation of an electronic system for the random distribution of cases, the introduction of electronic notarizations, and the creation of special facilities for the interrogation of minors.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.75	5.75

In 2013, the government continued to implement its anticorruption strategy by reinforcing existing institutions—especially the CNA, which intensified its activity and developed its regional offices. There have nevertheless been few convictions for corruption, and none concern top officials. The CNA's website enumerates and briefly describes the cases it investigated in 2013. Most focus on customs officers, low-ranking public employees, low-profile lawyers, or hospital managers. Only two mayors were placed under investigation during the year.²³ However, the prevailing public perception is that Moldova is deeply corrupt at all levels and that major wrongdoing never results in real prosecutions and convictions. Transparency International's 2013 Global Corruption Barometer found that 29 percent of respondents reported paying bribes during the past year, a rate second only to Ukraine's among the European countries assessed.²⁴

The CNA's political neutrality fell into doubt during the 2013 political crisis, as it appeared to initiate cases targeting the PLDM in particular. The party responded in early May by passing legislation, with support from the PCR, that returned control over the CNA to the government rather than Parliament. The director is to be appointed or dismissed on the prime minister's recommendation, though incumbent director Viorel Chetragu remained in office at year's end.²⁵

Aside from the "Lords' Hunt" affair, prominent corruption cases in 2013 included a scandal involving the Banca de Economii (BEM). The state-owned bank had been left financially vulnerable by extensive mismanagement and corruption. Its former president, Grigore Gacikevich, was placed under investigation for having illegally granted credits to several companies that were allegedly connected with influential politicians. When the government issued shares to private investors and gave up majority control of the bank during the summer, BEM became the object of bitter competition among local businessmen, top politicians, and Russian companies.²⁶ Separately, the government was criticized in October for an opaque, noncompetitive tender through which it granted a Russian firm a 49-year contract to operate the capital's airport.

After consulting domestic and international stakeholders, the justice minister in December secured the passage of an anticorruption package that would allow the extended confiscation of illegally acquired wealth, the use of neutral mechanisms for testing the professional integrity of public servants (including polygraphs), and an increase in the length of bans on holding public positions for those convicted for corruption, to a maximum of 15 years. All of these measures were suggested either by the European Commission, the Council of Europe, or the U.S. Department of State, and were subject to broad public consultation.²⁷

However, the package also tripled the wages of judges, drawing heavy criticism from journalists and the opposition. President Timofti, a former magistrate himself, was accused of using his influence to boost the income of judges, while the governing coalition was said to be buying the future goodwill of the judges.²⁸ Nevertheless, this measure was also supported by international and European organizations on the grounds that granting higher wages to magistrates helps to reduce incentives for bribe taking.²⁹

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Montenegro

by Jelena Džankić and Jovana Marović

Capital: Podgorica
Population: 0.6 million
GNI/capita, PPP: US\$13,700

Source: The data above are drawn from the The World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50
Civil Society	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25	4.25
National Democratic Governance	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Local Democratic Governance	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Judicial Framework and Independence	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00	4.00
Corruption	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00
Democracy Score	3.79	3.89	3.93	3.79	3.79	3.79	3.82	3.82	3.82	3.86

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 April 2013, Montenegro provisionally closed its second negotiation chapter with the European Union (EU), moving closer to accession. In December 2013, following the European Commission's progress report, five further *acquis* chapters were opened.

Montenegro held its second presidential election as an independent state in April. Incumbent president Filip Vujanović of the Democratic Party of Socialists (DPS) won by a narrow margin. The election was complicated by the Constitutional Court's dismissal of a constitutional challenge to Vujanović's candidacy; the court argued that the discontinuity in Montenegro's legal status during his first term—as the country ended its union with Serbia in 2006—allowed him to run for the third consecutive time.

The so-called Recording Affair—a scandal centered on leaked recordings of DPS meetings that emerged in February—exposed the blurred boundaries between the long-ruling party and the state. The prosecution and the parliament revealed their own weaknesses by failing to investigate and determine responsibility for the abuse of state resources suggested in the recordings. In July, Montenegro adopted constitutional changes aimed at enhancing the independence of the judiciary.

National Democratic Governance. The government made progress in the EU negotiation process in 2013. Negotiations for five chapters, including the demanding topics of the judiciary and rule of law, were formally opened on 18 December 2013. The negotiation process was fairly open to the public and stakeholders, and representatives of Montenegrin civil society were included in all working groups. However, the administrative capacity of government institutions remains limited, and there has been no significant progress in public administration reform. The domestic political scene was strongly shaken by a number of scandals. Disagreements within the ruling coalition were frequent on both political and economic issues, but the bloc did not dissolve. *Montenegro's rating for national democratic governance remains unchanged at 4.25.*

Electoral Process. Vujanović won the April 2013 presidential election with 51.2 percent of the vote after overcoming the constitutional challenge to his bid for a third term. Due to the narrow margin between the two candidates, both Vujanović and opposition candidate Miodrag Lekić proclaimed victory before the publication of the official results. Although international observers noted that the election was, in principle, free and fair, the Recording Affair revealed that the ruling party used state resources—including offers of employment—to ensure loyalty and mobilize voters. Due to electoral authorities' poor handling of the Recording Affair, the lack

of clarity in the country's laws regarding term limits, and the prevalence of personal rather than programmatic issues in the campaign, *Montenegro's rating for electoral process declines from 3.25 to 3.50.*

Civil Society. Montenegro has a diverse civil society with influential nongovernmental organizations (NGOs) that nevertheless struggle to maintain a strong presence in some parts of the country and meaningful activity on certain issues. Cooperation between the government and NGOs had been improving, and various legislative proposals in 2013 aimed to further this collaboration. NGO representatives were included in all working groups for the negotiation of the EU *acquis* chapters. Financing remains the biggest challenge for civil society, as most small NGOs rely on public funding, which decreased in 2013 for the fourth year in a row. *Montenegro's rating for civil society remains unchanged at 2.75.*

Independent Media. The number of physical attacks against journalists increased in the second half of 2013. Many past cases remain unsolved, and a commission to address the authorities' poor handling of threats to and violence against journalists was established in December. Media self-regulation and professionalism are at a low level, particularly regarding personal data protection. The media environment is marked by political divisions. Coverage of the presidential election was generally fair, though state media consistently reported on the activities of government officials, blurring the line between the state and the ruling party. Online media are proliferating as internet use rises. Editorial boards often fail to curate comment sections to remove hate speech and discriminatory or defamatory language. *Montenegro's rating for independent media remains unchanged at 4.25.*

Local Democratic Governance. Local governments in Montenegro continued to face numerous problems in 2013, ranging from a lack of transparency to structural challenges and financial difficulties. A new municipality was formally established in northern Montenegro in May. Local elections in Cetinje, Mojkovac, and Petnjica were held in November 2013. The DPS won absolute majorities in Cetinje and Mojkovac, while in Petnjica it formed a coalition with the Bosniak Party. Due to numerous difficulties in the functioning of local governments and the authorities' lack of commitment to implement necessary reforms, *Montenegro's rating for local democratic governance remains unchanged at 3.25.*

Judicial Framework and Independence. The government made progress on judicial reform in 2013; constitutional changes were adopted in July to increase the integrity and accountability of the judiciary. However, the amendments fell short of ensuring complete independence for the branch, as indicated by the process for election of judges to the Constitutional Court. The allocation of state funds to cover the salaries of magistrates and the underfunding of the prosecution contributed to the inefficiency of the system. The case backlog has been reduced, but efficiency remained a problem. Little progress was made in prosecuting war crimes cases in

2013, and public confidence in the judiciary continued to decline. *Montenegro's rating for judicial framework and independence remains unchanged at 4.00.*

Corruption. Pervasive corruption continues to be one of the key challenges for Montenegro's democratization. The policy framework for fighting corruption improved with the adoption of new action plans. However, allegations of serious abuse of state resources remain commonplace, and there was little progress in the prosecuting of corruption, especially in high-level cases. Law enforcement bodies are understaffed and highly politicized. Due to poor results in fighting corruption in practice, *Montenegro's corruption rating remains unchanged at 5.00.*

Outlook for 2014. In 2014, the government's top priorities will be EU accession talks and the economy—especially the management of the deficit, the public debt, and the side effects of mismanaged privatizations. Negotiations on EU-mandated reforms are expected to continue with chapters on public procurement (chapter 5); company law (chapter 6); enterprise and industrial policy (chapter 20); judiciary and fundamental rights (chapter 23); and justice, freedom, and security (chapter 24). The pace and stability of this process will depend on the government's commitment to advancing rule of law and democratic reforms in general, as the country still struggles with widespread corruption and weak institutions. The coming year is also expected to be a challenge for the governing coalition because the ruling DPS and its junior partner, the Social Democratic Party (SDP), increasingly diverge on political and economic goals.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25

During 2013, Montenegro made progress in meeting the criteria for European Union (EU) membership. However, the turbulence caused by domestic political developments triggered a crisis within the ruling coalition. These events were accompanied by strong pressure from the EU and the United States to resolve allegations raised by the so-called Recording Affair (*Afera Snimak*), in which leaked recordings of meetings among ruling party officials indicated serious abuses of state resources.¹ Such issues shifted the focus from the advancement of the EU accession process toward domestic party politics.

The EU negotiations continued at a satisfactory pace. The government formed working groups for another 15 chapters, in addition to the existing 18. Representatives of civil society were included in all negotiation working groups; of the total of 1,257 people engaged in the 33 groups, 381 were representatives of civil society, including nongovernmental organizations (NGOs), universities, business and trade associations, and other entities.²

The government continued to work toward the fulfillment of benchmarks highlighted by the European Commission's screening of legislative alignment with the *acquis*. After a provisional closure of chapter 25 (science and research) in December 2012, chapter 26 (education and culture) was opened and then provisionally closed by April 2013.

After including revisions called for by the European Commission and additional modifications, the government adopted the final version of the action plans for chapters 23 (judiciary and fundamental rights) and 24 (justice, freedom, and security) in September 2013. However, the first real test of the government's commitment to respecting the time limits provided in the action plans was the adoption of amendments to the constitution, accomplished at the end of July. The amendments, concerning appointment and dismissal procedures for senior judges and prosecutors, were a precondition for ensuring the independence of the judiciary. Negotiations on the *acquis* chapters 23 and 24, alongside three additional chapters,³ were opened in December 2013.

The parliament adopted a resolution on European integration in December.⁴ The key issue during the preparation of the document was the parliamentary committee for European integration's proposal that it should be given a veto right on the government's draft negotiating positions. The proposal did not win the support of the ruling Democratic Party of Socialists (DPS), but a compromise was reached whereby the government must comment within eight days if the committee opposes a negotiating position.⁵ Even so, the role of the parliament in

the negotiation process has been limited to date due to its unclear responsibilities and powers, ill-defined channels of communication with the government, and poor use of oversight mechanisms.

Other entities meant to supervise the government also lack capacity and influence. Although the president of the governing body of the State Audit Institution (SAI) was appointed in 2013, the senate is still missing one of its five members. The SAI has little financial independence; the funding allocated to the institution for 2014 was even lower than in the previous year's budget. Moreover, the SAI's annual report for 2012 noted that only 15 percent of its recommendations were actually carried out by the audit subjects.

A new legal framework introducing merit-based procedures for recruitment and promotion in the civil service took effect in January. The reform improved the transparency of the hiring process, although the Recording Affairs' revelations of partisan patronage regarding public-sector jobs cast doubt on the new law's implementation.

Politicization of appointments in public administration became evident in the so-called "sealed resignations" affair where 148 deputy ministers and directors of agencies and public institutions were asked to submit their resignations to Prime Minister Milo Đukanović immediately after the parliamentary elections of November 2012.⁶ The action had no grounding in the legislation on the employment of civil servants.

In July, the government adopted a plan for the reorganization of the public sector, but the document was published only in November, and no substantial progress was made in the rationalization of the number of employees. Overall, reform of the public sector is poorly coordinated. The EU negotiation process has shown that the institutional capacities for implementing adopted legislation are insufficient.

In August, the DPS's junior coalition partner, the Social Democratic Party (SDP), declined to vote for the government's proposal on a new loan to stabilize production at the Podgorica Aluminium Plant (KAP). In addition, the parliament in July rejected government-backed laws on higher education, health care, and amnesties, as well as the report of the prosecutorial council. The minister of education withdrew the draft law on higher education due to the lack of parliamentary support and criticism from academics and NGOs. These defeats caused political turmoil and frequent debate about the legitimacy of the government's mandate. However, no steps were taken to hold early parliamentary elections.

Two "pride parades" were organized in 2013 to promote the rights of LGBT (lesbian, gay, bisexual, and transgender) people. The first event, in Budva, was organized on short notice in July. The second was held in Podgorica in October and was attended by Montenegro's minister for human and minority rights, the head of the EU delegation to the country, and other international representatives. Both events were accompanied by strong opposition from citizens, but despite a number of minor incidents and several injuries to participants and police officers, the parades marked a step forward in raising awareness of the importance of minority rights.

The police showed a high degree of professionalism in ensuring that the events proceeded as planned, and this was recognized by representatives of the diplomatic and consular corps in Montenegro.⁷

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50

While Montenegro has been a multiparty democracy since 1990, the DPS has dominated the country's political landscape. Either on its own or in coalition with smaller and ethnic minority parties, the DPS has held power without interruption for 23 years. The electoral process, based on the 2007 constitution and the 2011 Law on the Election of Representatives and Councillors, guarantees universal suffrage to all citizens aged 18 and older, with votes cast by secret ballot under a proportional system, and reserved seats for ethnic minority parties.⁸ Nevertheless, electoral legislation and the electoral process have significant shortcomings that have the potential to distort free and fair elections.

The Law on Political Party Financing was last amended in January 2012,⁹ but the legislation requires further improvement, especially regarding financial reporting and the excessively large allocations to political parties from the state's budget.¹⁰ Following the conclusions of the parliament on the limitations of Montenegro's electoral legislation in view of the recommendations of the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) and the Council of Europe, a working group on the building of trust in the electoral process was established in July 2013.¹¹ In August and September, parliamentary committees began considering amendments to Montenegro's electoral legislation.

On 7 April 2013, Montenegro held its second presidential election since gaining independence in 2006. Voters chose between two candidates—incumbent president Filip Vujanović and the candidate of the opposition Democratic Front (DF), Miodrag Lekić.¹² The DPS's long-standing coalition partner, the SDP, brought a constitutional challenge to Vujanović's eligibility, revealing tension in the ruling coalition. Vujanović had already served two terms, which is the maximum stipulated in the constitution. However, the Constitutional Court dismissed the challenge on the grounds that there was a discontinuity in the legal status of Montenegro before and after independence, meaning Vujanović's first term—which began in 2003—did not count toward the two-term limit.¹³

A total of 63.9 percent of registered voters turned out for the election, and Vujanović won narrowly, receiving 51.2 percent of the valid ballots. The number of invalid ballots (10,563) was more than twice as high as in the 2008 presidential election (4,674).¹⁴

The election was monitored by the OSCE-ODIHR. In its final report, the observer mission stated that "the campaign took place in a competitive environment,

with respect for fundamental human rights and freedoms.”¹⁵ However, the observers noted a number of shortcomings, including the misuse of public resources, weak campaign finance oversight, and problems in the legal framework for the elections—specifically the legal residency requirement of 2 and 10 years to vote and stand in presidential elections, respectively.

Allegations of vote buying and the misuse of state resources were especially prominent during the electoral process, diminishing public confidence in the elections. The leaked material of the Recording Affair—first published in the opposition-oriented daily *Dan* in February—was discussed extensively in the media. The transcripts revealed alleged efforts by the DPS to reward loyalists with public-sector jobs and loans and to enlist state-owned companies in mobilizing progovernment voters, among other abuses.¹⁶ The case was referred to the state prosecutor, who concluded that there were no legal grounds for pursuing criminal charges.¹⁷ Amid international pressure and opposition threats to boycott the April election, the parliament established an inquiry committee, but it issued only a technical report containing the opinion of each of its members, with no conclusions or recommendations.¹⁸

Problems with updates to the electoral roll and voter registration were also reported, and the OSCE/ODIHR observation mission called for a better registration system to accurately identify deceased voters and protect personal data.¹⁹ The issue of data protection also emerged in the process of collecting signatures for candidacies, as citizens were allowed to sign the statement of support for only one candidate and in front of politically appointed election officials. This has been assessed as a potential opportunity for political influence on voters.

As with previous elections, the tone of the 2013 campaign was negative. The incumbent’s campaign emphasized the need for continuity in government in the context of the EU accession process, as well as Lekić’s past opposition to Montenegro’s independence, shifting the focus of the debate back to divisions regarding national identity. Lekić’s campaign focused on calls for a change in government, the need to tackle corruption, and the DPS’s monopoly on power and abuse of state resources.²⁰

On 16 November 2013, local elections were held in the municipalities of Cetinje, Mojkovac, and Petnjica. The DPS won absolute majorities in the local legislatures of Cetinje and Mojkovac while remaining one seat short of an absolute majority in the legislature of Petnjica, where it formed a governing coalition with the Bosniak Party.²¹ In these elections, the DPS’s national coalition partner, the SDP, ran separately, again demonstrating the growing distance between the two parties. A number of shortcomings were noted at the local elections, including problems with the accuracy of electoral rolls, changes of personal data, and multiple entries for a single voter.²² Several additional controversies emerged regarding the DPS’s suspected vote buying in Cetinje and Petnjica, along the lines of the practices alleged in the Recording Affair.²³ Prosecutors had filed no charges in these cases by year’s end.

On the whole, despite the tension with its coalition partner and some loss of voter support in the presidential election, the DPS remained overwhelmingly

dominant in 2013. Its leader, Đukanović, has held the presidency once and is currently serving his seventh term as prime minister, while Vujanović is serving his third consecutive presidential term. This virtual monopoly on power enjoyed by the DPS can be attributed to the intimate coupling of the party and the state. It opens up avenues for the party to exert pressure on voters in the preelection period by offering or threatening job security in exchange for loyalty. It also creates opportunities for the abuse of public resources to reinforce the party's position and denigrate opponents while promising various permits, business licenses, and patronage positions to key figures during elections.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75

Montenegro has a strong framework for the establishment and functioning of NGOs and trade unions. However, during 2012 and 2013, the number of registered NGOs fell significantly as a result of the 2011 Law on Nongovernmental Organizations, which required the NGOs to change their statutes and reregister.²⁴ According to a Ministry of Interior database, roughly 2,700 NGOs were registered at the end of 2013, compared with some 6,000 before the new law.²⁵ The inability of some NGOs to retain their legal status can be attributed to two factors. First, the 2011 law helped to clarify the number of active NGOs because groups were forced to reregister, meaning inactive organizations simply dropped from the rolls. Second, as noted by NGO representatives, the Ministry of Interior did not do enough to inform affected organizations of the legislative changes.²⁶

In terms of structure, the majority of NGOs in Montenegro are small and underdeveloped, with limited human, organizational, and financial resources. At the national level, there is a very small core of influential and long-standing NGOs, whose main areas of interest include human rights, good governance, European integration, and marginalized groups. These organizations are often the ones involved in the adoption and monitoring of legislation. The sources of funding of the influential NGOs are commonly foreign, with most coming from the EU, while smaller NGOs rely on public financing, which is insufficient, inconsistent, and often allocated with a lack of transparency.

In its October 2013 report, the European Commission noted that the role of civil society actors has been enhanced, particularly regarding the transparency of the work of the parliament.²⁷ NGO representatives participate in several government advisory bodies and in all working groups for negotiating chapters of the EU *acquis*. A greater involvement of civil society actors has been recommended in the area of environmental protection.²⁸

The council for cooperation between the government and NGOs held regular meetings throughout 2013. Following an initiative of the council, the

government has proposed the adoption of an agreement on the cooperation of the governments of the Western Balkans and Turkey with the NGO sector, aimed at establishing communication channels and enhancing collaboration between NGOs and governments across the region. Adoption of the document was pending at year's end.

Between late 2012 and November 2013, a working group consisting of representatives of the government and NGOs, established by the Ministry of Interior, drafted a strategy for the development of the NGO sector in Montenegro in 2014–16. The working group held meetings and public debates with stakeholders throughout 2013, and the strategy was formally adopted on 26 December 2013.²⁹

Despite some progress, cooperation between state institutions and civil society remains uneven. The NGOs taking part in the government's EU accession working groups are not allowed to inform the public of their activities, as this is the prerogative of the state authorities (the chief negotiator, the negotiator for the particular chapter, and the head of the working group). The council for cooperation between the government and NGOs is funded through the general secretariat of the government and does not have directly allocated funds from the state's budget. The office of the council has no institutional independence, as it operates as a unit of the general secretariat. The 54 government liaison officers responsible for cooperation with NGOs are frequently changed, and the description of their duties is vague, which undermines consistency in cooperation.

Financing—and especially access to public funds—remained a key problem for civil society in 2013. While some bylaws establishing application criteria for NGOs wishing to receive money from the centralized fund have been adopted, others are still under consideration. This implies that public funds are still distributed in line with the earlier practice, which lacks transparency. The public funding for NGOs has decreased consistently over the past four years, from €4.5 million in 2010 and 2011, to €2.4 million in 2012, and €1.5 million in 2013.³⁰ The main source of public funds remains the lottery fund. In 2013, the government conducted, for the first time, an external audit of the projects financed through the lottery fund. The audit report revealed that the majority of the NGOs followed the required financial procedures but that a few failed to do so.

According to a March public opinion poll, public confidence in NGOs is improving, most likely due to increased NGO activities in the fields of EU integration, anticorruption, and good governance. A total of 42.3 percent of respondents reported confidence in NGOs, which is significantly higher than in September 2012, when the level of public confidence stood at 34 percent.³¹

There are two main national trade unions: the Alliance of Independent Trade Unions and the Association of Free Trade Unions of Montenegro. In early 2013, trade unions organized protests against taxes introduced through austerity measures, but their impact was marginal.³² In July, the parliament adopted amendments to the law on trade union representation aimed at increasing transparency,³³ but the labor law requires further enhancement to protect against antiunion discrimination. The level of public trust in trade unions is low.³⁴

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25	4.25

The 2007 constitution, along with secondary legislation, guarantees the freedom of the press. Defamation was decriminalized in 2011, which decreased the pressure on the media while increasing their responsibility for maintaining their own professional standards. Persistent problems include violence against journalists, court handling of media-related cases, frequent denial of free access to information, manipulation of advertising funds, and a lack of independence for regulatory bodies.³⁵

In July 2013, the Law on Electronic Communications was adopted in order to align the legislation of Montenegro with EU requirements.³⁶ The law stipulates that the Agency for Electronic Communications and Postal Services (EKIP) should contribute surpluses to the state's budget until January 2016. Provisions requiring the Agency for Electronic Media (AEM) to do the same were adopted earlier in the year. However, the new legislation does not guarantee the independence of these two regulatory bodies. The parliament may dismiss the head and members, using very vague criteria, if the agencies' financial and operational reports are not approved. In September 2013, Montenegro adopted a strategy on cybersecurity.³⁷

Given the country's relatively small population, media saturation is high. Montenegro has a national public broadcaster with radio and television services (RTCG); 14 public and 38 private radio stations with local coverage; 3 local public television services; and 18 private television broadcasting services, four of which have national reach.³⁸ In addition, there are 5 daily newspapers, a news agency, and several online news portals. *Vijesti* is the country's largest media conglomerate, with a daily newspaper of the same name, an online news portal, and television stations.

The Law on Media provides that outlets receive public funds for science, culture, education, production in minority languages, and service for people with impaired hearing and vision.³⁹ While the reports of the Commission for the Control of State Aid indicate no irregularities in the distribution of public funds to the media, NGO reports maintain that state funds for advertising go disproportionately to particular media outlets, such as the state-owned daily *Pobjeda*, which receives 89 percent of these funds.⁴⁰ The private media that are supported by the state through advertising are considered friendly toward the government.

In November 2013, a media conference entitled "Word, Image, and Enemy" was held in Podgorica with the support of the Ministry of Culture and the Ministry of Human and Minority Rights. Media and journalists known to be critical of the government were not invited, and local NGOs claimed that the conference represented progovernment propaganda and was aimed at intimidating citizens and discouraging dissent.⁴¹

Montenegro's media market is polarized due to political divisions. Coverage in the *Pobjeda* is favorable to the government, while the private *Dan* and *Vijesti*

are generally critical of government policy. Media self-regulation mechanisms are weak. The Media Council for Self-Regulation and the Self-Regulatory Local Press Council have rarely found violations of the Code of Montenegrin Journalists,⁴² although NGOs have argued that such violations are frequent.⁴³ The daily *Vijesti* has established an ombudsman, while the daily *Dan* and weekly *Monitor* remain outside self-regulation.⁴⁴

The media also lack professionalism in dealing with personal data. In June 2013, various outlets published the names of casualties in the crash of a Romanian bus in the Morača canyon, drawing objections from both the Romanian embassy and the Montenegrin Personal Data Protection Agency.⁴⁵

Attacks against and intimidation of journalists remain a concern for Montenegro. In August 2013, a bomb exploded in the yard of a reporter for *Vijesti* and *Monitor*, Tufik Softić.⁴⁶ This was the second physical attack against Softić, who had published several articles on the links between high-ranking Montenegrin officials and organized crime. On 26 December, an explosive device was detonated under the office window of the chief executive of *Vijesti*, Mihailo Jovović.⁴⁷ Although the victims received assurances that the cases would be solved, successful investigations and prosecutions of crimes against journalists have been an exception rather than a rule. In October, following the parole of one of the perpetrators of a 2012 attack on *Vijesti* journalist Olivera Lakić, the newly established media trade union organized protests calling on the authorities to address unresolved cases of violence against reporters. In December, the government established a commission that will reexamine such cases for omissions by the authorities.⁴⁸

During the presidential campaign, both candidates used free airtime on RTCG as well as paid advertising in national and local media. State-owned media provided equal free coverage of the two candidates, but they also devoted extensive airtime to other government officials, blurring the lines between the state and the ruling party.⁴⁹ The OSCE's media monitoring report for the 2013 presidential election noted that the state-owned media favored the government's candidate, while private outlets such as *Dan* and *Vijesti* favored the opposition.⁵⁰

Internet use is increasing. Government surveys found that 56 percent of households had internet access in 2013, compared with 55 percent in 2012 and 51.4 percent in 2011.⁵¹ Online media are becoming more important as a result. The online portals *Vijesti*, *Portal Analitika*, and *Café del Montenegro* are among the most popular nationally. Social media increasingly influence public opinion because they are considered to be inclusive and more transparent than traditional outlets. However, they also risk becoming channels for hate speech and discrimination. During 2013 online portals featured negative comments about minorities, particularly the LGBT community. Editorial boards commonly refuse to accept responsibility for the content posted in the comment sections of their websites.⁵²

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

There were no significant developments in efforts to reorganize local governments, reduce the number of local public employees, or ensure financial sustainability at the local level during 2013. In May, amendments to the Law on the Territorial Organization of Montenegro were passed by the parliament with 55 out of 81 votes.⁵³ The changes granted municipality status to Petnjica, leaving the country with a total of 22 municipalities, including the capital city of Podgorica—with its two “urban municipality” subdivisions—and the historic royal capital of Cetinje. A proposal to grant municipality status to a 23rd unit, the small town of Gusinje, was pending before the parliament at year’s end. Both Petnjica and Gusinje are populated mostly by Bosniaks.

Most municipalities continue to struggle with weak investment, poor financial management, and bad governance. The system of public finance at the local level is characterized by decreased income, growth of arrears, and large budget deficits.

By the end of 2013, two municipalities, Budva and Plav, had not adopted final budget reports for the year 2012. Certain municipalities, such as Budva, Plav, and Kolašin, adopted their final budget reports for 2011 in early 2013. The reasons for the delays are diverse, including violations of the terms and procedures of the local executive authorities, lack of interest of the members of the local parliaments in budgetary issues, and shortcomings in the legal framework that do not promote budget transparency. Because of these problems, it is impossible to achieve a timely insight into the cost and implementation of local budgets.

Local parliaments continue to be inactive, exercising poor oversight over local executives. The capacity of members of the local parliaments, citizens, and NGOs to influence decision making at the municipal level is limited. As the existing action plans to fight corruption expired in 2012, local governments were required to adopt new plans by the end of 2013. Seventeen municipalities adopted the plans in due course. Those that failed to do so were Budva, Ulcinj, Žabljak, and Plav.

Legislative changes in 2010 stipulated that 70 percent of concessions income should go to local budgets. However, municipalities did not benefit from this provision as expected. Poor coordination between institutions at the national and local levels has resulted in a lack of local plans for concessions. The system is also hampered by inadequate mechanisms for collecting concession fees and monitoring the implementation of contracts. Concessionaires’ arrears in 2012 exceeded €12 million.⁵⁴

Due to its limited administrative and financial capacity, the SAI is still unable to perform large-scale, regular audits of local governments and local enterprises. On average, the institution performs only one audit of a local government each year. In 2013, the municipality of Bijelo Polje was audited.

Prerequisites for the implementation of the Law on Civil Servants at the local level have still not been adopted. The high level of local civil service staffing

(10,508) was listed as a major obstacle to budget savings and the reorganization of municipalities in the country's public administration reform strategy.⁵⁵ No municipality has adopted a plan for reorganizing and rationalizing the number of employees, though all were required to do so by the end of 2013.⁵⁶ Municipalities do not have adequate or long-term strategies for the development of human resources.

Cetinje, Mojkovac, and Petnjica held local elections in November. The DPS won an absolute majority of seats in Cetinje and Mojkovac, while in Petnjica, it formed a governing coalition with the Bosniak Party.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00	4.00

Montenegro has a multitiered judicial system, with permanent appointments for judges. The constitution guarantees judges functional immunity. The Supreme Court is the highest judicial authority, and the parliament appoints its president. The current president is a former supreme state prosecutor, which is widely perceived as a conflict of interest. In December 2013, the parliament failed to reach the two-thirds majority needed to appoint a new president of the Supreme Court. The issue was set to be considered again in early 2014.⁵⁷

The president of the Supreme Court also presides over the Judicial Council, composed of a president and nine members. The current members of the council include four judges, one ruling party and one opposition member of parliament, two prominent lawyers, and the minister of justice.⁵⁸ The Judicial Council appoints and dismisses judges and presidents of courts. It appointed six judges during 2013. However, according to the European Commission, the criteria for the appointment of judges, despite recent constitutional and legal changes, remain vague.⁵⁹

In July 2013, in line with the benchmarks for opening EU negotiation chapters 23 and 24 and the recommendations of the Council of Europe's Venice Commission, Montenegro amended its constitutional provisions related to the judiciary. The laws on the Judicial Council, on courts, on the Constitutional Court, and on the state prosecution service were then revised to conform with the amended constitution in September 2013.⁶⁰ The changes are intended to reduce political influence on the appointment and dismissal of prosecutors and judges, including the Supreme Court president, members of the Judicial Council, and Constitutional Court judges. However, the legal framework still contains some shortcomings that give leeway for political influence on the judiciary. The media reported that some of the judges appointed to the Constitutional Court in December 2013 had been active in different political parties.⁶¹

While parliamentary appointments to the judiciary require a two-thirds majority, the preliminary selection takes place in parliamentary committees by simple majority. A further problem is the absence of provisions prohibiting political

engagement for the prominent lawyers serving as members of the Judicial Council or the Prosecution Council. Moreover, the justice minister is still allowed to vote for the dismissal of judges as a member of the Judicial Council.⁶² A new strategy for the reform of the judiciary in 2014–18 was under consideration at the end of 2013.

In other legislative action, the parliament in September adopted the Law on Amnesty, along with amendments to the Law on International Legal Aid in Criminal Matters and to the criminal code.⁶³ While the European Commission's progress report praised the amendments to the criminal code, which provide a prison sentence for undue influence on judicial officials, it also highlighted problems with the regulation and practice of amnesty in Montenegro.⁶⁴ Concerns have been raised that the large number of pardons issued either by the country's president (366 in 2012; 299 in the first half of 2013) or following the adoption of the new Law on Amnesty (380 pardons for convicted criminals) may lead to impunity and an increase in corruption and organized crime.⁶⁵

Montenegro has among the largest numbers of first instance courts, judges, prosecutors, and judicial administrative personnel per capita in Europe. While the budget for the judiciary and the prosecution service increased from €24.9 million (0.75 percent of gross domestic product) to €26.1 million (0.8 percent) in 2013, the allocation of funds remains a problem. A total of €20.3 million is allocated to the judiciary and €5.8 million to the prosecution service. This imbalance, whereby the bulk of the budget is used to cover the salaries of judges and administrative staff, creates two problems for the Montenegrin judiciary. First, given the high staffing costs, the funds for renovating and replacing infrastructure and equipment are limited.⁶⁶ Second, the allocation to the prosecution service is insufficient to cover all costs of criminal proceedings.⁶⁷

As regards efficiency, accountability, and transparency of the judiciary, some progress has been made in recent years. In general, efficiency is problematic. However, the courts reduced the backlog of cases by approximately 6 percent overall in 2012, with a 14 percent reduction at the level of basic courts.⁶⁸ The backlog of cases continued to grow in the commercial courts and the Administrative Court. Moreover, the Administrative Court, while long a pillar of the judiciary, is relatively weak in terms of enforcement. With many of its verdicts ignored by state bodies, citizens and companies often do not even file complaints, to the detriment of rule of law. In terms of accountability, five disciplinary proceedings were initiated against judges during the 12 months before October 2013, by which time three had been dismissed, raising questions about the quality of the disciplinary mechanisms in place. The European Commission report emphasized the need for improved monitoring of corruption and conflict of interest in the judiciary and a strengthened disciplinary system.⁶⁹ Transparency has been enhanced, as the majority of court decisions are now publicly available. Even so, public confidence in the judiciary continues to decline, dropping from 41.3 percent in September 2012 to just 36.9 percent in March 2013.⁷⁰

Two out of four domestic war crimes cases have received judgments from the Appellate Court, one level below the Supreme Court. In 2012, in the Bukovica

case, the Appellate Court ruled that the suspects could not be held criminally liable for inhumane treatment of Bosniaks in Bukovica in 1992–93.⁷¹ In May 2013, the Appellate Court confirmed the acquittal of all indicted former officials of the Montenegrin Ministry of Interior in a case on the deportation of Bosnian refugees in 1992, upholding the November 2012 ruling of the Podgorica High Court. The other two cases are still proceeding through the lower tiers of the judiciary. In July 2013, the Podgorica High Court sentenced four defendants to a total of 12 years in prison, confirming the first instance judgement of January 2012, for crimes against prisoners of war and civilians at the Morinj detention camp in 1991–92. The Kaluderski Laz trial, involving the murder of 21 ethnic Albanians who fled to Montenegro during the 1998–99 conflict in Kosovo, concluded in December 2013, and the defendants were acquitted.⁷² In several instances in these cases, the defense argued that judgments were rendered on insufficient evidence and often under political pressure.⁷³

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00

Corruption remains a serious problem in the country, to the detriment of political and economic development. Although legal provisions continue to be improved, in practice there is little progress, especially when it comes to prosecuting cases of high-level corruption. The institutional framework is weak, with a large number of institutions that lack either a sufficient degree of independence or investigative powers.

The policy framework for the fight against corruption was further strengthened in 2013. In May, a new action plan to combat corruption and organized crime for the period 2013–14 was adopted.⁷⁴ The new Law on Free Access to Information began to be implemented, as did all the provisions of the Law on Prevention of Conflicts of Interest. The Law on Classified Data was amended to allow access to classified information for members of the parliamentary committee on anticorruption.⁷⁵ Although the committee should have an important role in the fight against corruption, considering the number of sessions held, it has been the most inactive permanent working body in the parliament. Moreover, the committee has not met most of the obligations identified in its annual work plan. Areas requiring further legal reforms include protection for whistleblowers and regulations for public-private partnerships.

The publishing of audit reports on political parties has improved the transparency of party financing. However, the existing law on the financing of political parties does not adequately regulate loans to parties, restrictions on membership fees, or penalties. Work on new legislation governing political party financing began in 2013, but the working group failed to complete a draft law within the time provided by the action plan for EU chapter 23.

Steps were also taken toward the adoption of laws on an anticorruption agency and a special prosecution office for the fight against corruption and organized crime, in keeping with the action plan for chapter 23. A working group for drafting the law on the anticorruption agency was formed in December, and it included three representatives from the NGO sector. Also in December, a working group was formed for preparing a draft law on the special prosecutor's office.

There are a variety of problems in the implementation of reforms and activities related to the fight against corruption. They include a lack of transparency and poor control of concession and public procurement contracts, as well as limited capacity to implement new legislation on the part of the state administration, prosecutors, judges, and law enforcement agencies.

Confiscation of assets in corruption cases remains negligible. The status of property that was taken in 2011 and in further confiscations in 2013 remained "seized," because criminal proceedings before the High Court in Podgorica and the High Court in Bijelo Polje had not been completed.⁷⁶

The lack of prosecution of high-level corruption cases remains a significant concern. In March 2013, the Appellate Court overturned the 2012 convictions in the Zavala case, and new proceedings against the accused began in May. The mayor and deputy mayor of the Budva municipality were charged with abusing their offices to obtain benefits for the private company Zavala Invest in connection with a construction project, costing the municipal budget €821,599.

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Poland

by Mikołaj Cześniak

Capital: Warsaw
Population: 38.5 million
GNI/capita, PPP: US\$21,760

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.75	1.75	2.00	2.00	2.00	1.75	1.50	1.25	1.25	1.25
Civil Society	1.25	1.25	1.50	1.25	1.50	1.50	1.50	1.50	1.50	1.50
Independent Media	1.50	1.75	2.25	2.25	2.00	2.25	2.25	2.25	2.50	2.50
National Democratic Governance	2.50	2.75	3.25	3.50	3.25	3.25	2.75	2.50	2.50	2.50
Local Democratic Governance	2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75	1.50
Judicial Framework and Independence	2.00	2.25	2.25	2.50	2.25	2.50	2.50	2.50	2.50	2.50
Corruption	3.00	3.25	3.00	3.00	2.75	3.25	3.25	3.25	3.25	3.50
Democracy Score	2.00	2.14	2.36	2.39	2.25	2.32	2.21	2.14	2.18	2.18

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

EXECUTIVE SUMMARY

Poland's political landscape remained relatively stable in 2013, even as public support for the Civic Platform (PO) government of Prime Minister Donald Tusk continued to decline in favor of the opposition Law and Justice (PiS) party. Dissatisfaction with the current leadership appeared to be fueled by declining economic performance—unemployment peaked at over 13 percent in 2013¹—as well as unpopular reforms to education and social security. In December, the parliament passed a controversial, government-sponsored bill intended to slash public debt by transferring many private pension-fund assets to the state. The law was sharply criticized by lawyers and economists, who also questioned the constitutionality of the rapid procedure by which the law was passed.² The Constitutional Tribunal was expected to review the legislation in 2014.

Referendums and other forms of “direct democracy” are becoming increasingly popular in Poland, particularly at the local level. In 2013, several referendums were held with the aim of recalling elected officials. The most prominent of these—an October campaign to recall Warsaw mayor and Tusk ally Hanna Gronkiewicz-Waltz—became a contest between PO and PiS, but the referendum itself failed due to insufficient turnout. Polish media, while free and diverse, have grown more politicized in recent years, compromising their watchdog function.

National Democratic Governance. The increase in referendums, while not necessarily antidemocratic, suggests a degree of public frustration with the institutions of representative democracy. In addition to the high-profile October vote on recalling the mayor of Warsaw, almost one million citizens signed a petition during the spring and summer to demand a referendum on a government proposal to lower the age at which children must begin school. However, in the fall the parliament voted against the referendum petition. The December passage of the law on the pension system, which drew strong objections on both substantive and procedural grounds, raised additional doubts regarding legislative practices in Poland, though it remained unclear at year's end whether the change would be implemented. *Poland's national democratic governance rating remains unchanged at 2.50.*

Electoral Process. No changes to electoral legislation were made in 2013, and there were no reports of irregularities in the several early elections and local referendums held during the year. However, in an apparent effort to curb the use of recall referendums, the president's office proposed a new law—still under parliamentary review at year's end—that would increase the electoral threshold for such votes. Political parties were already preparing in 2013 for a lengthy period of

upcoming elections, extending from the European Parliament and local elections of 2014 to the next presidential and parliamentary elections, scheduled for 2015. *Poland's electoral process rating remains unchanged at 1.25.*

Civil Society. Nonprofit and nongovernmental organizations continued to engage in a variety of activities in 2013, supported by a robust legal framework. A study by the Public Opinion Research Center (CBOS) found an encouraging increase in charitable giving in the country. In addition, civic groups have reportedly developed a number of independent media outlets, for the most part online. In a reminder of the persistent threat of extremism and xenophobia, the March of Independence in Warsaw, organized in November by right-wing organizations, descended once again into running battles between rioters and police. *Poland's civil society rating remains unchanged at 1.50.*

Independent Media. The media system in Poland is well developed, providing a diverse selection of print and electronic sources of information. However, the majority of outlets are ideologically and politically biased, meaning they may collectively inform public opinion and serve as guardians of the public interest, but often fail to do so individually. Two new conservative weeklies enjoyed some economic success during the year, despite a long-term decline in print readership. TV Republika, a conservative news station previously available only online, began broadcasting via cable and satellite platforms in May. *Poland's independent media rating remains unchanged at 2.50.*

Local Democratic Governance. The growing use of referendums has had its greatest impact at the local level, and political parties have embraced them as efficient tools for voter mobilization. Participatory budgeting, a potentially more constructive form of direct democracy, has also become more popular in Poland, and attempts to introduce such mechanisms were made in many municipalities during 2013, ranging from large cities like Poznań to small towns like Karpacz. Consequently, *Poland's local democratic governance improves from 1.75 to 1.50.*

Judicial Framework and Independence. The Polish judicial system operates according to a democratic legal framework, but a number of problems persisted in practice in 2013. These included the perception that public officials and celebrities receive better treatment when facing criminal charges, violations of due process and other rights by police, and inhumane conditions in Polish prisons. Some elements of the criminal code conflict with democratic standards, but efforts to strike down one such provision—an article that allows imprisonment for defamation—made little progress during the year. *Poland's judicial framework and independence rating remains unchanged at 2.50.*

Corruption. The system of institutions tasked with combating corruption in Poland is well developed and efficient, but it does not seem to have deterred corrupt

behavior by politicians and other public officials, as major scandals have steadily accumulated in recent years. The most prominent case of 2013 emerged in late October, when a magazine released recordings that implicated members of PO in bribery and other abuses. A series of arrests and resignations in other cases were announced over the subsequent weeks. *Poland's corruption rating declines from 3.25 to 3.50.*

Outlook for 2014. Elections for the European Parliament and local offices will be held in 2014. These will be a prelude to parliamentary and presidential elections scheduled for 2015. Polls suggest that the two main parties, PiS and PO, will continue to dominate Polish politics, though it remains unclear which will emerge as the ruling party. The PO government may continue to lose support due to its unpopular social reforms and a weakening economy.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.50	2.75	3.25	3.50	3.25	3.25	2.75	2.50	2.50	2.50

Poland's constitution enshrines the principles of democratic government, protecting fundamental political rights and civil liberties. Polish citizens directly elect a head of state (president) and members of the country's two national legislative bodies (the Sejm and Senat). There remains a broad consensus among political groups and citizens on democracy as the basis of Poland's political system;³ organizations that openly contest democratic principles constitute a marginal minority. Adult citizens also have a constitutionally guaranteed right to vote in national and local referenda, and policy proposals on both the national and the local level usually undergo a public consultation process before going to a vote.⁴

The year 2013 witnessed an increase in the number and visibility of referenda, including a politically contentious attempt to recall Warsaw mayor and deputy leader of the ruling Civic Platform (PO) party, Hanna Gronkiewicz-Waltz, and an unsuccessful bid to hold a nationwide vote on lowering the mandatory school age by one year. Events like these fueled an ongoing debate on the benefits and risks of "direct" democratic procedures such as referenda and other plebiscites (see Electoral Process).

The popularity of Prime Minister Donald Tusk's center-right government continued to decline in 2013. In spring, the opposition Law and Justice (PiS) party overtook Tusk's PO in most public opinion polls, retaining a 1–4 percent lead for the rest of the year.⁵ President Bronisław Komorowski remained the country's most trusted politician for the third consecutive year, although polling by the Center for Public Opinion Research (CBOS) reflects growing alienation between respondents and all leading political figures.⁶ Another CBOS study published in September showed a two-year decline in the number of survey respondents expressing satisfaction with the functioning of democracy in their country.⁷

Declining enthusiasm for the PO government may be attributed, at least in part, to the recent economic slowdown. Though Poland still has the healthiest large economy in Europe, it has naturally been affected by the drop in demand for its products in the struggling eurozone. In 2013, Poland's economy grew at the slowest pace since 2009, and unemployment rose to 13.4 percent in December.⁸ Another factor weighing down PO's approval ratings has been the series of long-anticipated but difficult and unpopular reforms the government implemented or planned and promoted in 2012 and 2013.

In September, the government invited a new maelstrom of criticism by announcing plans to overhaul the country's costly, three-tier pension system.

Legislation enacted by the parliament in December will transfer over 50 percent of the assets held by privately held pension funds—mostly in the form of government bonds—to the state’s pay-as-you-go pension system, ZUS. Poland’s Finance Ministry expects the new system to reduce public debt by 9.2 percentage points of economic output.⁹ Critics of the changes, including a number of respected lawyers and economists, called the reform an illegal expropriation of funds by the government in order to slash its public debt.¹⁰ Many also pointed to the apparent haste with which the legislation had been passed—deputies only had three days to review the legislation before the Sejm vote. President Komorowski, who also spoke out against the proposed changes, signed the new system into law on 27 December but simultaneously announced that he would refer the legality of the changes to the Constitutional Tribunal for review.¹¹

In October, nearly one million citizens signed a petition requesting a referendum on the Education Ministry’s proposal to lower the school age from 7 to 6. Although the referendum project won the support of all opposition caucuses and a number of ruling coalition and independent deputies, the Sejm voted down the petition in early November. In addition to revealing fault lines within Tusk’s party, the vote gave PO’s opponents an opportunity to cast Tusk as impervious to public opinion, as surveys showed that 70 percent of Poles favored holding the referendum¹²

Several changes took place in the Tusk cabinet during the year. Justice Minister Jarosław Gowin, the administration’s main “internal” critic, was asked to resign in late April, after clashing publicly with the prime minister over a number of social policy issues.¹³ In August, Gowin challenged Tusk for leadership of PO and lost. When the government announced its plans for the new pension system, Gowin resigned from the party, trimming PO’s parliamentary majority to two seats. Another, much larger cabinet reshuffle took place in November, when seven government ministers left their posts.¹⁴ In most cases, reasons for the resignations were vague, or withheld from the public. One notable exception was Slawomir Nowak, who left the helm of the Ministry of Transport, Construction, and Maritime Economy after learning that he would be charged with failure to disclose his assets, most notably an extremely expensive watch.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	2.00	2.00	2.00	1.75	1.50	1.25	1.25	1.25

Every election in postcommunist Poland has been declared free and fair by international observers and domestic monitoring bodies. Poland’s National Electoral Commission (PKW) is competent and respected, and postelection protests or allegations of fraud are extremely rare. No major, nationwide elections took place in 2013, though politicians did begin preparing for the “electoral marathon” of the next two years: local and European Parliament elections in 2014, presidential and

parliamentary elections in 2015. The year witnessed several local referenda, one of which became a political battleground for the country's main parties, PO and PiS.

Though there are no legal barriers to political engagement, party membership is low compared to other European countries, and voter turnout in the last three national elections averaged around 48 percent.¹⁵ Polish electoral behavior remains difficult to predict. Voters change their minds and party preferences quickly and often, voting in one contest and abstaining the next. The same volatility is reflected in public opinion polls,¹⁶ which reported notable fluctuations in party support in 2013.¹⁷

Parties themselves are becoming less volatile than in the first decades of democratic transition, which saw innumerable party splits, mergers, and name changes.¹⁸ Donald Tusk is actually the first prime minister in independent Poland's history to win a second consecutive term in office. Meanwhile, parties maintain strong financial ties to the state, prompting speculation that the system may be moving into a cartelized, "frozen" model.¹⁹ For the moment, however, it remains entirely possible for new players to enter and compete successfully on the political scene, as the recently formed Palikot Movement did before coming in third in the 2011 parliamentary elections.²⁰

Polish electoral legislation was harmonized as recently as 2010, when the Sejm voted unanimously to merge all electoral regulations into a single electoral code. Under this code, members of the lower chamber of parliament (Sejm) are elected through party-list proportional representation, and members of the higher chamber of parliament (Senat) are elected in single-member districts. The ruling PO lost two seats in the Senat in 2013 when deputies resigned (for nonpolitical reasons) and their seats were won by representatives of PiS.

Legislation proposed by the Women's Congress in January 2013 may soon supplement gender quotas introduced in 2011 with placement mandates requiring parties to divide top positions on electoral lists evenly between male and female candidates.²¹ The so-called "zipper" bill, still under review by the parliament at year's end, is supported by the Democratic Left Alliance (SLD) and Your Movement (formerly Palikot's Movement).

Several local recall referenda took place in 2013, fueling an ongoing debate on the benefits and risks of "direct" democratic procedures such as referenda and other plebiscites. The most significant of these campaigns was held in Warsaw, where political parties, groups, and nonpolitical associations attempted to remove Mayor Hanna Gronkiewicz-Waltz from office. Initially, the campaign was led by a civic association of Warsaw inhabitants and focused on local issues—rising ticket prices for public transport and the slow construction of the second line of the Warsaw metro, among others. Before long, however, the opposition PiS party had vigorously joined in the campaign against Gronkiewicz-Waltz, who is the deputy leader of PO and a close ally of the prime minister. PO leadership responded to the new, partisan bent of the campaign by calling on voters to abstain altogether.²² Ultimately, the referendum failed due to insufficient turnout.²³

PiS leader Jarosław Kaczyński claimed that by urging voters to abstain, Prime Minister Tusk and President Komorowski had violated the strict neutrality of

national authorities during elections prescribed by the Council of Europe's Venice Commission.²⁴ However, no official charges had been brought before the PKW or the Council of Europe at year's end.

In late summer, the Office of the President proposed legislation that would increase the electoral threshold for referenda whose aim is to revoke a directly elected authority. Currently, the threshold for recalling an official is three-fifths the total number of voters in his or her election to office. The proposed legislation would raise the threshold to equal the total number of voters in his or her original election. The project was submitted for parliamentary review just a few weeks before the Gronkiewicz-Waltz referendum. Critics of the proposal accused the government of passing ad hoc legislation in order to keep PO officials in office. Others pointed out the long-term consequences of the new law, saying the change would weaken politicians' accountability between elections.²⁵ President Komorowski submitted the draft for parliamentary review in August, and the Sejm continued to work on it throughout the year.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.25	1.25	1.50	1.25	1.50	1.50	1.50	1.50	1.50	1.50

The vibrancy of Polish civil society played a critical role in freeing the country from communist rule in 1989. Since that time, successive governments have passed legislation to encourage and protect the functioning of nongovernmental organizations (NGOs) and other civic associations. The Polish constitution also guarantees freedom from excessive state pressures and bureaucratic control and effectively protects the rights of the independent civic sector.

A 2013 report by the Warsaw-based Klon/Jawor research association estimates that there are around 11,000 foundations and 72,000 associations in Poland, 60–80 percent of which are active. According to the report, approximately 20 percent of NGOs operate on a full-time basis, and 29 percent work only occasionally. The most popular field of NGO activities is sports and hobbies (38 percent), followed by art and culture (17 percent) and education (14 percent).²⁶ A study published by CBOS in February 2013 reported an increase in material charitable donations.²⁷ According to the study, more Poles donated clothing, food, books, and other goods in 2012 than in previous years. The number of those supporting charities with money or volunteer work remained stable.

Caritas Polska is the largest charitable NGO operating in the country.²⁸ It is directly linked to the Roman Catholic Church and was revived just after the fall of communism by the Conference of the Polish Episcopate. Caritas's activities include humanitarian aid (mainly provision and distribution of food, clothing, and other supplies) and social services. Caritas Polska is present in each Polish diocese, providing help through professional care facilities and educational rehabilitation

centers, soup kitchens, daycare for children and the elderly, and other social welfare services. Internationally, it cooperates with the Pontifical Council “*Cor Unum*,” and is a member of *Caritas Internationalis* and *Caritas Europa*, which coordinate bigger, international charity actions, providing help after natural disasters and other humanitarian crises.

Another major charitable operation in Poland is the Great Orchestra of Christmas Charity (*Wielka Orkiestra Świątecznej Pomocy*, WOSP),²⁹ a unique organization that collects money and supplies for life-saving medical care through a huge fundraising drive every January (the so-called “Grand Finale” drive), as well as throughout the year. Each year, the foundation chooses a special focus for its fundraising efforts—for example, the 2013 Grand Finale collected funds for infant care and geriatric care (geriatrics is unfortunately one of the most neglected branches of the Polish health care system). In the latter case, WOSP sent money to a few geriatric facilities in every voivodeship.³⁰

CBOS polls show that approximately 80 percent of Poles oppose same-sex marriage, and 60 percent oppose civil/registered partnerships. Close to 90 percent oppose adoption by same-sex couples.³¹ On 25 January, the Polish Sejm voted down three long-debated bills granting legal rights to (same-sex and heterosexual) unmarried couples.³² The controversial legislation, which was originally submitted to the parliament in 2012, highlighted ideological divisions within the ruling party over social issues. A number of deputies from PO voted against all three proposals, including the one drafted by another PO deputy. Conservative politician Jarosław Gowin, who was dismissed from his position as justice minister in April, led the internal PO resistance to civil partnerships, while Tusk publicly backed them.

The increasing popularity of referendums in Poland has created new opportunities for activism by civil society organizations, many of whom participated in related campaigns and signature collections in 2013. Civil society groups also make full use of the internet to generate news sites, blogs, and other media platforms from which to engage and mobilize citizens on social and political issues. These include groups like *Krytyka Polityczna*³³ and *Ruch Narodowy*,³⁴ which are sceptical of liberal, pluralist democracy, as well as organizations with egalitarian and inclusive agendas.

On 11 November, clashes broke out in Warsaw as riot police confronted right-wing nationalists during a Polish Independence Day march. This marks the third year in a row that Independence Day celebrations in the Polish capital have been marred by violence between rioters and police.³⁵ The hooligans also attacked the Russian embassy, throwing flares, bottles, and firecrackers on its territory. Poland’s Foreign Ministry condemned the actions of the attackers. Nationalist marches have been growing in size on this national holiday, with leftists turning out to oppose them.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.75	2.25	2.25	2.00	2.25	2.25	2.25	2.50	2.50

Polish print, broadcast, and online media are diverse but increasingly partisan. While individual outlets often present a biased view, they collectively offer a range of opinions and serve the public interest, playing a watchdog role with respect to government policies and the actions of all political factions. The media typically act as agents of civil society, and in return receive the support of NGOs and the public when threats to press freedom arise.

The legal framework regulating the media sector is democratic. The constitution protects freedom of speech and press freedom, and media workers are free to form professional associations. According to Polish law, journalists are protected from victimization by state or other actors, and their sources are also well protected by law.³⁶

The public television and radio broadcasters tend to favor the government, carrying less criticism than the private media, but this tendency has persisted for many years, through several rotations of power. The majority of private outlets display an ideological or political bias in one direction or another, meaning citizens must consult multiple sources to inform themselves effectively. There is sometimes less diversity at the local level, where powerful political leaders or businessmen can strongly influence media content through direct or indirect pressure, for instance by manipulating purchases of advertising.³⁷ The regional press has also been gradually consolidated under corporate ownership, suffering from staff reductions and the centralization of editorial policies.

A number of factors have contributed to a decline in the quality of journalism in recent years, including a sharp drop in investigative journalism related to ongoing budget cuts at major outlets. But the most obvious problem is the division of the Polish media into what are essentially two hostile, competing camps: one associated with the ruling PO-led coalition, and the other clearly connected with the main opposition party, PiS. While these camps clash on many issues, by far the most contentious is the 2010 Smolensk catastrophe, in which then president Lech Kaczyński and numerous other military and civilian leaders were killed when their aircraft crashed in western Russia. Media that are friendly to the government support the official narrative on the circumstances of the disaster,³⁸ while those aligned with the PiS promote alternative accounts. Any efforts to reach a compromise or reconciliation on the topic remained unsuccessful in 2013.

There is a clear economic imbalance between the two camps. The group closer to the government is generally much stronger, though some of the opposition outlets enjoyed a measure of success in 2013. Two weeklies, *W Sieci* and *Do Rzeczy*, made their debut during the year and gained fairly good readership, managing to survive in the country's shrinking market for print periodicals. They emerged from the original *Uważam Rze*, a popular right-wing weekly that had been shaken

by the firing of its editor in chief in late 2012. Many journalists left *Uważam Rze* to join the new ventures. TV Republika, a conservative news station previously available only online, began broadcasting via cable and satellite platforms in May.³⁹ In addition, TV Trwam, a conservative station linked to PiS, successfully completed its efforts to obtain a new digital broadcast license, which was granted in July. However, the main regulatory body for broadcast media, the National Council of Radio and Television (KRRiTV), which is currently dominated by the ruling PO, raised some objections to the procedure and delayed final approval. The station was not yet broadcasting at year's end.⁴⁰

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.25	2.25	2.00	1.75	1.75	1.75	1.75	1.50

Poland has been decentralized from the very beginning of its democratic transition, both in law and in practice. The constitution and other national legislation enshrines principles of local democratic government, and while Poland is not a federal state, local authorities have some freedom to design policies reflecting local needs and interests. Central authorities frequently consult local governments on planning and decision-making, and they are strongly encouraged to do so by grass-roots activism and civil society protests. However, in some cases this local consultation is perceived as excessive, particularly when it delays the implementation of infrastructural projects.

Local officials are chosen through free and fair elections. The last nationwide local elections were held in 2010, and the next are scheduled for 2014. Between elections, mayors are subject to recall referendums, which have grown in popularity in recent years.⁴¹ A total of 136 recall attempts have been made since the 2010 local elections. In 80 percent of cases the referendums were deemed invalid because they failed to achieve the required level of voter turnout. In 16 cases the votes were valid and the executive officials were dismissed.⁴² PKW data show that low turnout is indeed the main obstacle to successful recalls.⁴³ Once it clears that hurdle, a referendum almost always results in the removal of the targeted official.

Polish citizens' growing interest in referendums probably has many different causes.⁴⁴ It can be attributed in part to rising dissatisfaction with the current government, or the way the political system in general functions. But it may also be linked to changes in the law regulating such votes that entered into force in February 2013. The amendments extended the list of subjects for which local referendums can be organized. They now include a long catalogue of important social, economic, and cultural issues, even if they go beyond the powers and responsibilities of local authorities.

Political parties have increasingly used local referendums as efficient tools for voter mobilization, treating them as preludes to the main electoral campaign.

The reform proposed by the president in 2013 aimed to solve this politicization problem by making recall votes more difficult than referendums on other topics. The draft law would treat all referendums other than recalls as valid regardless of the number of citizens participating in them, removing the current 30 percent turnout threshold. But recall referendums would be valid only if the number of participating citizens matches the turnout recorded for the original election of the public official in question. Currently, such a referendum is valid if voter turnout equals three-fifths of the original number.

Attempts to introduce another form of direct democracy, participatory budgeting, were made in a number of municipalities during 2013, including in large cities like Poznań, mid-sized cities like Płock, and small towns like Karpacz.⁴⁵ Participatory budgeting allows local residents to propose and vote on specific projects and spending priorities. The first Polish city to introduce this method was Sopot, where an informal group of citizens mobilized support for the initiative before the 2010 local elections and persuaded the new city council to implement the process in 2011.⁴⁶ Sopot still uses this method widely and effectively, and its experience has served as an inspiration and example for others.⁴⁷ In many other cities and towns—Kraków, Wałbrzych, Dąbrowa Górnicza, Olsztyn, Radom, Elbląg—various NGOs pursue smaller, individual projects and pilot programs. Other cities are also preparing to implement this model on a larger scale. In 2012, the citizens of Poznań proposed a list of 343 ways to spend urban funds in support of 265 projects. After some debate and voting, five projects were selected, including a bicycle path along the river and a family playground. A total of 20,000 citizens took part in the process. As a result of the initiative's success and popularity, in 2013, Poznań authorities allocated 10 million złotych (\$3.2 million) to participatory budgeting for the coming year, the equivalent of 0.4 percent of the city's 2014 budget.⁴⁸

Also in 2013, much discussion centered on the special tax (*janosikowe*) that is paid by wealthier municipalities in Poland and redistributed among poorer communities.⁴⁹ The tax, introduced in 2003, is a mandatory payment to the state budget. Its calculation is based on the tax revenue of a given administrative unit two years earlier. Some perceive the mechanism as unjust and promote its reform or even its abolition. "STOP Janosikowe" is a nationwide social campaign launched by Rafał Szczepański, an entrepreneur from Warsaw. It advocates a more equitable calculation of the tax and a more rational allocation and efficient use of the resulting resources. In response to this initiative and many others, the prime minister has promised to substantially reform the tax.⁵⁰

Yet another controversial idea related to local democratic governance is the so-called Varsovian Card (*karta Warszawianka*), which will come into force in January 2014.⁵¹ All those paying their taxes in Warsaw are eligible to receive the card and enjoy reduced prices for Warsaw urban transport and other municipal services. The project has been criticized for discriminating between residents of the capital and other citizens.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.25	2.25	2.50	2.25	2.50	2.50	2.50	2.50	2.50

The judiciary is arguably the least reformed of the three branches of government in Poland, having maintained considerable continuity in personnel during the transition to democracy. This continuity likely contributed to the character of the current system, as well as its levels of effectiveness, organization, and legitimacy among the public. Poles are quite critical about the judicial system, in particular about the courts.⁵² A majority (51 percent) define their attitude toward judges as ambivalent. Nearly a quarter (23 percent) have a negative attitude, and less than a fifth (19 percent) define their attitude as positive.

On the level of the legal framework, the Polish courts and other law enforcement institutions are undoubtedly democratic. The constitution provides firm protections for the whole catalogue of political, civil, and human rights. It guarantees equality before the law, protects freedom of conscience and religion, and ensures freedom of association and freedom of speech. It also guarantees business and property rights. Interpretation and enforcement of the constitution is overseen by the Constitutional Tribunal.

On the level of practice, several imperfections can be observed in the judicial system. Equality before the law is not always fully protected,⁵³ with the media often reporting cases in which politicians, public officials, and celebrities allegedly receive better treatment than ordinary citizens when they face criminal charges.⁵⁴ As in previous years, individual violations of Article 3 of the European Convention on Human Rights, such as arbitrary arrest, detention without trial, and searches without warrants, were noted throughout 2013.⁵⁵ Inhumane conditions in Polish prisons,⁵⁶ such as overcrowding, also violate the convention's Article 3.

One area where constitutional guarantees seem to conflict with the laws on the books is freedom of expression, and the courts have repeatedly grappled with this contradiction. Much of the debate in 2013 focused on Article 212 of the criminal code, which allows imprisonment as a punishment for defamation.⁵⁷ In November 2012, ombudswoman Irena Lipowicz asked the Constitutional Tribunal to examine whether the article is constitutional. She noted that according to the European Court of Human Rights, custodial sentences for speech are permissible only in the most severe cases, such as when the words incite people to hatred and violence. Both the parliament and the attorney general called for the ombudswoman's application to be dismissed on the grounds that the Constitutional Tribunal had already examined and upheld the constitutionality of Article 212 in 2006. As a result, on 11 June 2013 the Constitutional Tribunal discontinued the proceedings on Lipowicz's request.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	3.25	3.00	3.00	2.75	3.25	3.25	3.25	3.25	3.50

Poland has long suffered from a legacy of corrupt practices that undermine good governance and distort the political process. However, the steady accumulation of new cases over several years—despite the effective operation of institutions designed to combat the problem—suggested in 2013 that public figures are undeterred by the prospect of punishment, and that corruption is more entrenched than previously thought.

Two different types of corruption can be distinguished. On the one hand, there is low-level corruption, encompassing all those illegal or semilegal practices that “facilitate” access to public goods such as medical care and education. It occurs predominantly in the more inefficient sectors, where the state and its agents are unable to provide all the necessary services on a universal basis. This type of corruption was widespread in the communist and early postcommunist eras, but more recently it has been fading away, partly due to the modernization of the state apparatus, and partly due to the work of institutions like the Central Anticorruption Bureau (CBA).

On the other hand, there is institutional and political corruption, which affects senior officials, politicians, and the businessmen who depend on them. Major cases are reported each year, but the most prominent example during 2013 emerged in late October amid an internal PO party election in Wrocław and the surrounding province of Lower Silesia. The Polish edition of *Newsweek* published an audio recording in which Sejm member Norbert Wojnarowski advocates for his favored candidate and at the same time promises one of the party delegates a position at KGHM, a successful state-owned mining company.⁵⁸ Additional corruption scandals were revealed later in the year. The CBA in November announced the arrests of a number of public officials accused of fixing public-procurement procedures. A former deputy interior minister and a former vice chairman of the Central Statistical Office (GUS) were among those detained.⁵⁹ Among other cases, Transport Minister Sławomir Nowak and Deputy Defense Minister Waldemar Skrzypczak were both forced to resign and face accusations of corruption.⁶⁰

Poland’s problems with corruption stem in part from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for bribery and fraud. This fact is officially recognized, and, in 2007, the governing parties even established a parliamentary commission to identify laws and regulations that stifled free enterprise and to propose legislation to eliminate them.⁶¹ Unfortunately, little of substance emerged from this commission.

Even academia is not entirely free from corruption.⁶² In late 2013, prosecutors accused a group of scientists from the University of Technology in Wrocław of embezzling 1.8 million złotych (\$570,000).⁶³ They allegedly accepted this money for research that was never conducted or finalized, and subcontracted work to unqualified friends and family members at inflated rates.

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Romania

by Valentina Dimulescu, Adriana Iordache, and Ioana Lupea

Capital: Bucharest
Population: 20.1 million
GNI/capita, PPP: US\$17,650

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	2.75	2.75	2.75	2.75	2.50	2.75	2.75	3.00	3.00	3.00
Civil Society	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50
Independent Media	4.00	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.25	4.25
National Democratic Governance	3.50	3.50	3.50	3.75	3.75	4.00	3.75	3.75	4.00	3.75
Local Democratic Governance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	4.00	4.00	3.75	4.00	4.00	4.00	4.00	3.75	3.75	3.75
Corruption	4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Democracy Score	3.39	3.39	3.29	3.36	3.36	3.46	3.43	3.43	3.50	3.46

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

EXECUTIVE SUMMARY

Since emerging from the harsh authoritarian rule of President Nicolae Ceaușescu in 1989, Romania has made impressive strides in establishing accountable political and economic institutions and a free civil society, but certain pillars of democratic governance—most notably the independence of the judiciary and the media—remain extremely weak. Governance at the national level has been highly partisan and often unstable, and political corruption is prevalent. Romania joined the European Union (EU) in 2007, and its economy depends very much on European markets and EU funds, magnifying the effects of the eurozone financial crisis.

Romania's semipresidential political system has led to repeated conflicts between prime ministers and presidents from different parties. The most recent clash occurred in 2012, when the parliamentary majority suspended President Traian Băsescu but failed to oust him in an impeachment referendum due to low voter turnout. The effort featured a series of attempts by the government of Prime Minister Victor Ponta to override institutional checks on its authority. By 2013, the conflict between Băsescu and Ponta had simmered down, and normal government operations were largely restored, thanks in part to a new power-sharing agreement signed at the end of 2012. However, the governing coalition advanced a constitutional reform proposal that, among other changes, would make Romania a parliamentary republic, weakening the power of the presidency. It was expected to be submitted for public approval in a referendum in 2014.

National Democratic Governance. The decisive victory of the ruling Social Liberal Union (USL) coalition in the December 2012 parliamentary elections and the subsequent power-sharing agreement between the president and prime minister set the stage for more stable democratic governance in 2013, with a detailed formula regulating each side's executive responsibilities. Due to the normalization of relations between the government and the office of the president and the effectiveness of the new agreement in avoiding constitutional conflicts, *Romania's rating for national democratic governance improves from 4.00 to 3.75.*

Electoral Process. Following the 2012 election victory of the USL, which received a two-thirds majority in Parliament, there were no significant electoral developments in 2013. Competing proposals to change the size and electoral system of the legislature stalled amid disagreement. The USL pushed through a law that lowered the turnout threshold for referendums, but resistance by the president and other opponents ensured that it would not take effect until December 2014. *Romania's electoral process rating remains unchanged at 3.00.*

Civil Society. Nongovernmental organizations (NGOs) continue to face funding difficulties and legal harassment due to overregulation. Despite these obstacles, Romania's civil society demonstrated its potential strength in 2013 when a large number of both urban and rural residents used social media to mobilize protests against environmentally hazardous projects and government corruption. The protests prompted the government to revise its original plans regarding a controversial gold mine. *Romania's civil society rating remains unchanged at 2.50.*

Independent Media. The year's events highlighted the rise of low-cost, high-impact independent online media, which contributed to the social mobilization around environmental and other issues in the fall. However, the politically partisan and economically dependent traditional media mostly chose to cover the protests negatively or not at all, apparently defending the interests of their advertisers. Politicization and polarization continued to plague the traditional media sector, while the few independent outlets were endangered by a new law that required the suspension of broadcasting licenses for audiovisual companies that have entered insolvency proceedings. The Constitutional Court blocked the law on the grounds that it was improperly adopted as an emergency ordinance. *Romania's rating for independent media remains unchanged at 4.25.*

Local Democratic Governance. One of the most contentious issues in 2013 was a plan to empower and reorganize the country's subnational administrative units, put forward by the ruling USL. Although a decentralization bill was adopted via a vote of confidence, without a parliamentary debate, the opposition and civil society representatives raised objections on both the content and the process, and a Constitutional Court ruling on the measure was pending at year's end. *Romania's rating for local democratic governance remains unchanged at 3.00.*

Judicial Framework and Independence. The judiciary bravely sentenced high-ranking politicians for corruption in 2013 and struggled to maintain its independence despite a political bargain on the appointment of its chief prosecutors and their deputies. Attempts to infringe on the magistrates' autonomy remained a constant of political life, with executive officials heavily advising or criticizing the judiciary on its decisions and the parliamentary majority trying repeatedly to gain impunity for legislators through various legal exceptions from conflict of interest legislation. *Romania's rating for judicial framework and independence remains unchanged at 3.75.*

Corruption. Anticorruption efforts finally seemed to bring some positive results in 2013, though the strong focus on prosecution meant fewer resources for deterrence and prevention. Government decisions on business matters, such as those surrounding the Roșia Montană gold-mining project, raised suspicions of pervasive and detrimental rent-seeking by politicians from all major political parties. Throughout the year, courts continued to convict high-level officials on

corruption charges, but payoffs and kickbacks remained widespread on both the local and national level. *Romania's rating for corruption remains unchanged at 4.00.*

Outlook for 2014. Romania is likely to descend into instability again ahead of the impending presidential and European Parliament elections, which will test the strength of the governing coalition as well as its ability to rally behind a single candidate. The parliamentary opposition will remain weak and fragmented, with President Băsescu representing the main obstacle to government policies. The USL will also face resistance from a growing but still somewhat uncoordinated civil society, which opposes all three of the parties that have governed Romania since 2004.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.50	3.50	3.75	3.75	4.00	3.75	3.75	4.00	3.75

The ruling Social Liberal Union (USL)—a coalition of the Social Democratic Party (PSD) and the National Liberal Party (PNL)—won strong majorities in both the Senate and the Chamber of Deputies in the December 2012 parliamentary elections, and PSD leader Victor Ponta was reappointed as prime minister. The process of his nomination by President Traian Băsescu, a bitter rival whom Ponta and his allies had twice tried to impeach, was remarkably smooth given their history. The president and prime minister signed a cohabitation pact on 12 December, and the new Ponta government took office on 21 December. Both parties to the cohabitation agreement as well as its critics suggested that some brokering by European Union (EU) leaders was needed to repair relations between the two sides. However, by the time the new year began, Romania had a government backed by a large majority, and the previous year's conflicts had cooled considerably.

Romania's French-inspired constitution leaves many ambiguities in the division of authority within the executive branch, causing repeated clashes between presidents and prime ministers, even when they hail from the same political camp. The six-page cohabitation document of December 2012, which was published only after months of rumors,¹ is a complex power-sharing agreement designed to avoid conflict on issues such as security, justice, defense, U.S. and NATO relations, and EU integration. It establishes presidential preeminence in the areas of foreign policy, security, defense, and representation in the European Council (although this was later heavily disputed). Similarly, it gives preeminence to the prime minister in the areas of economic and social policy, current affairs, and intergovernmental relations. Cooperation was also agreed regarding the shared constitutional power to appoint the prosecutor general and the chief anticorruption prosecutor, a particularly sensitive issue in a period of high-level corruption prosecutions and accusations that such cases are politically motivated. The cohabitation pact was successful in preventing constitutional standoffs for most of the year, but it showed strains in the fall, when Băsescu vetoed several laws and the 2014 budget, which had been drawn up by the government with advice from the International Monetary Fund (IMF). The president objected to a gas tax in the budget plan, jeopardizing an aid agreement with the IMF and EU.

The government coalition remained fairly stable in 2013, unlike most such alliances in Romanian politics. However, important differences continued to show, particularly those involving the tiny but influential Conservative Party (PC), founded by media tycoon Dan Voiculescu. The PC has always relied on partnerships

with larger parties to enter Parliament, and when it suffered a rift with the PSD in 2012, it switched allegiance to the PNL, thus remaining in the USL. In 2013 the PC managed to block the inclusion of the Hungarian Democratic Union of Romania (UDMR) in the government by unleashing a nationalist media campaign against the idea. The party's affiliated television channels also lambasted Ponta when his agreement with Băsescu allowed the appointment of the president's nominee for chief prosecutor of the National Anticorruption Directorate (DNA). Voiculescu had long faced corruption allegations and accused Băsescu of abusing his authority over law enforcement entities to punish political opponents.

Another source of potential conflict within the coalition was the fate of the presidency. Revising the constitution to curtail the powers of the president has long been an objective of the USL, though Băsescu himself will cease to be an obstacle to the coalition when his second and final term expires in December 2014. A constitutional forum under the chairmanship of Crin Antonescu, head of the PNL and president of the Senate, drafted a revision proposal during the summer of 2013.² Currently, the president has the option of once refusing the appointment of a government minister,³ and he also nominates the prime minister after elections, following consultations with all the parties in Parliament.⁴ In practice, this has often led to the creation of minority governments that rely on conditional support from individual lawmakers or splinter factions to achieve a working majority. The revised constitution is likely to strip the president of such discretion, obliging him to name the leader of the largest party as prime minister. This and other changes were scheduled to be put to a referendum in late 2014, after the presidential election. Under the terms of the USL coalition agreement, Antonescu was expected to run for president, but political analysts regularly predicted during the year that the coalition would break up before the vote so that the PSD could present its own nominee.

The opposition Democratic Liberal Party (PDL), a center-right faction associated with Băsescu, also suffered from infighting during the year. After the party refused to endorse his favored candidate, Elena Udrea, as its leader, Băsescu prompted the creation of the Popular Movement Party (PMP), with the declared intention of becoming prime minister once his presidential term expires. Creating a new party based mostly on his official presidential advisers, openly encouraging a faction within an existing party, and playing a political role in general all contradict the constitutional role of the president, who must resign from any party upon taking office and is meant to remain politically neutral. Băsescu has long been accused of transgressing the limits of his constitutional powers, but he was apparently emboldened in 2013 by the failure of the 2012 impeachment attempt against him.

Despite the USL's parliamentary majority, the Ponta government continued the problematic practice of issuing Government Emergency Ordinances (GEOs) as its preferred mode of legislation. No fewer than 96 were enacted in 2013, and only one was appealed by the Institution of the People's Advocate, or ombudsman—the only entity aside from the parliamentary opposition that can call for a judicial review of such executive ordinances.

The government's fundamental inefficiency is reflected in its disastrous rate of absorption of EU funds, which still fell below 30 percent at the end of 2013, the lowest rate in the EU.⁵

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.75	2.75	2.75	2.75	2.50	2.75	2.75	3.00	3.00	3.00

A debate regarding Romania's electoral system was reignited by the results of the 2012 parliamentary elections, which produced a legislature with 588 members, 20 percent more than in the previous Parliament. A 2008 revision of the electoral law had introduced single-member districts (SMDs), creating a mixed majoritarian-proportional system in the hopes that it would improve ties between voters and their representatives. However, according to opinion polls, 59 percent of voters feel that the quality of representation has actually diminished, and over 60 percent do not know the name of their deputy or senator.⁶ In addition, the personalization of elections in SMDs has intensified party switching and clientelism, with members of Parliament (MPs) opportunistically pursuing government funds for their constituencies.⁷

In the context of the planned constitutional overhaul, Ponta has declared that it is imperative to reduce the size of Parliament and the related campaign costs by returning to the proportional closed party-list voting method for the Chamber of Deputies. Under the USL's preferred plan, the chamber would be limited to a maximum of 300 seats, plus the seats reserved for national minorities. The Senate would represent the counties and future regions (to be created between the national and county levels), with two senators per county elected under a first-past-the-post electoral formula. In addition, the Chamber of Deputies would have budget-related responsibilities, while the Senate would be in charge of regional development, foreign policy, and defense.⁸ Ensuring political stability, a parliamentary majority, regional representation, and legislative efficiency are the declared objectives of this reform.

However, the opposition PDL supports a unicameral legislature with a mixed electoral system whereby one-third of MPs would be elected in SMDs via a majority formula, with two representatives per county, and the other two-thirds would be chosen through a proportional system, using either a closed party list or an open list method. The PDL threatened to initiate a campaign to boycott any constitutional referendum that included the USL's parliamentary reform proposals, arguing that voters had already endorsed its plan in a 2009 referendum. That vote had been valid, but was nonbinding and never implemented. In June 2012 the Constitutional Court recommended that Parliament take the 2009 referendum into consideration,⁹ meaning an electoral law that ignored it could be successfully challenged before the court. The competing reform plans remained on hold at year's end.

The USL was somewhat more successful during the year in achieving another of its stated goals: lowering the participation threshold for referendums from 50 percent plus one of the eligible electorate to 30 percent. The higher threshold had caused the defeat of the coalition's presidential impeachment attempt in 2012. The legislative committee of the Chamber of Deputies unanimously accepted the USL's proposal, including a condition whereby 25 percent of the electorate must cast valid votes. These changes were accepted by the Chamber of Deputies on 29 May, and Ponta said they were in line with a 2012 Constitutional Court decision calling for the same threshold to be imposed for all types of referendum. That meant the new rules would apply to both an impeachment vote and a constitutional referendums.

The PDL, the UDMR, and the People's Party–Dan Diaconescu (PPDD) contested the revised law at the Constitutional Court in early June. The court ruled that the changes were constitutional, but that they could not be used for referendums organized within one year after the new law came into force. On 16 July, President Băsescu sent the law back to Parliament for reexamination, arguing that the lower threshold did not ensure a proper expression of the people's sovereignty and will. The Chamber of Deputies rejected his assertions, and in early September the law was returned to the president, who did not have the authority to veto it twice. The president's next step was to contest it before the Constitutional Court on 21 September using the same set of arguments, but on 14 November the court again decided that the changes were constitutional.¹⁰ Băsescu, having declared that he would do everything in his power to prevent a referendum on a new constitution from taking place at the same time as the 2014 presidential election, used a bureaucratic artifice that allowed him to sign the law 10 days after he received the Constitutional Court's reasoning on 4 December.¹¹ The new law on referendums was finally signed on 14 December and published in the official gazette on 16 December, but its application remains delayed until December 2014. Consequently, Băsescu will be able to complete his term before any referendum with the lower threshold can be organized to impeach him or reduce his powers through constitutional reforms.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50

The most important development for civil society in 2013 was the Roșia Montană protest movement, also known as the "Romanian Autumn." A draft law introduced specifically to authorize the controversial mining project had been stalled for 14 years, but it returned to the limelight amid a new push to activate what would be the biggest opencast gold mine in Europe. The mine would be operated by the Roșia Montană Gold Corporation (RMGC), an entity in which Canada's Gabriel Resources holds an 80.7 percent stake.

After years of court battles and denials of an environmental license, the government approved the draft law authorizing the mine and sent it to Parliament on 27 August, triggering public protests.¹² The demonstrations were held each Sunday beginning in September, organized primarily via social media. (A “Save Roșia Montană” Facebook page received over 200,000 “likes” by December.) Thousands of people took to the streets in Bucharest as well as nationwide and abroad, producing the largest protests since 1990, though the total figure from all locations never surpassed 100,000 and was usually under 30,000. In Bucharest and Cluj, protesters repeatedly blocked traffic by marching on the largest streets. Opponents of the mining project cited various motivations: protecting the national heritage of the area, fear of ecological hazards linked to the use of cyanide in gold mining, nationalistic objections to the prominent role of a foreign company, or allegations that corruption lay behind the new move to open the mine.¹³

Faced with strong public discontent with the draft law, the government adopted a series of coping strategies: denial, pretending to end the project while working to authorize it by other means, and attempting to delegitimize the protests. Initially, both the government and the majority of media outlets overlooked the protests, focusing instead on other topics, such as the dramatic case of a four-year-old boy who was killed by stray dogs.¹⁴ Then, soon after his ally Antonescu declared his opposition to the mining project, Ponta publicly stated that it “is closed, the street protests have reached their goal.” However, the government asked for the establishment of a special parliamentary committee, gathering members from both the Chamber of Deputies and the Senate to further discuss the project and to consult with all the interest groups. On 11 November, the Roșia Montană Special Committee recommended the rejection of the bill, and the draft law authorizing mining at Roșia Montană was also defeated in plenum. Subsequently, in a bid to circumvent criticism that the rejected bill had been crafted unconstitutionally to benefit a specific company, lawmakers introduced a new bill that ostensibly regulated mining in general but contained most of the controversial articles of the previous draft. This bill was also rejected in a pair of votes in December.¹⁵

While the police generally allowed the protests to proceed peacefully, politicians and the media repeatedly denounced them as unauthorized and dangerous. In September, Mihăiță Calimente, a PNL MP who headed the parliamentary committee overseeing the foreign intelligence service, declared that “the NGOs funded by George Soros are the catalyst of the protests,” adding that “these grants may pose a threat to national security.”¹⁶ In response, nearly 100 nongovernmental organizations (NGOs) from all over the country sent an open letter to the PNL to request the withdrawal of its political support for Calimente.¹⁷ The party issued a statement dissociating itself from the remarks, but it did not retract its support for Calimente himself. Separately, Ionel Blănculescu, an unpaid Ponta adviser who had publicly promoted RMGC, compared the protesters to terrorists.

Protests linked to environmental concerns also sprang up in October to oppose the U.S. energy company Chevron’s plans to drill for shale gas in Pungești, Vaslui County. Hundreds of citizens formed a human chain in front of the machinery and

refused to leave. By late December, the authorities had instated emergency rule in the area, even forbidding the villagers to sing Christmas carols in public.¹⁸

The underfunding of NGOs and their primarily foreign sources of income represent the key vulnerabilities of the sector, limiting their ability to carry out activities and exposing them to attacks on their legitimacy. In April, MP Bogdan Diaconu of the PSD proposed an amendment to Law 334/2006 on the financing of political parties and election campaigns that would prohibit NGOs from receiving donations from “foreign organizations, individuals or legal entities” if they are “engaged [in] political activities, or support political parties, directly or indirectly.”¹⁹ The bill was rejected by the Senate, but it remained under discussion in the committees of the more powerful Chamber of Deputies.

According to a survey commissioned by a private company, lack of funding appears to be the most important issue for 74 percent of Romanian NGOs, and delays in the flow of EU funds affected 36 percent of organizations in 2013.²⁰

In November, an intensive campaign conducted by over 400 members of “Coalition 52” led to the improvement of the law on transparency in decision-making (Law 52/2003).²¹ Among other modifications, the law eases civil society participation by requiring the authorities to extend the period for public consultation, announce the call for suggestions collected from citizens and subsequently archive them, and publish the rules of procedure for public debates.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	4.00	3.75	3.75	3.75	4.00	4.00	4.00	4.25	4.25

The fact that the autumn 2013 rallies against the RMGC gold-mining project were ignored or given distorted coverage by almost the entire Romanian media sector—with a few exceptions—exposed the huge impact of owners’ political and economic interests on the media environment. The problem was noted and taken up by the protesters themselves, who began chanting slogans calling for press freedom and independent journalism.

The biased coverage can be attributed in part to the severe financial difficulties that have affected the Romanian media in the last few years, as RMGC has been very generous with investments in media advertising.²² The basic ownership structure also likely played a role, as major media owners are linked directly or indirectly to political leaders, many of whom supported the mining project. More broadly, trends like the dramatic decrease in newspaper circulation, the dominance of major television stations, and the boom of social media have all weakened the status of professional journalists and left them more vulnerable to editorial influence from media owners.

Both the Organization for Security and Cooperation in Europe (OSCE) in November 2012 and the European Commission (EC) in its January 2013 report

under the Cooperation and Verification Mechanism (CVM) emphasized the degradation and polarization of the media environment in Romania. The OSCE's final report on the December 2012 parliamentary elections concluded that media outlets preferred to become instruments at the disposal of political parties rather than play a critical and analytical watchdog role toward public officials.²³ Outlets frequently spar with rivals associated with the opposing political camp, damaging public trust in media independence.

In addition, the EC in its CVM progress report recommended that Romania review "existing standards to safeguard a free and pluralist media while ensuring effective redress against violation of individuals' fundamental rights and against undue pressure or intimidation from the media against the judiciary and anti-corruption institutions."²⁴ The suggestion stemmed in large part from a campaign by the Antena 3 television station against prosecutors and judges involved in the corruption cases of politician and businessman Dan Voiculescu, the *de facto* owner of the station's parent company, Intact Media Group.

In the first three weeks of the anti-RMGC protests, the country's broadcasting regulator, the National Audiovisual Council (CNA), received 2,000 complaints against the main television stations, which were mostly accused of disseminating pro-RMGC propaganda by carrying a huge amount of advertisements. A significant number of these complaints were also related to talk shows and news bulletins that were perceived to be "sponsored" by RMGC. The CNA president stated that there were also petitions regarding biased news reporting of the street protests, with some specifically naming the state-owned television station, Romanian Television (TVR).²⁵ The outlet allegedly offered very poor news coverage of the protests for approximately nine days, with one segment of only 43 seconds on 1 September, the first day of the rallies. The CNA banned the RMGC advertisements from being broadcast in their existing form because they were considered misleading.²⁶ On 7 September, thousands of anti-RMGC demonstrators marched to the TVR headquarters to protest the alleged news blackout, but even this was not covered in the station's news program.

MPs have blocked reforms advocated by many NGOs that would change the law regulating state-owned television and radio networks in order to depoliticize the appointment of station managers. In August, some members of TVR's governing board and one of its journalists criticized the hiring process for the head of the news department, calling it unfair and politicized.²⁷ The only candidate for the position, Claudiu Lucaci, had served as a spokesperson for a former PSD government. In December, the TVR board and director were dismissed by Parliament amid political disagreements within in the USL.

A new law on insolvency adopted by the government on 2 October led some NGOs to accuse it of attempting to further suppress media independence. The law, Emergency Ordinance no. 91/2013, required the suspension of licenses for audiovisual companies entering insolvency proceedings. Active Watch and Reporters Without Borders condemned the measure, saying it was adopted with a total lack of transparency. The groups argued that the ordinance's provisions

“threaten press freedom and the public’s right to information” and open “a new chapter in the history of political and economic control of the media institutions in Romania.”²⁸ The law was contested at the Constitutional Court, which decided that the use of the emergency ordinance procedure to enact it was unjustified and therefore unconstitutional.

Some web-based alternative journalistic projects and social-media outlets succeeded in providing accurate information to younger, more urban residents during the anti-RMGC rallies. Internet penetration had reached 53 percent nationally and 63 percent in urban areas among people over age 15 as of April 2013.²⁹ Facebook, which played an important role in mobilizing protesters, has a penetration of about 32.8 percent.³⁰

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

One of the main topics of public debate in 2013 was the government’s proposed “regionalization-decentralization” process, as it was named in a memorandum released in February by Regional Development Minister Liviu Dragnea.³¹ He argued that the shift of responsibilities away from the national government (decentralization) and the creation of new regions between the national and county level (regionalization) are vital if Romania is to improve its absorption rate for EU funds and achieve balanced regional development.³² Dragnea emphasized that the core aim of this new framework—which also includes changes to the law on local public administration, the statute of civil servants, and the law on the role of the prefect—is to reduce bureaucracy and create a more efficient public administration that is responsive to the needs of the local population.³³ In late October, the draft law on decentralization was made public,³⁴ whereas the regionalization plan is to be presented at a later date, in one or two years.

The initial plan of the USL was to have everything settled by the end of November, which would have meant organizing the constitutional referendum in October. However, the strategy had to be changed because of the Constitutional Court’s decision on the law on referendums. The USL decided to implement the decentralization law before the adoption of the 2014 state budget and before January 2014, when the European Commission’s new financial framework for the distribution of EU funds would begin, by passing it via a vote of confidence and thus avoiding an actual parliamentary debate on the matter. The vote took place on 19 November in the absence of the main opposition party, the PDL, which challenged the validity of the procedure. A ruling by the Constitutional Court was pending at year’s end.

Public discussions on regionalization and decentralization with local officials, political party representatives, academics, and NGOs were organized throughout the country during 2013. A point of contention among some mayors and county

council presidents has been the establishment of the future regional administrative capitals and the actual number of the proposed regions. Dragnea pointed out that each county would have a piece of the regional administrative structure, with multiple administrative centers rather than a single regional capital, so as to avoid a concentration of power.³⁵ Nevertheless, the political bickering between so-called “local barons” only gave grounds for the opposition,³⁶ and even liberal and conservative members of the USL, to argue that the country would essentially be divided between the PSD and PNL.³⁷ In addition, several NGOs sent an open letter to the government asking for the draft law to be formally presented for a public debate, in accordance with Law 52/2003. The groups also emphasized that the project had not been preceded by an impact study, and that it might actually increase corrupt practices by giving county councils and local councilors more decision-making powers.³⁸

The PDL criticized the whole process by claiming that its mayors’ opinions were completely ignored during the local discussions, and accused the government of excluding the opposition from the creation of the draft law. The UDMR, meanwhile, welcomed the decentralization process and was willing to support it in Parliament, but it considered the regionalization step to be untimely, since it would require the modification of the constitution.³⁹ Regionalization is a more sensitive issue for the Hungarian minority, whose leaders hope to strengthen the local rights and cohesion of areas with a majority Hungarian population. Initial government plans appeared to integrate these territories with neighboring, Romanian-dominated counties. In response, the Szekler National Council, representing a large subgroup of ethnic Hungarians concentrated in Transylvania, organized a protest march in late October that was attended by 100,000 Szeklers. They demanded territorial autonomy and criticized the government’s intentions.⁴⁰

During the summer, a major conflict arose between local mayors and county council presidents and the National Integrity Agency (ANI), which investigates conflicts of interest and incompatibilities among public officials. ANI’s legal actions against local leaders deemed to have such conflicts prompted a group of approximately 2,800 mayors—represented by the Romanian Communes’ Association—to sign an official protest in which they asked the Ministry of Justice and the prime minister to change Article 87(f) of Law 161/2003 on assuring transparency in the exercise of public offices. This particular article prohibits mayors, county council presidents, and their deputies from simultaneously holding senior positions in commercial entities that are subordinated to them in their official capacity. However, this law is part of the anticorruption package attached to Romania’s EU accession in 2007 and, according to the CVM, cannot be altered. Dragnea joined the Communes’ Association in trying to have the law changed and sent a draft emergency ordinance to the Justice Ministry for review,⁴¹ but the initiative was rejected in August.

The local officials stated that 1,200 mayors, 80 percent of whom belonged to the USL, had been accused of conflicts of interest and threatened to protest in front of the government headquarters so as to have the law changed,⁴² a step that would annul ongoing trials. PNL senator Sorin Roșca Stănescu, who was himself later

accused of incompatibilities, took the debate a step further, warning that if the law on ANI's functioning was not changed and the local officials were dismissed as a result of court rulings, there would be a vacuum of power until new local elections could be organized. ANI pointed out that only 108 such local officials had been formally declared incompatible since 2008, but that investigations were ongoing.⁴³ PNL president Crin Antonescu suggested a general amnesty for those found to be in a conflict of interest, and court appeals for those still on trial.⁴⁴ Ponta stated that the USL would offer legal counsel to its elected officials, and that any changes in the law would not apply to existing cases. In addition, he emphasized that there was no unitary case law on the matter as yet, since court decisions have been contradictory, allowing the USL to intervene either at the High Court of Cassation and Justice (ICCJ) or through the government. However, Ponta said the government would wait for the outcome of the trials and then gather all the stakeholders (local officials, the Justice Ministry, the ANI, and Parliament) to come up with a solution.⁴⁵

Although the law has been in force since 2003, no such discussion took place in the government until the ANI started issuing indictments and sending officials to court.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	4.00	3.75	4.00	4.00	4.00	4.00	3.75	3.75	3.75

The political rivalry between the USL and the camp led by President Băsescu continued to play out in the judicial sphere in 2013. Although all magistrates are tenured, and thus protected in principle from political intervention, short management mandates and appointments without competition by “delegation” are frequently used, thus making top positions unstable. The end of judge Alina Ghica's term as head of the self-governing Superior Council of Magistrates (CSM) triggered a protracted battle to name her successor in January and February. Prosecutors' representatives managed to impose a prosecutor—Oana Schmidt Hăineală, who like Ghica was seen as a Băsescu ally—as Ghica's replacement, which led to a rebellion by the judges on the council. They argued that it was unprecedented for the CSM to be dominated by prosecutors, who still have some constitutional subordination to the Justice Ministry.

Two of the judges on the council joined the prosecutors in endorsing Hăineală. In response, judges across the country held a weeks-long vote to recall them. However, the Constitutional Court reinstated the two, finding that because their council vote was not grounds for dismissal, the CSM Department of Judges had erroneously invoked the provisions of the Romanian constitution (Law 317/2004) on the status of magistrates. Băsescu allies are said to hold a one-seat majority on the Constitutional Court, though the court does not always vote politically or predictably.

The media of both political camps aggressively campaigned in this dispute. In addition, the DNA and the ANI opened highly publicized investigations into two CSM judges who led the opposition to Hăineală's election. The charges were thin and were subsequently revoked, but they suggested that both sides in the conflict were using all available means to discredit the other.

Justice Minister Mona Pivniceru, a Băsescu opponent and longtime head of an influential magistrates' association, resigned her cabinet position at the end of March to prevent a conflict of interest as she awaited an appointment to the Constitutional Court. Her tenure was seen as a disappointment by liberals and conservatives who had sponsored her as justice minister, as she could not prevent Hăineală from being elected and did not succeed in replacing the outgoing DNA chief prosecutor, Daniel Morar, whom the USL considered too close to Băsescu. After stepping in as interim justice minister, Ponta in April appointed Laura Codruța Kövesi, the choice of Băsescu and a former prosecutor general, as Morar's successor. Ponta also named Tiberiu Nițu, previously Kövesi's deputy, as the new prosecutor general. The appointments emerged from a deal struck between the prime minister and the president, without the PNL, and it was criticized by Morar on the grounds that the two were not qualified. Other observers said there should have been an open application process. Nevertheless, the cohabitation pact performed reasonably well in managing these appointments smoothly, as it also did with the September reappointment of incumbent Liva Stanciu for a new three-year term as president of the ICCJ.

With the exception of the DNA, the EU has criticized most components of Romania's underperforming justice system. A new criminal code that will take effect in February 2014 promises to significantly reduce penalties for corruption offenses, automatically decreasing the statute of limitation for such crimes. Corruption plagues the judiciary itself. The March arrests of two judges from the Bucharest Tribunal for alleged influence peddling and taking bribes in exchange for favorable decisions highlighted the existence of illicit mechanisms for case fixing in the country's courts.

A new and serious crisis threatened the justice system on 10 December, when some members of the Judicial Committee of the Chamber of Deputies, in a secret overnight meeting, introduced an amendment to the new criminal code that would have exempted MPs and the president, among others, from nearly all possible corruption charges and removed conflict of interest related to administrative acts from the code altogether. They also approved a controversial amnesty law that would set free a number of senior politicians who had been convicted of corruption after hard-fought prosecutions. The chamber's plenum approved the bill despite negative opinions from the government, also taking advantage of Ponta's absence to attend former South African leader Nelson Mandela's funeral. Due to an ensuing scandal in the Romanian media and concerns expressed by Brussels, Ponta declared that he would recall the law, and the Constitutional Court was reviewing it at year's end.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

While anticorruption mechanisms showed consistent signs of improvement during 2013, political resistance continued, including through the use of parliamentary immunity. In October, an overwhelming majority of 126 senators voted against lifting immunity for economy minister and senator Varujan Vosganian of the PNL, though he resigned from his cabinet post.⁴⁶ Vosganian was charged with damaging the Romanian economy by negotiating a favorable gas price for an indebted private chemical company, InterAgro, at the expense of the state-owned natural gas producer Romgaz. His prosecution could not proceed without Senate approval. In early 2013, MPs had tried to amend a new statute on their activities in ways that would have strengthened their immunity from prosecution, but the controversial provisions were struck down by the Constitutional Court.

In October, the Senate passed a draft law approving GEO no. 63/2013,⁴⁷ which restores the DNA's jurisdiction to its original 2003 condition, allowing it to handle cases of tax evasion, embezzlement, and fraud only if these exceed €1 million. The change will focus the directorate's attention on grand corruption. Cases that fail to meet this numerical threshold will become the responsibility of the ordinary prosecutor's office. Recent data presented by the chairman of the Fiscal Council show that tax evasion stands at 10 percent of Romania's gross domestic product.⁴⁸

Anticorruption prosecutors secured a number of convictions during 2013, with courts issuing sentences against important public figures and lawmakers including George Becali, a soccer tycoon and PNL MP, and Dan Voiculescu, the media mogul and PC founder. Voiculescu has been facing corruption charges since 2008, and exploited a variety of legal loopholes to protract his trial. In the summer of 2012, he resigned from the Senate over the rejection of a tax evasion amendment. His resignation meant that the Supreme Court had to surrender jurisdiction and transfer his corruption case to the Bucharest Tribunal, a lower court.⁴⁹ Voiculescu then sought reelection in the December 2012 parliamentary elections, only to resign again shortly after taking office in early 2013. However, at the end of September 2013, he received a five-year prison sentence for the fraudulent privatization of the former Institute of Food Research.⁵⁰

Although the number of high-level convictions and sentences has increased, they do not seem to have any deterrent effect on politicians' behavior. The general impression is that most cabinet ministers, mayors, and heads of county councils are vulnerable to corruption prosecutions, but that only a small minority are charged—essentially at random in the most optimistic view, or at the direction of the president and his allies in law enforcement agencies, according to more pessimistic observers.

Progress in the prosecution of high-level corruption has yet to be accompanied by preventive administrative measures against state capture and clientelism. For instance, public funds, including those granted by the EU, remain subject to looting by government officials. This corruption contributes to Romania's dismal

absorption capacity, as irregularities in the use of EU funds can oblige Brussels to suspend reimbursement claims coming from Romania.⁵¹ Those responsible for such misappropriation have often gone unpunished, and officials ranging from low-ranking bureaucrats to former regional development minister Elena Udrea and the president himself have faced accusations of involvement. The Fight against Fraud Department (DLAF) is responsible for investigating misuse of EU money and sending cases to court. DLAF reports of irregularities, including suspected fraud, involve sums far exceeding those claimed by DNA indictments or proved missing in criminal court cases.⁵²

The Roșia Montană project has raised alarms among anticorruption activists amid suspicions of extensive co-optation. Băsescu, two prime ministers, and several cabinet ministers have been involved in creating the large mining concession for an otherwise obscure company founded by a convicted criminal. The company grew rapidly despite lacking an environmental exploitation license, and critics likened it to a pyramid scheme.⁵³ The investors' money was allegedly used to buy support from parties, media, and local authorities, who reissued licenses as courts canceled them for irregularities. No one has ever been charged for wrongdoing associated with the project.

In response to media reports, Băsescu acknowledged in November that he had his daughter, Ioana Băsescu, buy some 300 hectares of land on the advice of his agriculture adviser, using a preferential loan of €1 million from the state-run CEC Bank.⁵⁴ Land sales will be liberalized beginning on 1 January 2014 for citizens of EU member states, and the value of the new Băsescu property is expected to increase. Many observers questioned how the president's daughter, a notary, could have fairly qualified for such a large loan so quickly. The president's own salary amounts to about €1,500 per month. Parliament has launched an investigation into the transaction.

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Russia

by Robert W. Ortung

Capital: Moscow
Population: 143.5 million
GNI/capita, PPP: US\$22,800

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	6.00	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Civil Society	4.75	5.00	5.25	5.50	5.75	5.75	5.50	5.25	5.50	5.75
Independent Media	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
National Democratic Governance	5.75	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50
Local Democratic Governance	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.00	6.00
Judicial Framework and Independence	5.25	5.25	5.25	5.25	5.50	5.50	5.75	6.00	6.00	6.00
Corruption	5.75	6.00	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.75
Democracy Score	5.61	5.75	5.86	5.96	6.11	6.14	6.18	6.18	6.21	6.29

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

Although the large street protests of 2011 and 2012 were not repeated in 2013, considerable discontent permeated Russian society as President Vladimir Putin's authoritarian regime moved well into its second decade. In its efforts to maintain control, the Kremlin continued to manipulate elections, unleashed the law enforcement agencies on civil society, maintained a firm grip on the crucial television broadcasters while stepping up harassment of independent online critics, and sought to further reduce the independence of the judiciary. However, it did little to combat the country's extensive corruption, which appeared to increase amid preparations for the 2014 Winter Olympics in Sochi. Putin's decision at the end of the year to release prominent political prisoners—including former oil tycoon Mikhail Khodorkovsky, two members of the protest group Pussy Riot, and 30 Greenpeace activists—highlighted the concentration of power at the top rather than demonstrating any fundamental change in the system.

The most visible weapon in the Kremlin's campaign to intimidate and neutralize the opposition was the Investigative Committee, a powerful law enforcement body. Threats of legal action, criminal investigations, charges of serving foreign powers, show trials, and prison terms dominated the Russian political discourse. At the same time, the leadership attempted to distract attention from these crackdowns by focusing its propaganda machine on the upcoming Olympics and other sporting events hosted in Russia.

Putin also sought to turn society against itself by facilitating attacks on the most vulnerable parts of the population. A new federal law against "propaganda of nontraditional sexual relations," which received backing from the Russian Orthodox Church, and a focus on migrant workers as a source of crime and unemployment afflicting ethnic Russians helped stir populist feelings that Russia's rulers hoped to exploit for their benefit.

National Democratic Governance. As he continued to concentrate power, undermine the country's political institutions, and remove potential sources of opposition, Putin gave much greater authority to the security and law enforcement agencies. These groups effectively competed among themselves to repress opposition-minded members of society. Putin no longer attempts to appeal to all Russians, instead seeking support for his regime from relatively poor and less educated rural residents at the expense of the more educated and wealthier urban population. Because the leadership continued to rule through repressive mechanisms, *Russia's rating for national democratic governance remains unchanged at 6.50.*

Electoral Process. The regional elections on 8 September were deeply flawed, allowing the ruling United Russia party to dominate. Anticorruption blogger and leading opposition figure Aleksey Navalny's campaign for mayor of Moscow won more votes than expected on a tilted playing field, suggesting that free elections would have given the opposition more representation. Throughout the year, the Kremlin continued discussions on how to change the federal electoral law to maintain the political status quo while also revising regional electoral laws to improve official results for the regime. Given the tightly controlled regional elections and further efforts to manipulate the electoral law in the government's favor, *Russia's rating for electoral process remains unchanged at 6.75.*

Civil Society. Acting under a 2012 law that requires nongovernmental organizations (NGOs) that receive foreign funding and engage in vaguely defined "political activities" to register as "foreign agents," the authorities in February carried out inspections of about 1,000 organizations, with the apparent purpose of intimidating them and disrupting their work. The election-monitoring group Golos suffered the worst repercussions, as the Justice Ministry subsequently dissolved it. Its director fled the country, and although members were able to regroup, the organization operated at a reduced capacity. Other activists and government critics also sought refuge abroad, and the government seemed to encourage the trend. At the same time, the Kremlin has sought to harness extreme nationalist groups for its purposes, promoting xenophobia and loyalty to the state. Due to the regime's increased harassment of independent organizations and its efforts to remove the most articulate members of the opposition from active public life, *Russia's rating for civil society declines from 5.50 to 5.75.*

Independent Media. The Kremlin in 2013 retained its extensive control over Russian television and increased its ability to influence and interrupt online discussion, exerting pressure on the internet-based television broadcaster Dozhd (Rain). Journalist Akhmednabi Akhmednabiyev was shot dead in Dagestan in July, and many other editors came under pressure, with several losing their positions. A new law ostensibly aimed at internet piracy gave the state the ability to close websites without a court order if they are suspected of using copyrighted materials illegally. Given the lack of improvements in the repressive media environment, *Russia's rating for independent media remains unchanged at 6.25.*

Local Democratic Governance. Municipal governments remained subservient to federal and regional authorities, suffering from a lack of guaranteed or autonomous funding to handle their extensive responsibilities. A number of mayors were arrested after coming into conflict with regional or federal superiors, including the United Russia critic Yevgeniy Urlashov of Yaroslavl. Although opposition candidate Yevgeniy Royzman won the mayoralty of Yekaterinburg in September, the unelected city manager holds most executive power. *Russia's rating for local democratic governance remains unchanged at 6.00.*

Judicial Framework and Independence. The Kremlin continued to use Russia's courts to suppress political opposition in 2013, with a series of legal actions against Navalny being the most prominent example. Putin also introduced a measure that would fold the arbitration courts into the courts of general jurisdiction, effectively weakening the most professional and independent branch of Russia's court system. *Russia's rating for judicial framework and independence remains unchanged at 6.00.*

Corruption. Putin and his agents have selectively pursued corruption charges to discipline wayward elites and defuse potential opposition in society. State efforts to review the income and regulate the foreign property holdings of officials have had few practical results. Despite obstacles and punishments imposed by the authorities, independent activism by Navalny and others has been much more effective at exposing high-level abuses. As the Sochi Olympics approached, civil society began to report evidence of massive corruption that had inflated the unprecedented \$50 billion cost of the games. Although the administration created a new office for countering corruption at the end of the year, few observers expected it to improve the situation. Due to the continued weakness of official antigraft mechanisms, the suppression of independent investigations, and signs of growing malfeasance, *Russia's rating for corruption declines from 6.50 to 6.75.*

Outlook for 2014. The world's attention will focus on the Winter Olympics in February, raising questions about the country's treatment of its LGBT (lesbian, gay, bisexual, and transgender) population and migrant workers, but also highlighting Russia's authoritarian political system, slowing economy, rampant corruption, and persistent terrorism. The Moscow city council elections in September are likely to be a catalyst for opposition activity as Putin's critics seek to gain a platform in the capital, and the Kremlin can be expected to take measures to limit their influence. Fourteen regions will elect governors, and a number will also hold legislative elections. The shifting balance between single-mandate districts and proportional representation will draw scrutiny in the regional voting as the Kremlin looks for guidance in its effort to rewrite the federal electoral law to ensure victory in the 2016 parliamentary elections. Running parallel to domestic developments will be the evolving political crisis in Ukraine, with events there presenting a potential alternative to continued authoritarian rule in Russia.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50

President Vladimir Putin has ruled Russia since 2000, using increasingly authoritarian means to retain power. The Kremlin works relentlessly to undermine any potential opponent or alternative center of power before it has a chance to challenge the status quo. The regime established by Putin generally seeks to co-opt or intimidate rather than eliminate its opposition, neutralizing the most effective rivals while sending strong signals to the rest of society not to get involved in the political process.

One important dissident, former oil magnate Mikhail Khodorkovsky, was released on 20 December after 10 years in prison thanks to a presidential pardon. He immediately flew to Germany and announced that he would not participate in Russian politics beyond helping to free political prisoners who remained behind bars at the end of the year, including Platon Lebedev and Aleksey Pichugin, his former colleagues at the oil company Yukos. Khodorkovsky also renounced his right to Yukos assets that were seized by the state as part of the tax case against him and then incorporated into the state-owned oil firm Rosneft. Some of those assets were still being contested at an international tribunal. While Khodorkovsky's release boosted Russia's and Putin's image before the Winter Olympics in Sochi, scheduled for February 2014, his immediate exile—coming on the heels of a senior prosecutor's threat to pursue new charges against him¹—led to speculation that the Kremlin had forced Khodorkovsky to renounce his Yukos interests and any role in Russian politics in exchange for his freedom.²

The executive branch dominates the judicial and legislative branches, controlling all decisions of political significance. Of the 448 laws enacted in 2013, the government initiated 251 and the president 29, meaning nearly two-thirds of the bills adopted by the legislature came directly from the executive.³ Measures backed by the president typically pass quickly and with little discussion. The obedient courts held a number of show trials during the year to entangle the government's most articulate opponents in the legal system, and the law enforcement agencies were routinely used to enforce the leadership's political will. Although the Kremlin works to avoid angering the public with its policymaking, most decisions are taken behind closed doors. Elite groups may battle over policies, but there is little public accountability.

Groups of individuals now run the country to promote their particular interests rather than a broader national interest.⁴ The state apparatus, controlled by these groups, works like a monopolistic business enterprise with no checks on its activities. The Kremlin is eliminating areas of relative autonomy, such as the Academy of Sciences, independent universities, and the arbitration courts, while seeking to assert greater direct management to address growing inefficiencies. The newspaper *Vedomosti* has described the result as “control instead of development.”⁵

Following the large opposition protests in December 2011 and the spring of 2012 in Moscow, St. Petersburg, and many regional capitals, the president no longer seeks the support of urban liberals, who are relatively wealthy and well educated. Instead, he has focused on developing a core constituency among rural residents who tend to be conservative, less educated, and poor. In what was seen as an attempt to solidify support among such citizens, Putin on 30 June 2013 signed two laws banning “propaganda of nontraditional sexual relations” and blasphemy. The first law was ostensibly aimed at protecting minors, but it effectively criminalized any advocacy of LGBT (lesbian, gay, bisexual, and transgender) rights or equality, and it also inspired some groups to target members of this community for violent attack.⁶ The blasphemy law banned vaguely defined acts that “express a clear lack of respect for society” or those whose goal is to “insult the religious feelings of believers.”⁷ While such legislation could be used to put additional restrictions on the opposition and free speech,⁸ it also bolstered the president’s image as a defender of traditional values and brought the government closer to the Russian Orthodox Church, which does not serve as a politically independent moral authority in Russian society.⁹

There is little democratic oversight of the security services, and both the Federal Security Service (FSB) and the police have grown more powerful as part of the Kremlin effort to marginalize the opposition. More recently, the Investigative Committee—controlled by Aleksandr Bastrykin, who went to law school with Putin—has become one of the key tools employed by the regime to silence its enemies.¹⁰ Despite their common repressive nature, there are considerable splits among these agencies. Whereas the FSB was once predominant, Putin was reportedly unhappy with its performance in preventing the mass protests of 2011–12 and has now given greater prominence to the Interior Ministry.¹¹ In addition, there is ongoing conflict between the Prosecutor General’s Office and the Investigative Committee.¹² The president does not have to issue specific orders for crackdowns, because the law enforcement agencies effectively compete with one other to enforce what they interpret as Putin’s will most effectively. Putin is then free to appear reasonable by criticizing the worst excesses while leaving the overall system in place. In November, former finance minister Aleksey Kudrin released a report proposing the abolition of the Investigative Committee, the Interior Ministry, and the Federal Drug Control Service and the redistribution of their powers to other entities at the federal, regional, and municipal levels.¹³ However, such decentralizing reforms seemed unlikely at year’s end.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.25	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75

As in past years, the authorities manipulated elections in 2013 to ensure victory for their chosen candidates and block the opposition from taking office. All regional and local elections were held on the second Sunday in September, in keeping with a

2012 law. This schedule favored incumbents and the superior resources of Kremlin-backed politicians, as it forced all sides to campaign during the summer months, when many voters were on vacation or generally less attentive to political affairs.

United Russia won the eight gubernatorial elections held on 8 September. Among the victors was incumbent Moscow mayor Sergey Sobyenin, who has the status of regional governor. A former head of the presidential administration and a close Putin ally, Sobyenin had been appointed to the mayoralty in 2010. United Russia also won more than 70 percent of the seats, on average, in the 16 regions that held legislative elections in 2013.

In many cases, opposition candidates were prevented from running in the year's regional and local elections.¹⁴ Twenty-eight party lists—9.2 percent of the total nominated—were not registered. This represented an increase from 2.4 percent in 2012 and a return to earlier, more restrictive practices.¹⁵ In the governors' races, the candidates registered were largely limited to those who could collect the signatures of local United Russia legislators, as the current electoral law requires each gubernatorial candidate to gain the endorsement of at least 5 percent of local lawmakers. Only the Communist Party had enough incumbent officeholders to clear this hurdle in rare cases. Truly independent candidates were for the most part denied registration, usually on the basis of technicalities, such as female candidates submitting documents registered in their maiden names rather than their married names.¹⁶

However, the authorities allowed anticorruption blogger Aleksey Navalny to participate in the Moscow mayoral election. According to official results, he won 27.24 percent of the vote, a surprisingly large share given the controlled nature of the election; Navalny had no access to the main television stations, which lavished praise on his opponent.¹⁷ Since Sobyenin narrowly avoided a runoff by taking 51.37 percent of the vote, many opposition leaders assumed that the results were falsified by at least 2 percentage points.¹⁸ Navalny was allowed to compete only because Sobyenin ordered members of the city council to sign his campaign application. Although the approval of his candidacy was seen as an effort to boost the legitimacy of a predetermined process, Navalny used the opportunity to full effect. During the course of the campaign, he managed to raise more than 103 million rubles (\$3.1 million) from 16,706 contributors, a Russian record.¹⁹ In addition, 14,000 volunteers signed up to work for his campaign, demonstrating extensive unhappiness with the status quo. Navalny filed numerous complaints citing irregularities in the elections after the winner was announced, but all were dismissed by the authorities.

Yevgeniy Rozman was the most prominent opposition figure to win a mayoral election in 2013, though he succeeded in Yekaterinburg, where the unelected city manager wields most of the power. Navalny and Rozman both benefited from opponents who had been appointed to their posts from outside their regions, provoking distrust among local voters. In other notable opposition victories, Boris Nemtsov of the Republican Party of Russia—People's Freedom Party (RPR-Parnas) was elected to Yaroslavl's regional legislature, and Galina Shirshina, an independent backed by the liberal party Yabloko, was elected Petrozavodsk's mayor.

On 2 April, Putin signed a law that restricts the direct election of governors by allowing individual regions to opt for indirect gubernatorial elections instead. If the regional legislature votes to reject holding direct elections, the Russian president nominates three candidates, one of whom is then confirmed by the regional legislature.²⁰ Putin argued that direct elections, which had only been restored in 2012 after being abolished nationwide in 2004, could lead to ethnic violence in some regions.²¹ By the end of 2013, only republics in the North Caucasus area—Dagestan, Ingushetia, North Ossetia, and Karachayevo-Cherkessiya—had adopted indirect elections, and they apparently did so under duress. On 18 April, the Dagestani parliament rejected the change in three rounds of secret voting. The measure finally succeeded when the speaker forced an open vote, allowing him to pressure the deputies.²² In January, Putin had replaced Dagestan governor Magomedislam Magomedov, who supported the resumption of direct elections in the republic, with Ramazan Abdulatipov, who was more inclined to respect Kremlin wishes. Both Abdulatipov and incumbent Ingushetia governor Yunus-bek Yevkurov retained their posts when regional lawmakers approved their nominations on 8 September. The changes in the other republics took place after September, meaning they would be implemented in 2014. These developments seemed to reflect the Kremlin's determination to maintain centralized control over the North Caucasus. By contrast, the republics of Tatarstan and Bashkortostan in the Volga district asserted their right to elect regional leaders directly.

Russia frequently changes its electoral laws to suit the needs of incumbents. There are ongoing discussions about scrapping the pure proportional-representation system for the State Duma—the lower house of the Federal Assembly—because of fears that the ruling United Russia party is too unpopular to win in 2016. Instead, the Duma could return to a system of 50 percent proportional representation and 50 percent single-member districts, or fill all seats through majoritarian contests in single-member districts.²³ These debates continued throughout the year, and a new law on Duma elections was expected in 2014.

Similar changes were already under way at the regional level. On 4 November, Putin signed a law allowing regional legislatures to lower the number of deputies elected on the basis of proportional representation to 25 percent from the current 50 percent, and making it possible to remove proportional representation completely from the Moscow and St. Petersburg city councils.²⁴ Sobyanin has already called for eliminating proportional representation in the capital, and the new provisions were expected to help Kremlin allies gain a majority of seats in the 2014 Moscow city council elections.²⁵

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	5.00	5.25	5.50	5.75	5.75	5.50	5.25	5.50	5.75

After his election to a third presidential term was greeted with mass protests in 2012, Putin enacted a raft of new laws designed to suppress civil society activism in Russia.

The most prominent measure required all nongovernmental organizations (NGOs) that receive foreign funding and engage in vaguely defined “political activities” to register as “foreign agents.”²⁶ After the Justice Ministry was slow to implement the law, Putin demanded in February 2013 that the authorities proceed with enforcement, leading the Prosecutor General’s Office to conduct inspections of approximately 1,000 NGOs.²⁷ Ultimately, the inspectors identified 22 groups as “foreign agents.” However, when Putin declared that “political activities” should be more narrowly defined, the campaign stalled without officially ending, leaving NGOs vulnerable and uncertain as to when the next round of intimidation would begin.²⁸

By year’s end, the authorities had filed nine administrative cases against NGOs and an additional five administrative cases against NGO leaders for failing to register under the “foreign agents” law, according to Human Rights Watch.²⁹ Courts threw out the charges in 9 of the 14 cases, exonerating the Perm Regional Human Rights Center, the GRANI Center for Civic Analysis and Independent Research, the Perm Civic Chamber, the Side by Side LGBT Film Festival and its director, Coming Out (an LGBT group) and its director, and the Memorial Anti-Discrimination Center and its director.

The law and its uneven implementation seemed designed more to harass NGOs than to shut them down. However, in one notable enforcement action, the Justice Ministry dissolved the independent election-monitoring group Golos on 6 June, and its director, Liliya Shibanova, fled the country.³⁰ In July, the authorities charged the group with not paying its taxes in full.³¹ Members of the organization reconstituted it on 5 July, set up a new website, and helped to monitor the Moscow mayoral election in September, though they had greater difficulty continuing their work in the regions beyond the capital. The Kremlin apparently decided that it was not necessary to destroy Golos completely because it had accomplished the mission of marginalizing the group. In a separate case, the Kostroma Public Initiatives Support Center said at the end of October that it would have to shut down if it did not win a Constitutional Court appeal,³² still pending at year’s end, because it could not afford a 300,000 ruble (\$9,000) fine levied against it for failing to register as a foreign agent. The organization’s mission is to convene roundtable discussions, one of which included a representative of the U.S. embassy.

The Kremlin has sought to increase government funding for NGOs as a means of co-optation, and the amount now distributed through presidential grants has reached 3 billion rubles (\$90 million) per year.³³ Some of the money still goes to groups that are critical of the government, such as Memorial, the Moscow Helsinki Group, and For Human Rights. In some cases, such as with Memorial, the Levada Center, and the Soldiers’ Mothers Committee, the government is funding organizations that have been accused of being “foreign agents.”³⁴ The Kremlin declined to award Golos any money from the presidential grant fund in the first round of allocations in 2013,³⁵ but it gave the Golos Ural branch a grant in December.³⁶

The authorities have also used the threat of prosecution to reduce the number of activists participating in street protests against the regime. Charges were filed against 28 individuals for demonstrating on Moscow’s Bolotnaya Square on 6 May

2012, the day before Putin's inauguration, and many of those individuals remained entangled in the legal system during 2013.³⁷ Most of the defendants were accused of resisting or assaulting the police, but there was little evidence against them. The three who had been convicted by year's end received fairly heavy sentences: Mikhail Luzyanin, 4.5 years in prison; Konstantin Lebedev, 2.5 years in prison; and Mikhail Kosenko, indefinite psychiatric confinement.³⁸ (Other cases unrelated to the Bolotnaya protests suggest that the use of "punitive psychiatry" is becoming more common.³⁹) There was no evidence that Kosenko had committed the crimes he was accused of, and Amnesty International has declared him a prisoner of conscience, one of three in the Bolotnaya case. Aleksandr Dolmatov, a Bolotnaya protester who fled abroad to avoid arrest, committed suicide in the Netherlands in January after his asylum request was denied. In his December amnesty, Putin annulled the charges against four Bolotnaya defendants: Nikolay Kavkazsky, Mariya Baronova, Leonid Kovyazin, and Vladimir Akimenkov, releasing two from pretrial detention and one from house arrest, and lifting travel restrictions on another.⁴⁰ Of the remaining 20 defendants, 12 remained in pretrial detention, 1 was under house arrest, 6 did not have the right to travel, and 1 was living abroad. The most prominent of those still facing trial was Left Front leader Sergey Udaltsov, who was under house arrest. In September, the European Court of Human Rights (ECHR) gave priority status to appeals by some of the defendants based on the length of their pretrial detention and the conditions under which they were being held.⁴¹ An independent commission came to the conclusion that the authorities had staged the "riots" that took place amid the protest, which had been approved in advance.⁴²

When 28 members of Greenpeace, accompanied by 2 journalists and representing 18 different countries, protested Russian offshore oil production in the Arctic in September by trespassing at a drilling platform, border guards arrested and jailed them on charges of piracy, later reducing the charges to hooliganism.⁴³ After the environmentalists had languished in jail for many weeks and then were forced to remain in St. Petersburg while on bail, Putin amnestied them in late December as part of his effort to improve Russia's image ahead of the Sochi Olympics.

However, the broader crackdown on civil society continued. On 31 December, police arrested activist Sergey Mokhnatkin and charged him with attacking a police officer during a protest to support the constitutional guarantee of freedom of assembly. He had been arrested on the same charges in 2009, sentenced to 2.5 years in jail, declared a prisoner of conscience by Amnesty International, and pardoned by then president Dmitry Medvedev in April 2012.⁴⁴

Part of the Kremlin's strategy in dealing with activists is to leave the door open for them to go into exile. Prominent economist Sergey Guriyev, who served as rector of the New Economic School, fled the country in May, fearing that he was about to be arrested for a report concluding that the second prison sentence imposed on Khodorkovsky had been unlawful. He had coauthored the document at the request of Medvedev's presidential human rights council.⁴⁵ (Other scholars from the Higher School of Economics who participated in the report and remain in Russia have come under intense pressure from the Investigative Committee.⁴⁶) Opposition

politician Garry Kasparov announced in June that he would not return to Russia for fear of being prosecuted in the Bolotnaya case,⁴⁷ while journalist Masha Gessen in August described how she had left Russia “when Putin declared war on gay families” like hers.⁴⁸ Rustem Adagamov, an opposition blogger whose LiveJournal.com site consistently ranked among the most read, reported in February that he had moved to Prague, having been accused of pedophilia.⁴⁹ And Konstantin Altunin fled the country in August after the authorities closed an exhibit showcasing one of his paintings, which depicted Putin and Medvedev in women’s underwear.⁵⁰

Academia has come under growing government pressure in recent years. On 27 September, the Kremlin ordered a reform of the Russian Academy of Sciences that forced its research institutes to report to a new federal agency and essentially took control of their property.⁵¹ The reform mandates that government officials, rather than scientists, allocate money for scientific research. Russian intellectuals charged that the changes gutted what had been a relatively independent research organization. However, the academy’s critics argued that Russia’s best scientists either work abroad or are not affiliated with the institution. Among its current members are politicians, like Viktor Ishayev, a former governor and presidential representative to the Far East, and exposed plagiarists.⁵² The authorities have also imposed new restrictions on scholars who receive grants from abroad. Such funding must now be approved by the Ministry of Education and Science.⁵³

Although it does not receive much attention, Russia’s independent trade union movement is expanding and playing a more important role in political life. The authorities consider its strikes dangerous, as they express economic discontent among workers and could spark a larger political protest in the future, though ties between the unions and political organizations are growing only slowly.⁵⁴ Meanwhile, ill-treatment of migrant workers in the construction and agricultural sectors remains a major problem. The U.S. State Department’s 2013 *Trafficking in Persons Report* ranked Russia in Tier 3, the lowest category, for its problems with forced labor.⁵⁵ Human Rights Watch documented numerous abuses among workers preparing the Olympic sites in Sochi.⁵⁶

Migration from the Caucasus (including Russia’s North Caucasus) and Central Asia to the country’s urban centers has become a major point of debate in Russian society. Many feel that the immigrants threaten their safety and commit large numbers of murders and rapes in Russia. In July, Putin signed a law that imposed harsher fines—up to 7,000 rubles (\$210) in Moscow and St. Petersburg—on people who violate migration rules. Employers of illegal immigrants can be fined up to 1 million rubles (\$28,000), and the authorities must deport all illegal immigrants they find.⁵⁷ Public antipathy to immigrants boiled over during the Biryulyovo riot, which took place in a district of Moscow on 13 October after an Azerbaijani allegedly stabbed an ethnic Russian to death. However, in addition to xenophobia, the riot reflected popular views that the police and other state representatives are incompetent, corrupt, and not looking out for the local population.⁵⁸ After the riot, Moscow police arrested more than 1,600 immigrants,⁵⁹ but the rioters who had been targeting migrant communities largely enjoyed impunity.⁶⁰ During

the summer, police had conducted raids of Moscow markets and arrested 1,200 Vietnamese workers. Many were marooned in a makeshift tent camp for weeks while awaiting deportation.⁶¹

On 4 November, thousands of nationalists took part in the annual Russian March,⁶² which featured xenophobic, racist, and anti-LGBT chants, such as “Russia for the Russians” and “Stop Feeding the Caucasus,” as well as anti-Putin slogans.⁶³ Navalny has joined Putin in pandering to nationalist sentiments, supporting the Russian March if not participating in it, and disappointing many of his liberal supporters.⁶⁴ According to the Sova Center, 20 people were killed in racist and neo-Nazi attacks in 2013, one more than the year before.⁶⁵

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25

The Kremlin in 2013 continued to control the most important medium in Russia, television, while exerting greater influence on the internet. Television was a major source of news for 88 percent of the population as of June 2013, down from 94 percent in August 2009, according to a Levada Center poll.⁶⁶ However, the proportion of people who said that they trusted television dropped from 79 percent to 51 percent during that period, while trust in news websites grew from 7 percent to 14 percent. Nevertheless, television is expected to remain popular even as newspapers decline through 2020.⁶⁷

Use of the internet continues to climb rapidly. More than 50 percent of Russian households have internet access,⁶⁸ and 59 percent of Russians use the internet daily or several times a week.⁶⁹ Twenty-six percent of the population uses the internet to track the latest news, up from 19 percent in 2011, and 16 percent use it to analyze events at home and abroad, up from 12 percent in 2011.

The lines between the traditional media and the internet are becoming blurred. Many of the most popular news sites are the web versions of newspapers like *Kommersant* and *Vedomosti*, and news content has even penetrated social-networking websires. Reposting of independent press material makes up 38 percent of the repostings on politically oriented Facebook pages and more than half of those on similar VKontakte pages.⁷⁰ In addition, there are now television stations, like TV Dozhd (Rain), that broadcast mainly on the internet and have the freedom to show opposition figures, such as Navalny, who do not appear in the mainstream media.

However, the authorities continue to exert pressure to maintain control over media content. Rather than simply destroying outlets that carry independent views, officials typically use indirect means to bring them to heel. One target of such pressure has been *Kommersant* Publishing House owner Alisher Usmanov, whose wealth and investments in the metals industry make him vulnerable to Kremlin influence. Analysts have asserted that his *Kommersant* newspaper has grown less objective and toes the Kremlin line more closely than in the past.⁷¹ On 4 March,

two leading journalists in Usmanov's media empire lost their positions: Mikhail Kotov, editor in chief of *Gazeta.ru*, one of Russia's largest online newspapers, and Aleksey Vorobyev, head of *Kommersant FM*, an online radio station.⁷² In October, observers expressed concern over the appointment of Vladimir Zhelonkin, who has a background in media sponsored by the Orthodox Church and the military, as the new president of *Kommersant Publishing House*. The incumbent *Kommersant* newspaper editor, Mikhail Mikhailin, remained in place, and Usmanov claimed that the editorial line would not change.⁷³

The Kremlin has used more direct methods when dealing with state media. In a major reorganization announced on 9 December, Putin abolished the state-owned RIA Novosti news agency, which had developed a reputation for independent reporting, and folded it into a new, larger structure called *Rossiya Segodnya* (Russia Today). That entity will be run by pro-Kremlin television commentator Dmitriy Kiselyov and Margarita Simonyan, head of the state-owned international propaganda network RT.⁷⁴

In the case of TV Dozhd, the authorities have sought to exert influence in a variety of ways, including "telephone calls, scare tactics, and persuasion," according to founder and owner Natalya Sindeyeva.⁷⁵ The authorities also discourage corporations from buying advertisements on the channel.

Among other state tactics for controlling information online, the authorities block a wide range of sites that carry anti-Putin articles, Islamist views, and content deemed harmful to youth, on topics like suicide and drug abuse.⁷⁶ On 31 October, a Moscow court withdrew the license of the online news agency Rosbalt on the grounds that its website posted two videos containing obscene language that were taken from YouTube, which operates legally in Russia.⁷⁷ Rosbalt continued to operate through the end of the year pending an appeal. Officials also deploy "trolls" to post progovernment comments or disrupt opposition-oriented discussions. Such trolls are reportedly paid to write about 100 comments a day.⁷⁸ On 3 July, the president signed an antipiracy law that allows courts to put a temporary ban on websites if the holders of film copyrights believe the sites are distributing their products illegally. The bans can be put in place without any steps to verify whether the allegations are true.⁷⁹ While ostensibly aimed at protecting property rights, the law makes it possible to shut down websites arbitrarily.⁸⁰ Separately, on 30 December, Putin signed another law that eases website closures, allowing prosecutors to shut down sites deemed to promote rioting or contain extremist information within 24 hours, without a court order.⁸¹

The authorities are increasingly applying criminal laws to punish online dissent.⁸² Aksana Panova, former editor of the Yekaterinburg website *Ura.ru*, went on trial in July for allegedly extorting local businessmen, among other offenses. She pleaded guilty to a tax crime, but argued that the other charges were brought in retribution for her opposition to the regional governor, Yevgeniy Kuyvashev.⁸³ A verdict was pending at year's end.

The government has an extensive ability to monitor landlines, mobile phones, internet traffic, and other forms of communication through its SORM

system.⁸⁴ Roskomnadzor, Russia's media and telecommunications regulator, has forced internet service providers (ISPs) to facilitate this surveillance. The number of transmissions monitored has greatly increased over time and was reportedly augmented extensively in preparation for the Sochi Olympics.

Russia remains a dangerous place for journalists to work. Akhmednabi Akhmednabiyev, deputy editor and political commentator for the independent Russian-language weekly *Novoye Delo* and a regular contributor to the website Kavkaz-Uzel, was shot dead on 9 July in Dagestan. He wrote about Dagestani politics and human rights violations, including police abductions and torture of suspected Islamist militants.⁸⁵ At least 26 journalists have been killed in connection with their work since 2000, according to the Committee to Protect Journalists, and nearly all such cases remain unsolved.

Fewer Russians spoke about politics in June 2013 than in March 1992, according to a Levada Center poll. In 1992, 28 percent of Russians said they discussed politics; in 1998, the figure was 25 percent; and by the middle of 2013, the proportion was down to 16 percent.⁸⁶ These results suggest that state efforts to control the media have had the intended effect of diverting people's attention and energy to other topics.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.00	6.00

The central problem for local government in Russia is a lack of funding. Local governments have little ability to raise money on their own through taxes and fees, relying heavily on subsidies from the regional and federal governments. According to the Finance Ministry, municipalities received 60 percent of their revenues in 2012 through transfers and subsidies from federal and regional-level budgets.⁸⁷ The most important local source of funding was the personal income tax, at a flat rate of 13 percent, which provided 70 percent of municipal tax revenue. Other key taxes for municipalities are land taxes and the personal property tax. Municipalities are responsible for schools, health care, and a host of other social services.

Many Russian cities simply do not have the funds to cope with the responsibilities assigned to them. Following the economic crisis of 2008, local and regional tax income dropped. At the same time, Putin continued his populist policies, promising to increase public-sector employees' salaries at the expense of regional budgets. Most regional governments, already facing deficits, were forced to take out loans without any real prospect of paying them back. At a meeting with mayors in October 2013, Putin said he was willing to discuss increasing the powers of local governments, but warned that "there is no money" for actually doing so.⁸⁸

In an effort to sideline elected mayors, higher authorities have steadily been replacing them with appointed city managers. More than 85 percent of Russian cities now have a bifurcated executive, with the mayor performing mainly ceremonial

functions and the city manager controlling the budget and city administration. The city managers are chosen by the city council, usually for two-year contracts, and are selected from a list of candidates prepared by a commission that includes at least some gubernatorial appointees.⁸⁹

Russian mayors remain highly vulnerable at the bottom of the country's political hierarchy. Opposition mayors are rare, and where they manage to take office, pressure from prosecutors is vigorous.⁹⁰ According to data gathered by political scientist Mikhail Tulsy, more than 100 mayors who opposed United Russia have been arrested over the last 10 years.⁹¹ These mayors may have originally been elected with the support of United Russia, but then came into conflict with their governor or the presidential administration. The most common charge is "exceeding official duties." In other cases, the mayor or one of his subordinates is accused of taking a bribe.

Until the election of Royzman in Yekaterinburg in September 2013, Yaroslavl mayor Yevgeniy Urlashov, elected in April 2012, was Russia's most prominent opposition mayor. He was arrested with four of his allies and charged with corruption on 2 July, remaining in a pretrial detention facility in Moscow through the end of 2013.⁹² On 5 July, the indirectly state-owned station NTV ran a documentary smearing Urlashov, adding to the impression that the case was politically motivated.⁹³ He had earlier announced plans to run for governor, and he intended to head a slate of candidates in the September 2013 elections for Yaroslavl's regional legislature as part of billionaire businessman Mikhail Prokhorov's Civic Platform party. He expected to win 40 percent of the vote, which would have been a humiliating defeat for United Russia.⁹⁴

On 15 November, the Investigative Committee arrested Astrakhan mayor Mikhail Stolyarov, a member of United Russia, claiming that he had extorted a large bribe from a real-estate developer.⁹⁵ Stolyarov took office in 2012 after a disputed election in which opposition politician Oleg Shein declared that he had won and was the rightful mayor. Navalny and other opposition leaders strongly supported Shein at the time. During his time in office, Stolyarov reportedly came into conflict with the region's governor, Aleksandr Zhilkin.⁹⁶

In a sign that the federal government is getting nervous about rising nationalism, Putin signed a law on 22 October giving governors more responsibility for handling relations between ethnic communities.⁹⁷ On 30 December, the president signed a law making it illegal to advocate separatism, a measure aimed at deterring ethnic Russians' calls to expel Muslim-majority republics in the North Caucasus from the Russian Federation.⁹⁸

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.25	5.25	5.25	5.25	5.50	5.50	5.75	6.00	6.00	6.00

The lack of independent courts leaves Russia's political opposition vulnerable to constant pressure from the authorities. Putin's year-end amnesties of opposition

figures and activists did not represent a systematic reform of the Russian legal system, but instead seemed designed to show that the president could imprison or release his critics at will. Of the 70 people whom the human rights group Memorial designated as political prisoners in October, 33 remained in jail or under house arrest at the end of the year.⁹⁹

The Putin administration systematically uses the courts to harass a wide range of opposition groups. An ECHR ruling on 25 July found that Khodorkovsky's original trial was not politically motivated, but that various aspects of the proceedings had violated his rights.¹⁰⁰ Also that month, Navalny was tried on preposterous embezzlement charges in Kirov, found guilty, and jailed, but he was released the next day so that he could compete in the stage-managed Moscow mayoral election and lend it an appearance of legitimacy. After the election, his five-year prison sentence was suspended, but the terms of his probation barred him from running for office for five years. On 29 October, the Investigative Committee filed new charges against him, though they were widely seen as patently absurd.¹⁰¹

Such show trials, meant to intimidate and control government opponents, have become common. On 11 July, a Moscow district court found whistle-blowing lawyer Sergey Magnitsky, who had died nearly four years earlier, guilty of tax evasion. The trial was believed to be the first against a dead person in Russian or Soviet history.¹⁰² Magnitsky was convicted along with his former client, financier William F. Browder, who was tried in absentia. The lawyer had been imprisoned after accusing Russian officials of embezzling \$230 million from the treasury. He died in jail after being beaten and not receiving proper medical treatment for pancreatitis and gallbladder disease. The court apparently proceeded with the case against the dead man on the grounds that his mother said he was innocent in interviews with the press. Andreas Gross, a rapporteur for the Parliamentary Assembly of the Council of Europe who authored a report on the Magnitsky case, described it as "a massive cover-up involving senior officials of the competent Ministries, the Prosecutor General's Office, the Investigative Committee and even certain courts."¹⁰³ He argued that it demonstrated "how helpless individual citizens are once they are taken into custody. Many nameless detainees have suffered a similar fate without having had the country's best lawyers and a wealthy hedge fund manager to back them up." On 19 March, the Investigative Committee had closed its case examining the circumstances of Magnitsky's death, claiming that his pretrial detention had been legal and that he had died of heart complications.¹⁰⁴

In November, a report on the Russian legal system released by the Council of Europe pointed out that judges lacked independence because they were not properly shielded from undue pressure, including from within the judiciary.¹⁰⁵ The report found that "future reform efforts in the judiciary should focus on strengthening the right to a fair trial and on ensuring genuine adversarial proceedings and respect for the presumption of innocence." Under a 2002–03 legal reform, judges have strong incentives to decide cases quickly in a manner that will not lead to reversal by the higher courts, which usually means going along with the prosecutor.¹⁰⁶ Other problems highlighted by the report were the overuse of pretrial detention without

justification, the unusually high conviction rate (fewer than 1 percent of defendants are acquitted), and low public confidence in the justice system.

The situation for judicial independence only seems to be deteriorating. On 21 June, Putin called for the Supreme Arbitration Court, which oversees the country's commercial courts, to be merged with the Supreme Court, which heads the courts of general jurisdiction. The change, which required a constitutional amendment, was quickly working its way through the system at year's end.¹⁰⁷ The merger was expected to limit the independence of the commercial courts, which are considered the most independent, fair, and qualified courts in Russia and have ruled against the state more often than other courts.¹⁰⁸ At least 7 of 53 Supreme Arbitration Court judges had already resigned in protest by 10 October,¹⁰⁹ three days after the Kremlin submitted legislation on the change to the parliament, and Anton Ivanov, chairman of the Supreme Arbitration Court, strongly criticized the measure before the Duma began discussions on it.¹¹⁰ The business community is likely to suffer the most, since it will have fewer protections from the predations of corrupt bureaucrats. Under the new plan, a single "super court" comprising 170 judges would replace the existing Supreme Court and Supreme Arbitration Court, handling criminal, civil, administrative, and economic cases. Judges would have to take a test to sit on the new court, a requirement that provoked further criticism.

In October, the Kremlin submitted a bill that would restore law enforcement agencies' ability to open tax-related criminal cases without approval from the tax agency. This was the practice until 2011, when then president Medvedev ended it. In 2009 and 2010, there were 12,000 to 13,000 such tax cases filed, but the number fell to 2,000 in 2012. Putin's proposal would make businesses much more vulnerable to abuse by corrupt law enforcement agencies.¹¹¹ Medvedev criticized the initiative on 12 November.

In some cases, the courts have limited the Kremlin's power. On 10 October, the Constitutional Court overturned a 2012 law that banned people convicted of a crime from participating in politics for the rest of their lives, a measure that was apparently aimed at opposition figures like Khodorkovsky and Navalny.¹¹² The court limited the ban to the length of a convict's sentence, but the Duma soon began work on a bill that would impose bans of 10 to 15 years instead.¹¹³ In other decisions, the Constitutional Court in February recommended the removal of particularly harsh provisions of a June 2012 law on demonstrations that imposed high fines on demonstrators and undue burdens on organizers,¹¹⁴ and in April found that citizens had the right to appeal the counting of votes in their specific precinct.¹¹⁵

As of 28 March, there were 575,000 people serving prison terms in Russia, the smallest figure since the collapse of the Soviet Union, according to Justice Minister Aleksandr Konovalov.¹¹⁶ There were another 113,000 people in pretrial detention, and 469,000 registered with criminal enforcement inspectorates. Putin's December amnesty included two jailed members of the protest group Pussy Riot, Mariya Alyokhina and Nadezhda Tolokonnikova. While in prison, however, Tolokonnikova published an open letter to draw attention to inhumane conditions for Russian

inmates, including 16-hour work days, poor sanitation, and meals of rotten food.¹¹⁷ “I demand that we be treated like human beings, not slaves,” she wrote. She also engaged in a hunger strike and refused to work. Following the publication of the letter, she lost contact with her family for 26 days while being relocated from a Mordovia prison colony to a more remote facility in Krasnoyarsk.¹¹⁸

Other inmates remain in prison under questionable conditions. Taisiya Osipova, who is associated with the opposition movement *Other Russia*, was convicted in 2011 of drug possession, but maintains her innocence. In July, Russian authorities agreed to pay Osipova €4,600 (\$6,000) after the ECHR found that she had been subjected to “inhuman and degrading treatment” during pretrial detention.¹¹⁹

On 23 October, the Supreme Court rejected a finding by the ECHR that Aleksey Pichugin, the former head of security for Yukos who was sentenced to life in prison for murder, had not received a fair trial.¹²⁰ The decision formed part of a trend in which Russia is seeking to assert greater “judicial sovereignty.” The ECHR has received fewer cases from Russia in recent years.¹²¹ Some observers argue that a team of Russian lawyers, handpicked and paid by the Russian government to work for the court, is limiting the applications. The court claims that the lawyers are being monitored to ensure that their actions are proper, though such assurances are not universally accepted. In addition, new rules that the court introduced in June 2012 tightened the application process to limit the number of poorly prepared cases, which have clogged the institution in recent years.

On 4 November, Putin signed a law that increases the number of crimes considered to be “terrorism” and requires relatives of perpetrators to pay compensation for terrorist acts.¹²² Legal experts criticized the measure, saying it violated the presumption of innocence, marked a return to collective punishment, and would not deter terrorist acts. A terrorist attack in Volgograd killed seven people in October, and two more suicide bombings in the city on 29 and 30 December killed 34.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	6.00	6.00	6.00	6.25	6.50	6.50	6.50	6.50	6.75

Since Putin came to power in 2000, the Kremlin has systematically blocked any serious efforts to fight corruption. Outside groups and the media, rather than the state bureaucracy alone, must provide oversight for anticorruption measures to be effective, but the government does not give them the autonomy to make a contribution. The result is that corruption continues to worsen as the country’s leaders disingenuously denounce it in their speeches.

Corruption in the government and business world is pervasive, and bureaucrats are generally able to act with impunity. According to Transparency International’s 2013 Global Corruption Barometer, 50 percent of respondents claimed that the level of corruption in Russia had increased over the past two years, with 37

percent saying it had worsened “significantly.” Only 5 percent thought that Russia’s anticorruption measures were effective.¹²³

The leadership frequently announces anticorruption campaigns, but their main purpose is to bring the elite into line and prevent the issue from mobilizing the opposition. In 2013, the presidential administration began an effort to check disparities between the incomes and expenditures of officials. It only checked cases where expenditures exceeded income by a factor of three. Overall, 14,400 officials fell into this category, and the vast majority of them, 12,700, claimed by way of explanation that they had bought property during that year. Ultimately, only 200 officials were fired.¹²⁴

In April, Putin signed a decree forcing state officials who are involved in setting policy that affects Russian sovereignty or national security to repatriate or give up any bank deposits or securities that they hold abroad, making their fortunes more reliant on the Kremlin’s good favor.¹²⁵ The ban extends to all executive, legislative, and judicial officials and employees of state-owned companies, as well as to their spouses and minor children. The state bank VTB 24 reported a jump in deposits before the 17 August deadline. There are no restrictions on holding foreign real estate, although the owners must declare it. Critics said the law’s measures could be easily circumvented—for instance, by using intermediaries to obscure ownership of assets.¹²⁶

On 3 December, the presidential administration announced the creation of a new office to spearhead the fight against corruption.¹²⁷ The head of the new department, Oleg Plokhoy, has a background in the Soviet-era Committee for State Security (KGB). His responsibilities will include coordinating the implementation of anticorruption efforts at all levels of government, but descriptions of his office did not suggest that the Kremlin would be doing anything new.¹²⁸ In fact, the creation of the office merely indicated that past efforts to reduce graft were not working.¹²⁹

Navalny’s efforts to expose corrupt practices have achieved more high-profile results. Vladimir Pekhtin, a United Russia member and chairman of the State Duma’s ethics committee, had to resign in February after Navalny published documents showing that he owned real estate in Florida valued at more than \$1.3 million, which he had not disclosed as required.¹³⁰ Several other members of parliament also resigned in quick succession, including Anatoliy Lomakin, a billionaire businessman.

The failure of small business to thrive in Russia is another indicator of the costs and ubiquity of corruption. According to business ombudsman Boris Titov, prosecutors opened 600,000 criminal cases against entrepreneurs over the last three years, and 110,924 of them led to prison terms.¹³¹ Many of these cases are examples of “raiding,” in which law enforcement agencies are used to steal the property of successful businessmen. Titov lobbied for a plan to amnesty 100,000 entrepreneurs serving prison sentences for white-collar crimes, but those efforts were not successful. As a result of these problems and of a heavy burden from bureaucrats and inspectors of all varieties, only 2 percent of Russian respondents in

a recent survey said they had considered starting their own business. The average for countries with a similar income level was around 26 percent.¹³²

Russian state policy on migration serves the interests of key officeholders, including some billionaires in the parliament, by feeding corruption. On one hand, the Kremlin encourages migration, bringing in many workers from Central Asia—who are typically employed in the service and construction sectors—by maintaining a visa-free regime. On the other hand, the regime sets the Russian population against the migrants, often supporting nationalist groups who oppose the influx.¹³³ The authorities turn a blind eye to the extensive exploitation of the migrants, who work long hours for low pay and often are forced to live in squalid conditions. Much of the money siphoned off as a result of this process comes from the state budget. Street sweepers, for example, get a miserly wage and live in poor conditions, while public officials and the police benefit from the money that had been set aside in the city budget to pay them.

Preparations for the 2014 Winter Olympics in Sochi stood out in 2013 as a vehicle for corruption on an unprecedented scale. Early estimates for the total cost topped \$50 billion, with much of the money going to construction projects that appeared to be overpriced. A documentary film released in November alleged that officials had demanded massive kickbacks from contractors, among other abuses.¹³⁴

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Serbia

by Misha Savic

Capital: Belgrade
Population: 7.2 million
GNI/capita, PPP: US\$11,430

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25	2.25
Independent Media	3.25	3.25	3.50	3.75	3.75	4.00	4.00	4.00	4.00	4.00
National Democratic Governance	4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75	3.75
Local Democratic Governance	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
Judicial Framework and Independence	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Corruption	5.00	4.75	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25
Democracy Score	3.75	3.71	3.68	3.79	3.79	3.71	3.64	3.64	3.64	3.64

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

EXECUTIVE SUMMARY

A historic agreement with political leadership in Kosovo brought Serbia's coalition government of reformed nationalists one step closer to European Union (EU) membership in 2013. Negotiated in Brussels, the EU-brokered deal primarily concerns northern Kosovo, the majority-Serb territory that has remained largely outside of Pristina's control since Kosovo declared independence in 2008. Under the agreement, Belgrade agrees to gradually pull back financial and other support for the north in exchange for greater autonomy for ethnic Serbs in Kosovo. Following the deal, the EU agreed to launch accession talks with Serbia.

In the domestic political arena, the Serbian Progressive Party (SNS) remained dominant in 2013, winning several municipal elections and overseeing a Cabinet reshuffle in order, it said, to jumpstart economic and other reforms. The ruling coalition of the SNS, Socialist Party of Serbia (SPS), and several smaller factions went largely unchallenged by the fragmented political opposition, including the once-dominant Democratic Party (DS). Throughout the year, DS remained mired in internal rifts that emerged after its poor performance in the 2012 general elections triggered a change in party leadership.

The government launched an ambitious program to review major privatizations of the past decade, as well as several high-profile corruption investigations. Most of the cases remained open at year's end, partly due to a weak judiciary in acute need of reform. The economy emerged from recession, but living standards remained low relative to both the EU and the region, even as authorities stepped up efforts to attract foreign investors and close or sell the unprofitable state-owned companies that have absorbed billions in state subsidies over the years.

Public administration remains huge, employing some 800,000 people and blocking tax cuts advocated by neoliberal coalition members. Public debt rose as the government struggled to fund the budget deficit, public sector wages, and pensions. In an effort to shore up the economy and public finances, the government introduced emergency austerity measures in October.

Though freedom of speech was generally respected, freedom of information was substandard. The diverse media landscape suffers from a lack of fair, balanced coverage.

National Democratic Governance. While still refusing to recognize Kosovo's independence, the SNS-dominated government advanced Serbia's EU efforts with an April 2013 agreement designed to improve relations with Pristina. Despite some public opposition to the deal, the SNS remained exceptionally popular in 2013, prompting party leaders to push for early elections as tensions mounted within the ruling coalition. The threat of snap elections was diffused by a minor Cabinet

reshuffle in September. Anticorruption efforts and the economy were priorities throughout the year. The government pledged belt-tightening measures to shore up Serbia's struggling economy and courted new investment partnerships with Russia, China, and other countries. *Serbia's national democratic governance rating remains unchanged at 3.75.*

Electoral Process. Local elections were held in several municipalities, all dominated by the SNS. The polls were assessed as free and fair, overall, despite intermittent violence and reports of fraud. In line with the EU-brokered deal, Belgrade backed the new Serb Civic Initiative to run in Kosovo's November local elections—the first Kosovo polls extended to the majority-Serb north. Belgrade also encouraged the northern Serbs to vote, though turnout was ultimately low. In its first-ever campaign finance report, the state Anti-Corruption Agency revealed transparency problems in party and campaign funding during the 2012 elections. *Serbia's electoral process rating remains unchanged at 3.25.*

Civil Society. The year saw the emergence of informal, grassroots activism—some of it online—as traditional civil society organizations (CSOs) continued to face funding problems. For the third consecutive year, authorities cancelled an LGBT parade planned in Belgrade, citing security threats. Nevertheless, LGBT activists were able to raise awareness through a series of smaller events. The legislative framework for protecting minority rights was strengthened with the adoption of a new anti-discrimination strategy. With the help of CSOs, victims of Communist-era property confiscation began to receive compensation. *Serbia's civil society rating remains unchanged at 2.25.*

Independent Media. In 2013, the government failed to divest its remaining stakes in media companies that are not designated public services. It also raised fresh concerns about the independence of the public broadcaster by proposing a bill that would see it funded directly from the state budget. Most of Serbia's media outlets are already fully private, but continue to suffer from political bias and external pressure, as well as a lack of professionalism. Libel suits became more frequent, as did regulatory efforts to stamp out profanity and other offensive material on television. Investigators made progress in the murders of prominent journalists during the Slobodan Milošević regime. *Serbia's independent media rating remains unchanged at 4.00.*

Local Democratic Governance. The biggest local governance story of 2013 involved Vojvodina, the autonomous multiethnic province in northern Serbia. In December, the Constitutional Court ruled much of the legislation defining the province's jurisdiction unconstitutional amid an ongoing political battle over how much autonomy Vojvodina should have. In September, the SNS and its allies ousted the mayor of Belgrade, a member of the opposition DS. The EU characterized Serbia's legislation on local self-government as murky and poorly implemented.

Oversight of municipal responsibilities and finances is weak. *Serbia's local democratic governance rating remains unchanged at 3.50.*

Judicial Framework and Independence. The judiciary is inefficient and vulnerable to political interference. Professional standards are weak. Following a failed reform effort launched in 2009, the government adopted a new five-year strategy to increase judicial independence, accountability, and efficiency. The latter is of particular concern, with the case backlog at over 3 million. In October, prosecutors were given greater authority in criminal investigations in an effort to fight organized crime and corruption. Results were mixed at year's end. Several high-profile war crimes cases from the 1990s conflicts remain unresolved. *Serbia's judicial framework and independence rating remains unchanged at 4.50.*

Corruption. The SNS prioritized anticorruption efforts in 2013, with mixed results. Despite high-profile cases against former Cabinet ministers and Serbia's richest man, graft and misconduct remained widespread, and the government fell short on promises to the EU to complete investigations into dubious privatizations from the 2000s. In July, the government adopted a new five-year anticorruption strategy that strengthens the Anti-Corruption Agency. *Serbia's corruption rating remains unchanged at 4.25.*

Outlook for 2014. Serbia is heading for early elections on 16 March 2014.¹ SNS may win enough support to govern alone, or it may pick a liberal coalition partner to press ahead with key EU reforms and initiatives, including improved relations with Kosovo. Public debt will increase, as the government plans new foreign borrowing to cover a consolidated budget deficit projected at 7.1 percent of GDP in 2014.² The government is expected to negotiate a new aid package with the International Monetary Fund that should improve investor confidence, assuming that authorities deliver on promised fiscal consolidation. In March, the International Court of Justice will begin hearing arguments in mutual genocide cases between Serbia and Croatia.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.00	4.00	3.75	4.00	4.00	3.75	3.75	3.75	3.75	3.75

In 2013, Serbia's coalition government remained under the nominal leadership of Prime Minister Ivica Dačić of the Socialist Party of Serbia (SPS), while his deputy Aleksandar Vučić drove the legislative agenda as head of the country's most popular political faction and winner of the 2012 elections, the Serbian Progressive Party (SNS). Vučić's own popularity rose throughout the year as he launched an aggressive anticorruption campaign and prioritized tough economic and other reforms. Due to its strong support, the SNS repeatedly considered pushing for early elections to gain key Cabinet posts. However, the year saw only a relatively minor Cabinet reshuffle, with 11 new ministers appointed and one junior party, the United Regions of Serbia, ousted.

In April, Serbia reached a historic agreement with Kosovo in talks brokered by the European Union (EU) that aimed at improving bilateral relations. While Belgrade maintains that it will never recognize Kosovo's statehood, "normalization" of relations is a condition of Serbia's European integration. Thanks to the April agreement, the European Council decided on 28 June to open accession negotiations with Serbia. The first intergovernmental conference was scheduled for January 2014.

At the heart of the EU-brokered agreement is control over northern Kosovo, home to a 50,000-strong Serb community above the Ibar river that considers itself part of Serbia, receives financial and other support from Belgrade, and refuses to be governed by Kosovo's ethnic-Albanian leaders. In a delicate process that Prime Minister Dačić described as "walking a tightrope,"³ Serbia agreed to gradually pull back from the four majority-Serb municipalities in the north by, among other things, dismantling the so-called parallel judicial, healthcare, and other governing institutions it funds there. In exchange, Kosovo agreed to grant its Serb minority more autonomy. For instance, the population will form a community association, the Alliance of Serb Municipalities, to oversee economic development, education, healthcare, and other areas, though the extent of its autonomy remains unclear. The sides also reached several smaller compromises, including a new, unique country code for Kosovo on international phone calls and more bilateral cooperation on telecommunications and energy. Further details and implementation are being worked out in ongoing talks in Brussels.

In July, Serbia and Kosovo exchanged liaison officers, while the respective chambers of commerce signed a cooperation agreement in Brussels on 13 December.⁴ Belgrade and Pristina interpreted these events very differently. While Kosovo saw *de facto* recognition of its statehood,⁵ Serbia insisted the cooperation

is “status-neutral.”⁶ The April agreement itself faced its first real test in November, when Kosovo’s municipal elections were extended to the contested north under international supervision. The northern Kosovo Serbian community had boycotted past elections, and there was a strong pro-boycott movement in the November polls that contributed to a low turnout and unrest. Participation by the Serb minority south of the Ibar was more robust. Implementation of the April agreement will remain a challenge, as Belgrade and Pristina need to find common ground on everything from management of the court system to education in the north.

For the ruling parties in Serbia, the EU-brokered deal realized a campaign pledge to advance the country’s European integration. Popular support for EU membership hovers around 50 percent, according to monthly and bi-annual surveys.⁷ However, some accused Serbia’s leaders of selling out, and the year saw anti-EU protests. Nevertheless, the government pledged to continue working with European institutions to improve Serbia’s economy, rule of law, judiciary, and other key reform areas, and both the coalition and the parties’ poll numbers remained stable. At year’s end, the SNS was 30 points ahead of its closest rival, the Democratic Party (DS), which went into opposition after losing the 2012 elections. The SPS followed with an 11 percent approval rating.⁸

While the SNS avoided the traditional post-election slump, internal rifts grew, becoming public by year’s end. Notably, Energy Minister Zorana Mihajlović made corruption allegations against the staff of President Tomislav Nikolić, an SNS co-founder who resigned as party leader when assuming the presidency. Early elections remained under consideration at year’s end as a way to resolve disputes between the SNS and SPS over the future of large, unprofitable state-owned companies such as Srbijagas, the natural gas firm, that have become a drain on state coffers. The socialist SPS emphasizes the need to keep people employed, while the center-right SNS says downsizing of these companies—or, in some cases, closing them down altogether—is inevitable.

The economy was another prominent issue in 2013. Unemployment hovered around 25 percent all year, but the economy began to show modest growth (2.4 percent), thanks to rising automotive production and a recovery in the agricultural sector after 2012’s devastating drought.⁹ Public debt, however, remained at an alarming 60 percent of GDP, well above the legal limit of 45 percent. In an effort to shore up the economy, Serbia introduced in October a raft of emergency measures including tax hikes and cuts to public-sector wages and subsidies for over 150 large state-owned companies, which it plans to make private in the coming years.¹⁰ The government also worked on forging new investment partnerships with countries such as Russia, the United Arab Emirates, and China. Notably, it is cooperating with Russian state-owned energy giant Gazprom on building a link of the South Stream natural gas pipeline to Europe through Serbia.

Regarding international affairs, including membership in key organizations, Serbia had a mixed year. In May, Nikolić signed an agreement with Russian president Vladimir Putin to forge a strategic bilateral partnership, mostly related to energy. In September, the EU Stabilization and Association Agreement, a pre-

accession document signed in April 2008, became fully effective, replacing an interim agreement from 2010. However, there was little progress on World Trade Organization (WTO) membership. Serbia does not comply with the organization's ban on genetically modified crops.

In February, the government approved a plan through 2016 to adopt the *acquis communautaire*, the EU body of law aspirant countries must harmonize with their own legislation. It replaced the 2008–12 *acquis*, of which 88 percent of the planned legislation was enacted. In its 2013 progress report, the EU noted that the parliament enacted several laws aimed at aligning with the *acquis* in its first year. It added that the legislative process has become more transparent with the introduction of public hearings and the publication of votes, among other changes.¹¹ Parliamentary oversight of the executive has also improved, the EU said, noting that the prime minister and deputy prime ministers regularly sit for questioning.

Serbia made some progress on regional cooperation. In April, President Nikolić publicly apologized for crimes by Serb forces during the 1992–95 war in Bosnia-Herzegovina. However, Serbia and Croatia remained at an impasse over mutual genocide charges at the International Court of Justice. Zagreb reiterated that it wants information on the 1,689 people missing from the 1991–95 conflict in Croatia as a pre-condition for dropping its suit.¹²

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

In 2013, Serbians voted in several local elections marked by intermittent violence, accusations of fraud, and strong performances by the SNS.¹³ In November, local elections in Kosovo were extended to the contested north for the first time as part of the EU-brokered agreement. Low turnout and election-day violence led to reruns at three polling stations.

On 7 April, the SNS won 43 percent of the vote in the municipality of Kovin, in the northern multiethnic autonomous province of Vojvodina, for a comfortable victory over the United Regions of Serbia, which took 15 percent.¹⁴ The DS finished third, followed by the SPS. Complaints of irregularities by the relatively small Party of United Pensioners of Serbia were dismissed. The 15 December election in Odžaci, also in Vojvodina, was marred by fistfights between supporters of rival parties, attacks on media, and accusations of fraud including voter bribery between the DS and SNS.¹⁵ The SNS took an absolute majority and, also on 15 December, won in Kostolac, eastern Serbia, and Voždovac, one of 17 municipalities comprising Belgrade.¹⁶

The local elections in Kosovo were extremely divisive in the north, where the population had boycotted every previous vote organized by the government in Pristina and elected their own officials in polls organized by Belgrade. However,

Serbian leaders encouraged the population to participate on 3 November to consolidate the April deal, insisting it was not tantamount to recognizing Kosovo's statehood. Belgrade also helped create a new political party, the Serb Civic Initiative, to run in the election. Still, there was a strong boycott movement among both the population and the political elite, some of whom refused to participate. For voters and leaders alike, participation was seen as a way to secure autonomy for their community through the planned Alliance of Serb Municipalities while preventing Albanian candidates from taking office in majority-Serb areas.

The election itself saw low turnout and sporadic violence. On the eve of the vote, the candidate for the Serb Civic Initiative, Krstimir Pantić, was attacked in Mitrovica, an ethnically divided city straddling the Ibar river. The perpetrators remained at large at year's end, but Pantić blamed the pro-boycott groups. On election day, these groups attacked voters, smashed ballot boxes, and threw tear gas at several polling stations, leading to the annulment of results at three polling stations. A rerun on 17 November was calm, though turnout remained low. In the end, the Serb Civic Initiative won a majority in nine municipalities, including the four in northern Kosovo.

In May, Serbia's Anti-Corruption Agency adopted its first-ever campaign finance report for the 2012 general elections. Two-thirds of political groups reported annual financing, according to the EU progress report. The agency submitted 53 requests for misdemeanor procedures against parties for misusing funds, filing annual financial reports late, or failing to file campaign financial reports. The EU urged stronger oversight of party funding.¹⁷

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
2.75	2.75	2.75	2.75	2.75	2.50	2.25	2.25	2.25	2.25

Roughly 18,000 civil society organizations (CSOs) operate in Serbia, but they continued a long period of decline in 2013 amid a chronic lack of funding. Most CSOs rely on government support and international donations that have shrunk since the 2008 financial crisis. New, largely informal types of civic activism emerged in 2013, filling this void and making extensive use of online media.

One notable example of grassroots activism was an anonymous public campaign against drug dealers in Lazarevac, central Serbia. In July, the St. Sava Association of Citizens posted an online list of 20 alleged narcotics dealers, including names and photos. The activists demanded the suspects be arrested and prosecuted, blaming a weak police response to the drug trade for rising addiction rates. In response, police took immediate action, arresting at least seven suspects from the list by mid-December and pledging further crackdowns.¹⁸

Ad hoc fundraising initiatives also emerged for sick children requiring costly medical treatment abroad. The most prominent case, that of 8-year-old Tijana

Ognjanović, gained unprecedented attention as local celebrities joined a campaign that eventually raised €1.5 million for a heart transplant in Houston, Texas. Tijana did not survive the surgery, but her parents pledged to donate the remaining money to other Serbian children needing medical care abroad.

Activism had a darker side in 2013, related to a surge in illegal immigration from Africa, Asia, and war-torn Syria. When a shelter near the town of Bogovađa, central Serbia, housing 80 asylum seekers awaiting transfer to the EU became overcrowded, authorities tried to move them to a shelter near Belgrade. However, locals protested with blockades in a highly publicized standoff that lasted for days. After the second shelter was torched in an apparent arson, authorities took the refugees to other parts of Serbia.¹⁹

Trade unions became more vocal in 2013 in response to the government's plan to downsize hundreds of state-owned companies. Protests erupted over the looming layoffs, as well as a debate about the massive subsidies that had kept the companies afloat for years. The government drafted bills on the labor market, privatization, and bankruptcy procedures that were awaiting adoption at year's end. Meanwhile, police unions objected to government plans to reduce the number of officers in northern Kosovo following the April agreement. The unions said the move was unconstitutional.

Protection of minority rights remains problematic: For the third straight year, authorities banned Belgrade's annual LGBT pride parade, citing security concerns after right-wing groups threatened to confront the demonstrators.²⁰ The event's organizers lambasted Belgrade for failing to protect human rights and held a smaller, surprise gathering called Midnight Parade the night of September 28. New events are planned for May 2014.²¹

Under an amendment adopted in December 2012, hate speech is now recognized as an "aggravating circumstance" in criminal cases, making it possible for judges to impose higher sentences under certain circumstances. In January, the Appellate Court in Novi Sad announced Serbia's first ruling on discrimination in the workplace based on sexual orientation.²² The court ordered a 26-year-old man to pay 180,000 dinars (\$2,168) in damages for threatening and using anti-gay epithets against a 25-year-old openly gay colleague. In June, the government adopted an antidiscrimination strategy for 2013–18 aimed at protecting vulnerable groups such as Roma, women, children, the LGBT community, and the disabled. In its progress report, the EU recommended bolstering the Equality Protection Commissioner's office to process the increasing flow of discrimination complaints by citizens.²³

December 2013 saw the opening of an unprecedented photo exhibition in Belgrade, backed by the Open Society Fund and Swiss Embassy. For the first time, three ethnic Albanian survivors of a 1999 mass killing in Pudujevo, Kosovo, displayed photographs and personal items of 14 extended family members who were summarily executed in the home of the Bogujevci family by Serbian forces during the 1998–99 war.²⁴ The unit's commander, Saša Cvjetan, was sentenced in 2005 to 20 years in prison for war crimes. Several dozen nationalists protested

outside the exhibition venue, demanding an exhibition in Pristina highlighting Serb victims of the conflict.²⁵ Serbian police provided protection for the exhibition.²⁶ Prime Minister Dačić attended and spoke with the survivors.

In November, the EU delegation to Serbia awarded 23 grants to civil society organizations.²⁷ Ranging from €50,000 to €100,000, the grants from the EU Civil Society Facility 2012 were approved for projects through 2015 on monitoring public administration reform, promoting cultural diversity (including community support to asylum-seekers), and capacity building at local-level civic groups.

Due largely to the efforts of the League for the Protection of Property and Human Rights, restitution of property confiscated by the Communists after World War II moved ahead in 2013. More than 3,000 hectares of agricultural land, almost 1,500 apartments, and 135,000 square meters of construction land were returned to the original owners or their descendants, according to league data.²⁸ One of Serbia's most effective nongovernmental organizations, the league helped thousands navigate the complex legal requirements for property restitution, gather documents from archives, and file claims. As a result, efforts to compensate the victims of the post-WWII regime accelerated.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.25	3.25	3.50	3.75	3.75	4.00	4.00	4.00	4.00	4.00

Serbia's official Media Strategy aims to reduce state ownership of press outlets not designated as public services, but little progress has been made on these counts since the strategy's adoption in 2011. Government proposals in 2013 raised new concerns about the independence of the public broadcaster. Meanwhile, editorial bias, low professionalism, and low quality of reporting in Serbia's privately owned media remain problems.

The independence of state-owned Radio Televizija Srbije (RTS) came into question in 2013 over government proposals to change how the national broadcaster is financed. For years, RTS has been funded through mandatory subscriptions, collected as a surcharge on electricity bills. However, in October, authorities proposed switching to a combination of direct budget financing and advertising revenue, which could potentially increase the government's influence on content. Under the proposed new law on electronic media, RTS and its equivalent in Vojvodina, Radio Televizija Vojvodine (RTV), would receive a combined 1.5 percent of national budget revenue, with roughly 75–80 percent going to RTS. In discussions in October, legislators proposed dozens of amendments, but the bill had yet to be adopted at year's end.

The electronic media bill also covers digitization—now expected in 2016, four years behind schedule. The planned changes, in line with EU standards, include changing the name of the Broadcasting Agency, a national regulator, to the “Regulatory Body for Electronic Media” and giving it more authority to block

discriminatory, offensive, or otherwise inappropriate content. The legislation also includes tighter rules on protection of competition, linked to the ownership of outlets. Serbia already has some instruments to regulate antitrust issues, but their implementation led to several controversies in 2013. In September, the CNN Cable News Network partnered with Serbia's SBB cable provider to regional television network and broadcaster N1, which was allegedly in violation of rules that prevent cable providers from simultaneously producing content.

Most popular outlets, including privately owned, high-circulation dailies such as *Blic* and *Kurir*, have a political bent and regularly become involved in disputes with politicians or other media owners. In January, DS leader Dragan Đilas sued *Kurir* for defamation, demanding 120 billion dinars (€1.04 billion) in damages over reports that he had used his office and connections to earn some €1.2 billion through his advertising agency since entering politics—an allegation made by onetime-Đilas-ally-turned foe Dušan Petrović. The suit prompted the Independent Journalism Association of Serbia (NUNS) to warn that media must not be drawn into political battles.²⁹ Meanwhile, Pink Television became embroiled in a very public dispute with *Blic* after the daily reported on a fatal car accident involving the son of Pink founder Željko Mitrović.³⁰ Although the story was widely reported elsewhere, Pink Television used the opportunity to launch an on-air campaign against pro-DS *Blic*, currying favor with the ruling SNS. The Broadcasting Agency threatened to revoke Pink's license for 30 days if the campaign continued.³¹ The agency said that Pink Television had violated both the Public Information Act and professional codes of conduct, and, in an unprecedented move, ordered the broadcaster to publish the agency's conduct review.

The Broadcasting Agency played an active—if at times heavy-handed—oversight role in 2013. In November, the council criticized RTV for an interview with Kosovo President Atifete Jahjaga that it said served as a mouthpiece for propaganda on topics such as the safety of the Kosovo Serb minority.³² This reopened a debate on regulating content and ways to implement laws requiring objective, impartial media coverage. The Broadcasting Agency also targeted offensive content such as obscenity and ethnic slurs. For example, it ordered Pink Television to ensure that its reality television shows comply with laws banning insults and profanity.³³ In addition, the agency cracked down on illegal broadcasters, raiding the offices of small local radio stations that operate without a license. Several were closed, their equipment seized, with nine criminal charges for “pirate” broadcasting filed.³⁴

Allegations of censorship resurfaced in 2013 with a controversy surrounding *Mental Exercises*, a radio morning show that was taken off the air in December after the hosts made references to Vučić's private life. Though Vučić denied any involvement, NUNS expressed concern that the suspension was political.³⁵ The station said the show was temporarily shelved to make room for holiday programs and would return on 13 January.³⁶ The date was later pushed back to 1 February.

Authorities stepped up efforts to investigate the murder of journalists during the Milošević regime, including the fatal shooting of *Dnevni Telegraph* editor Slavko Ćuruvija in 1999.³⁷ Ćuruvija's reporting had become increasingly critical of the

government, and his killing was widely seen as evidence of the Milošević regime's brutality. In December, Vučić acknowledged that "the state killed Čuruvija," though no arrests were made by year's end.

In a landmark ruling by the Higher Court in Belgrade in December, award-winning filmmaker Emir Kusturica won a libel suit against the E-Novine news portal and its editor. Kusturica had sued over a 2011 report on allegations that the director had ties to a former secret service agent suspected of murder and believed to be hiding in Spain.³⁸ Citing insufficient evidence of any link between the men, the court ordered E-Novine to pay Kusturica a total of 336,000 dinars (€2,900)—150,000 in damages and 186,000 in court fees. E-Novine also had to publish the verdict on its website.

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50

The legislative framework on local self-government is unclear and poorly implemented, with weak oversight of municipal responsibilities and finances, according to the EU.³⁹ However, local governance does not appear to be a government priority. In October, the government abolished the National Council for Decentralization, citing the need to reduce expenditures. Both the council and the inter-ministerial Municipal Finance Commission were not operational throughout much of 2013—a year dominated by political wrangling over the autonomy of Vojvodina and control of the capital Belgrade.

For years, officials have fought over the extent of Vojvodina's autonomy. Opinions hinge on political affiliation and ethnicity, with proposals ranging from very limited autonomy to near statehood, including everything from a flag to a separate budget. In the former camp, the SNS has long warned of increased separatism in Vojvodina. Once it became clear that the party would join the new government after the 2012 elections, the Constitutional Court declared unconstitutional certain provisions in the Statute of Vojvodina, the law establishing the province's jurisdiction, in a move some critics said would drastically reduce its autonomy. As a result, in May 2013, the assembly of Vojvodina adopted a declaration reasserting its constitutional rights and autonomy.

However, the province faced an effective constitutional crisis in December, when the Constitutional Court of Serbia declared unconstitutional some two-thirds of all articles in the statute. In a 140-page ruling, the court said it would not immediately annul the statute lest a "legal vacuum" emerge.⁴⁰ It gave Vojvodina until June 2014 to amend the provisions or write a new statute. István Pásztor, speaker of Vojvodina's assembly and a representative of the ethnic Hungarian minority, and Bojan Pajtić, head of the provincial government, said they aimed to amend the statute in full compliance with the Serbian constitution, though it is unclear

whether the June 2014 deadline will be met. Given the scope of the Constitutional Court ruling, Pásztor said, the statute will probably need to be rewritten. Separate bills and bylaws are also planned to define the purview of Vojvodina bodies, as well as a law on their financing that has been under development since 2008.

If the Vojvodina legal issues are not resolved, the SNS will probably call for early elections in the provincial assembly in a bid to ride its popularity to more deputies. Meanwhile, the DS, which pledged to protect Vojvodina's autonomy after winning majorities there in 2008 and 2012, was internally shaken by the sweeping legal challenge. Some party officials said Pajtić went too far in adding provisions toward broader autonomy that ultimately undermined the statute. Across the political spectrum, there is concern that some officials in Vojvodina are after independence, although its statute defines the province as part of Serbia. The issue is particularly sensitive given the legacy of Kosovo and also reflects the difficulty of balancing state with local-level powers in Serbia, where governance is largely centralized.

In the other major local government development of 2013, Belgrade Mayor Đilas of the DS was ousted in September when former allies in the municipal assembly withdrew their support amid allegations that Belgrade had a debt of nearly €1 billion due to Đilas's ambitious infrastructure projects. The mayor insisted the figure was grossly inflated, but Belgrade's murky financial records allowed the controversy to fester, giving the SNS and its SPS allies an opening that which they seized with a 60-0 vote in the 110-seat city council on 24 September to remove Đilas.⁴¹ The Serbian government appointed a temporary council to run the city until mayoral elections on 16 March 2014.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50	4.50

In July, Serbia adopted a new five-year strategy and action plan to improve judicial independence, accountability, and efficiency. This followed a failed attempt in 2009 to overhaul the judiciary by streamlining the court network and staff, among other changes. A related, highly controversial reappointment procedure in 2009 and 2010 cost hundreds of judges and prosecutors their jobs. Following a 2012 Constitutional Court ruling, 500 of the 877 officials who appealed their non-reappointment were reinstated. The court network nearly doubled in 2013, from 34 to 65.

In its progress report, the EU said that rule of law would be a key priority in accession talks given the amount of work required to reform Serbia's judiciary. In particular, the EU noted that the legislative and constitutional frameworks leave room for political influence. It also urged the government to redouble efforts to create an evaluation system for judges and prosecutors to improve accountability. In addition, the EU wants all judicial appointments to pass through the Belgrade-based Judicial Academy, which provides additional training to judges selected by the High Judicial Council. The academy is an important element of

the new judicial reform strategy. However, the president of the Judges' Association of Serbia notes that giving it final say over appointments could jeopardize independence because one-third of the academy's managing board members are government appointees.⁴²

Efficiency is another key issue, with the case backlog at over 3 million.⁴³ The judicial reform strategy includes a unified program to clear the backlog, and the EU said that implementation should be a priority, pointing to the Administrative Court in Belgrade as an example of the logjam in Serbian courts. It has resolved all cases older than three years and, in the first six months of 2013, another 9,551 cases.⁴⁴ However, 11,315 new cases came before the court in the first half of 2013, compared to 4,938 in all of 2012. In June 2013, the backlog totaled more than 23,000 cases, roughly 1,500 more than at the end of 2012.⁴⁵

In October, a new system of criminal investigations based on the U.S. model was introduced in an effort to tackle organized crime. Under the new system, authorities executed a sweeping drug raid in early December, arresting 127 suspects and seizing 18.5 kilograms of narcotics. However, early results suggest the judiciary may lack the resources for this new approach, which gives greater authority to prosecutors and less to investigating judges. In October, the Higher Court in Belgrade received only 2 criminal charges, compared with 26 in September and 37 in May.⁴⁶ The new system does not provide free counsel to defendants who cannot afford a lawyer.

The judiciary can be opaque and vulnerable to political influence. In 2013, the judicial system received 539 complaints against judges and prosecutors for mishandling cases, but a special disciplinary committee only accepted 8 for consideration, saying the others were incomplete.⁴⁷ In February, Supreme Court of Cassation President Nata Mesarović was replaced after the Constitutional Court found unconstitutional an earlier law that led to her appointment, but some saw this as political because the DS had backed Mesarović's appointment. In November, SNS Justice Minister Nikola Selaković estimated that the failed reappointment of judges cost €15 million and said criminal charges might be filed demanding compensation from members of the High Judicial Council and the State Prosecutorial Council, which carried out the procedure.⁴⁸ The main targets would be former Justice Minister Snežana Malović and Mesarović.

Several war crimes cases⁴⁹ continued in Belgrade before a special court, including the 1999 murder of the Bytici brothers, three ethnic Albanians who had come from New York to fight Serb government troops in the 1998–99 war over Kosovo, only to be killed as prisoners of war. Two Serbian policemen, Sreten Popović and Miloš Stojanović, were acquitted of the killing in a March decision that was upheld on appeal in May. In a surprise ruling in December, the Constitutional Court overturned the 20-year prison sentence of Saša Radak for participating in the 1991 killing of detainees in Croatia. The court said the conviction was based on the uncorroborated evidence of a single protected witness. Victims' families and human rights groups questioned the ruling.⁵⁰

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.00	4.75	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25

Graft and misconduct are widespread in Serbia. After taking power in 2012, the SNS followed through on pledges to get tough on corruption with several high-profile cases. The biggest ongoing investigation is against Serbia's richest man, Miroslav Mišković, founder and owner of Delta Holding, one of the largest companies in the region. Serbia's ranking in Transparency International's Corruption Perceptions Index improved by eight places to 72nd in 2013.⁵¹ However, the watchdog's Serbian branch said the year saw little concrete progress in anticorruption efforts, blaming an inefficient judiciary and weak public administration.⁵²

On 9 May, charges were filed against Mišković, his son Marko, and nine associates, following their arrest in 2012. The 122-page indictment implicates the men in a 16.95 billion-dinar (almost \$200 million) fraud scheme related to a road repair project and construction companies, as well as tax evasion to the tune of 472 million dinars (\$5.57 million). Each charge carries a maximum 10-year prison sentence. The trial opened on 14 November. Mišković, who had been released on bail along with Marko, maintained innocence and hired an international defense team. After the initial hearing, court president Vladimir Vučinić permitted Mišković to travel abroad briefly but was subsequently replaced for allowing a high-profile defendant to leave the country. Vučinić complained to the High Judicial Council about the pressure exerted on him by Higher Court President Aleksandar Stepanović, prompting the council to demand that the independence of the judiciary be respected. The case was ongoing at year's end.

In July, legislators adopted a new five-year anticorruption strategy and action plan that gives the Anti-Corruption Agency a lead role. The agency increased oversight of public officials' finances, requiring that asset and income declarations be verified against data held by at least four authorities, including the Interior Ministry and Tax Administration. Several criminal charges were filed against officials, including a member of parliament, for failing to disclose holdings. In other anticorruption efforts, the Administration for the Prevention of Money Laundering intensified reporting on suspicious transactions. It has improved cooperation with banks and financial regulators, as well as staff training. Meanwhile, some 180 police officers received basic training on seizing and handling digital evidence in an effort to uncover corruption.

However, in its progress report, the EU said the Anti-Corruption Agency remains inefficient, law enforcement lacks expertise in financial investigations, and whistle-blower protection is weak. Serbia also lacks key information technology resources, namely a centralized criminal intelligence system—an IT network linking the police, prosecution, and courts to improve efficiency in battling corruption and organized crime. The EU has noted that the High-Tech Crime Unit at the Interior Ministry, operational since 2012, needs additional resources to manage complex cybercrime investigations.⁵³

Despite the urging of the EU, Serbia has not completed the investigation of 24 flawed privatizations from the 2000s. The task is daunting because of the number of people and companies involved, but some cases were nevertheless closed in 2013. In May, the Belgrade-based Special Court sentenced 16 people, including investors and judges, to a total of 44 years for fraud, abuse of office, tax evasion, and accepting bribes in several privatizations.⁵⁴ Meanwhile, the July sale of Serbia's loss-making carrier Jat Airways to Etihad Airways of the United Arab Emirates raised transparency concerns, as the terms of the deal were not disclosed despite public demands.

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Slovakia

by Grigorij Mesežnikov, Miroslav Kollár, and Martin Bútora

Capital: Bratislava
Population: 5.4 million
GNI/capita, PPP: US\$25,842

Source: The data above were provided by The World Bank's, *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.25	1.25	1.50	1.50	1.50	1.75	1.50	1.50	1.50	1.50
Civil Society	1.25	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	2.25	2.25	2.25	2.50	2.75	3.00	3.00	2.75	2.75	2.75
National Democratic Governance	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	2.75	3.00
Local Democratic Governance	2.25	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	3.00	3.00
Corruption	3.00	3.00	3.25	3.25	3.25	3.75	3.50	3.50	3.75	3.75
Democracy Score	2.00	1.96	2.14	2.29	2.46	2.68	2.54	2.50	2.57	2.61

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 Slovakia attained full independence in 1993, Direction–Social Democracy (Smer-SD) became the first political party to form a one-party cabinet. After its election in 2012, Smer-SD mainly focused on strengthening the state's role in several sectors, including the economy, social policies, public administration, and healthcare. The party supports a centralized model of governance and has taken steps to empower the central authority at the expense of self-governments.

The political atmosphere during 2013 was marked by frequent confrontations between Smer-SD and opposition center-right parties, which tried to preserve the reforms implemented under the brief tenure of Prime Minister Iveta Radičová (2010–12). The candidate who was elected prosecutor general by the parliament during that period, Jozef Čentěš, could not take office without the official approval of President Ivan Gašparovič, which the president withheld on vague, procedural grounds for nearly two years. In January, the president's call for new elections to the position provoked the first-ever impeachment attempt against a Slovak president, but the motion was voted down in the parliament. In June, Gašparovič appointed another candidate altogether—Bratislava regional prosecutor Jaromír Čížnár, a former university classmate of Prime Minister Robert Fico.

Cronyism, clientelism, and corruption persisted in the public sphere, and alleged cases of misuse of public funds and bribery were not investigated properly. The judiciary continued to struggle with problems inherited from the past and resisted reform initiatives aimed at curbing nepotism and increasing transparency.

National Democratic Governance. Center-left Smer-SD continued to concentrate power in its hands and sidelined the parliament as a mechanism of control on numerous occasions. The appointment of a new prosecutor general and the dismissal of the already elected opposition candidate indicated negative tendencies in the ruling party's approach to separation of powers. In January, the opposition launched the first-ever impeachment attempt against the president. The government refused to investigate allegations of embezzlement at the Military Intelligence Services (VSS) and dismissed criticism from Public Defender of Rights Jana Dubovcová. *Slovakia's rating for national democratic governance worsens from 2.75 to 3.00.*

Electoral Process. Regional elections in November brought victory to the ruling Smer-SD in six out of eight regions. The unexpected victory of far-right candidate Marian Kotleba in the central region of Banská Bystrica sparked fears of radicalization. The Ministry of Interior submitted a draft electoral law and a bill on electoral campaigning to the parliament in September. Opposition parties criticized

several provisions of the drafts and demanded amendments to it. The adoption of the laws was postponed until 2014. *Slovakia's rating for electoral process remains unchanged at 1.50.*

Civil Society. The basic conditions for Slovak civil society did not change in 2013, and the sector remained independent and diverse. Cooperation with the government was satisfactory, and nongovernmental organizations (NGOs) successfully prevented the adoption of an amendment that would have limited the scope of the freedom of information law. At the same time, NGOs have repeatedly expressed their concerns over financial sustainability, and the mobilization of extremist groups seems to be an increasingly serious issue. *Slovakia's rating for civil society remains unchanged at 1.75.*

Independent Media. Press freedom in Slovakia is constitutionally guaranteed and generally respected, and there were no legislative changes in 2013. Judges and politicians have, on numerous occasions, used defamation suits to gag critical outlets. Criminal proceedings were dropped against a journalist and a filmmaker in January. The police attempted to pressure investigative journalist Tom Nicholson to reveal his sources in September, however, setting a dangerous precedent. Due to financial problems, several outlets changed hands during the year. *Slovakia's rating for independent media remains unchanged at 2.75.*

Local Democratic Governance. The government continued with the reform and centralization of public administration. The October 2013 Law on Local State Administration replaced the country's 248 local government offices with 72 district offices and 49 greater-district offices. A proposed amendment to the law on municipal councils, if approved, would strengthen the position of mayors in municipal councils. At year's end, self-governments struggled with the central government over their share of income tax. *The country's rating for local democratic governance remains unchanged at 2.50.*

Judicial Framework and Independence. The year was characterized by enduring problems in the judiciary—including a significant backlog of cases, nepotism, and low levels of trust—and continuing clashes between Supreme Court chief Štefan Harabin and other members of the judiciary. In recent years, disciplinary panels have become dysfunctional due to the reluctance of judges to serve on them. The Parliamentary Assembly of the Council of Europe (PACE) rejected all three of Slovakia's judicial candidates to the European Court of Human Rights. *Slovakia's rating for judicial framework and independence remains unchanged at 3.00.*

Corruption. Nontransparent, clientelistic, and corrupt practices persisted in 2013 due to the lack of political will to fight graft. Some of the government's steps contributed to less transparency, including the September dissolution of a planned advisory body. Experts generally welcomed the amended Public Procurement Act

adopted in March, but some of them warned about loopholes in the law. Corruption cases attracted significant media attention and provoked harsh criticism from the public; however, they did not result in prosecutions. *Slovakia's rating for corruption remains unchanged at 3.75.*

Outlook for 2014. Slovakia will hold presidential, local, and European Parliament elections in 2014. The preelection atmosphere will probably be marked by frequent confrontations between the ruling Smer-SD and opposition parties. A potential decline in public support could encourage Smer-SD leaders to step up nationalist and populist rhetoric and eventually increase social spending, affecting the state budget. Prime Minister Fico's candidacy in the presidential elections will likely have an effect on the government's performance and internal politics in Smer-SD. Improvements in the area of rule of law, justice, and the fight against corruption are unlikely in 2014.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	2.75	3.00

Following the 2011 collapse of the center-right government led by Iveta Radičová, the March 2012 elections brought a landslide victory for Robert Fico and his center-left Direction–Social Democracy (Smer-SD), and Fico became the prime minister of a one-party government. Since its victory, Smer-SD has increasingly concentrated power in its hands, capturing independent institutions and sidelining the parliament as a mechanism of control on numerous occasions. During the year, Smer-SD deputies obstructed the work of parliamentary committees by refusing to discuss agenda items proposed by opposition parties, blocked three extraordinary sessions convened by the opposition, and misused the interpellation procedure to highlight the positive achievements of the government.

On 17 January, 44 deputies from the 5 opposition parties made the first attempt to impeach a president in independent Slovakia's history. The deputies accused President Ivan Gašparovič of intentionally breaching the constitution in order to promote Smer-SD's interests by refusing to appoint Jozef Čentěš as prosecutor general after his election by the previous parliament in 2011. However, the motion did not collect enough parliamentary support and was voted down in March.

The saga around the election and appointment of a new prosecutor general pointed to a deep political divide and indicated worrisome tendencies in the ruling party's approach to the separation of powers. By January 2013, the position of the prosecutor general had been vacant for a year and a half. At first, Gašparovič had argued that Čentěš's election was unconstitutional because the Radičová government had changed the election procedure right before the vote and had elected Čentěš through an open ballot. However, after the Constitutional Court ruled in 2012 that the change in procedure had not violated constitutional norms, the president was legally obliged to make a decision in a reasonable time.

On 2 January 2013, Gašparovič officially announced he would not to appoint Čentěš as public prosecutor and called for a new election. Prime Minister Fico expressed strong support for the president's decision, insisting there was no constitutional impediment to new elections.¹ In May, Fico confirmed that Čentěš was no longer an acceptable candidate for the position and could not run as the opposition parties' candidate.² In new elections on 17 June 2013, Smer-SD deputies in the parliament all voted for their party's proposed candidate, Jaromír Čiznár, the regional prosecutor of Bratislava and Fico's former university classmate. The vote was boycotted by all opposition party deputies. Gašparovič appointed Čiznár right away, despite the fact that a complaint was pending at the Constitutional Court from Čentěš at the time.

As the election approached, critics accused the Constitutional Court of deliberately delaying its decision on Čentéš's complaint.³ Endorsed by Fico, an amendment to the Law on the Constitutional Court was adopted in an accelerated legislative procedure in April, permitting the assignment of cases to judges who had previously been disqualified for lack of impartiality. Even before the amendment came into effect, Constitutional Court Chair Ivetta Macejková assigned Čentéš's complaint to Judge Peter Brňák, who had previously been disqualified for showing bias.

Slovakia's Military Intelligence Service (VSS) has been at the center of a number of scandals in the last several years. In May, the daily newspaper *Sme* published a 134-page leaked report indicating that thousands of euros in public funds had been embezzled in the 2006–10 period with the knowledge of then VSS head Juraj Šebo and the director of Military Defense Intelligence (VOS), Lubomír Skuhra.⁴ The two services were merged under Skuhra's leadership in January 2013 after a 2011 wiretapping scandal.

Although a high-ranking former officer publicly supported the report's accusations, Defense Minister Martin Glvác and the government as a whole dismissed the claims. Meanwhile, Smer-SD deputies voted against opening an investigation by the parliamentary committee responsible for military affairs. In June, state prosecutors charged former VSS director Roman Mikulec—who had initiated the investigation of Šebo and Skuhra under the Radičová government—and a former secret service officer, Katarína Svrčeková, with leaking classified information.

A 2013 report by Public Defender of Rights Jana Dubovcová criticized the state's approach to the protection of fundamental rights and highlighted a number of human rights violations by the authorities, including their failure to protect the rights of Roma children. The ruling party dismissed Dubovcová's critique and accused her of politicizing the protection of rights and abusing her office.⁵ In March, the parliament returned her annual report for correction, although deputies had no right to do so according to the constitution. In September, Smer-SD deputies blocked a committee hearing about a special report Dubovcová had submitted that pointed to human rights violations during a June 2013 police raid on a Roma settlement in eastern Slovakia.

The parliament failed to elect a new chairman to the Supreme Audit Office (NKÚ) in 2013. Although Smer-SD had promised that the opposition would be allowed to nominate the officeholder and that it would support the opposition's joint candidate, none of the nominees garnered enough support in the parliament. At year's end, the NKÚ was still headed by former chair Ján Jasovský, nominated by Vladimír Mečiar's Movement for a Democratic Slovakia (HZDS). Jasovský's term officially ended in February 2012.

In October, the government rejected a local referendum in the village of Tešedikovo, where in March 2012, the ethnic Hungarian majority voted to change the village's name to its pre-1948 version, *Pered*. Minister of Interior Robert Kaliňák stated that it would be "inappropriate" to return to the previous Hungarian name.⁶

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.25	1.25	1.50	1.50	1.50	1.75	1.50	1.50	1.50	1.50

Elections held in Slovakia since the collapse of the Communist regime in 1989 have been assessed as free and fair by domestic and international monitors. Citizens freely exercise their political rights and elect representatives to the national parliament, European Parliament, regional assemblies, and city and community councils every four years. Presidential elections are held every five years.

Slovakia has a multi-party political system, where parties often had to form coalition governments in the past. There are no significant obstacles to the registration of newly established parties. According to the Law on Political Parties, new movements need to submit at least 10,000 signatures to the Ministry of Interior, petitioning the creation of a new party. In 2013, there were 62 political parties registered with the Ministry of the Interior.⁷ Parties or coalitions of parties running at the parliamentary elections must submit a candidate list to the Central Election Commission (CEC) and pay a deposit of €16,596.⁸

Candidates to the National Council (parliament) are elected according to a proportional representation system, with a 5 percent threshold for parties running alone, a 7 percent threshold for coalitions of 2 or 3 parties, and a 10 percent threshold for coalitions of 4 or more parties. Local and regional candidates are elected according to a modified majoritarian system.

The most recent parliamentary elections were held in March 2012 and resulted in a substantial shift in the configuration of Slovakia's parliament. Following the sweeping victory of Smer-SD—which won 44.41 percent of the vote and received 83 seats in parliament, enabling it to form the country's first non-coalition government since 1990—the dominant left is facing a fragmented right in the parliament. The rest of the seats went to five parties: the conservative Christian Democratic Movement (KDH); the new populist formation Ordinary People and Independent Personalities (OLaNO); Most-Híd, one of the parties representing ethnic Hungarians living in Slovakia; the center-right Slovak Democratic and Christian Union–Democratic Party (SDKÚ-DS); and the liberal Freedom and Solidarity party (SaS).⁹

Since the elections, three parties' parliamentary representation changed as a result of internal conflicts and splits. Two members of parliament (MPs) who had left KDH established a new party called *Nová väčšina* (New Majority) in October 2012, while a third former MP became independent. In June 2013, five SaS deputies joined New Majority, increasing the number of parties without a parliamentary caucus to two.¹⁰ With the two other MPs that left OLaNO during the year, the total number of independent MPs reached 16, accounting for more than 10 percent of all MPs at year's end.¹¹

Regional elections were held in November 2013. Gubernatorial candidates supported by Smer-SD won the elections in six out of eight regions, while in the remaining two regions, a broad right-wing coalition led by an SDKÚ-DS member

and a candidate of the extremist party LS-NS (People's Party—Our Slovakia) succeeded.¹² Far-right candidate Marian Kotleba's success in the Banská Bystrica region sparked fears of radicalization in the country.

Political party membership in Slovakia is low, and citizens who count themselves as members of parties currently represented in the parliament number less than 40,000 out of more than 4 million eligible voters. Of those, 16,376 belong to Smer-SD; 13,024 are registered members of KDĽ; 4,868 are members of SDKÚ-DS; 4,642 are members of Most-Híd; and 292 belong to SaS. The new movement OĽaNO has only 4 officially registered members. As far as bigger extra-parliamentary parties are concerned, the Peoples' Party—Movement for a Democratic Slovakia (ĽS-HDZS) has 4,175 members; the Party of Hungarian Community (SMK-MKP) has 9,800 members; the Communist Party of Slovakia (KSS) has 5,250 members; and SNS has 2,335 members.¹³

The Hungarian minority is represented by two political parties: Most-Híd, an interethnic party that entered parliament in 2012 for the first time, and SMK-MKP, which had been a member of the government between 1998 and 2006 but lost its parliamentary representation in 2012. The country's second largest ethnic minority, the Roma, is underrepresented in party politics and public administration. The three officially registered Romany political parties are weak and politically insignificant.

In September 2013, parliament approved the first reading of a draft electoral law that would replace specific laws on local and national elections. The draft did not contain significant changes to the existing legal framework, although the fact that the country consists of one electoral district had been criticized on numerous occasions before.¹⁴ The government also prepared a draft law on electoral campaigns. The bill included a provision prohibiting the release of opinion polls three weeks prior to the elections and introduced a 48-hour preelection moratorium, banning campaigning before the vote. It also introduced limits on campaign spending and required the establishment of a transparent account for parties and candidates running in municipalities with over 5,000 inhabitants.¹⁵ The bill, however, did not set up an independent supervisory organ to oversee compliance with the rules.

Both drafts received criticism from opposition parties, who complained that Smer-SD MPs did not accept any of their amendment proposals in parliament. The Ministry of Interior agreed to hold consultations with opposition deputies; however, no compromise was reached by the end of November, and the adoption of the laws was postponed until 2014.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.25	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75

The basic conditions for Slovak civil society did not change in 2013—the sector remains independent and diverse, operating in a favorable legal environment and respected for challenging the authorities and advocating public interest. Besides

registered nonprofit organizations, many new informal initiatives and projects, often of limited scope, have emerged and become more visible.

Cooperation between the government and the civic sector made some formal progress under the Radíčová administration, which created a new office to facilitate communication between the state, civil society organizations, and the general public. As Slovakia's first governmental plenipotentiary for the development of civil society, Filip Vagač organized an ongoing dialogue between government and nongovernmental organization (NGO) representatives, contributed to the approval of a law on volunteering, and prepared a strategy for civil society development approved by the government at the end of February 2012. At the end of 2013, Vagač handed in his resignation, although he agreed to continue his work as an adviser to Deputy Prime Minister and Minister of Interior Robert Kaliňák. His achievements, as well as two government initiatives—the Strategy for the Development of Civil Society and the Open Government Partnership Initiative—were praised at the annual conference of nonprofit representatives in October.¹⁶

Vagač's departure and the resignation of the Governmental Plenipotentiary for National Minorities László Nagy in June, however, prompted concerns about the government's commitment to minority rights. Nagy left the office after the government rejected his report on the situation of minorities in March and after Smer-SD deputies voted down his amendment to introduce bilingual signs at railway stations in June. Also in March, Prime Minister Fico attacked ethnic and other minorities and accused them of "blackmail," adding that "the state was established for Slovaks, not for minorities."¹⁷ Several days later, NGO representatives in the Council of the Government for Human Rights, National Minorities, and Gender Equality prepared a resolution condemning the statement, which the council adopted with the votes of governmental officials present at the meeting.¹⁸

NGOs and civil society activists were successful in preventing changes to Slovakia's progressive Freedom of Information Act as well. At the end of October, several NGOs launched an initiative calling for preserving the current act and blocking any attempts that would limit the public's right to information. Their petition was signed by 8,000 people, including prominent public figures.¹⁹ The Ministry of Justice, responsible for drafting the amendment, decided to postpone its adoption until March 2014.

At the same time, NGOs continue to struggle with limited financial resources and have repeatedly expressed their concerns over cooperation with the government and inclusion in the policymaking process. Several NGO leaders claimed that communication with the state administration is often only a matter of formality, and although government officials invite NGOs to participate in drafting and discussing legislative initiatives, their proposals are repeatedly ignored in the end.²⁰

Private donations constitute a substantial source of revenue for the sector, although the government has been planning to introduce an amendment that would reduce potential tax benefits for corporations donating to NGOs. After 2012, the adoption of the amendment was postponed in November 2013 for the second time. The legal and regulatory environment places nonprofit organizations

providing services in various sectors (health, education, social care) at a disadvantage when competing with the state.²¹

Extremist rhetoric and the mobilization of far-right groups were visible throughout 2013, and the rights of the country's Roma minority continued to be violated. For months, the government delayed the investigation of a June 2013 police raid that had resulted in 30 injuries at a Romany settlement in Moldava nad Bodvou, despite calls from civil society, the Public Defender of Rights, and the UN Commissioner for Human Rights to investigate possible human rights violations committed by the police.²² Although a Slovak court ruled segregation unlawful in 2012, Romany children were still being placed in segregated schools in 2013.²³ Dissatisfaction with corruption and local politics resulted in a protest vote and the surprising victory of far-right candidate Marian Kotleba—notorious for his extremist views on Roma—at the November local elections in the Banská Bystrica region.

The year also saw heightened public mobilization and verbal clashes between supporters of LGBT rights and the increasingly numerous pro-life community.²⁴

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.25	2.25	2.25	2.50	2.75	3.00	3.00	2.75	2.75	2.75

Press freedom in Slovakia is constitutionally guaranteed and generally respected, and independent media outlets freely disseminate diverse views. There were no legislative changes in 2013, although the government prepared an amendment to the Freedom of Information Act, limiting of the scope of the law.²⁵ Following significant protest from civil society, the Ministry of Justice postponed the amendment until March 2014.

The 2008 Press Act offers protection to journalists in Slovakia. However, some experts claim that a number of its provisions are outdated. In February, Canadian-born investigative journalist Tom Nicholson published a transcript on his website of an alleged conversation between Stanislav Jankovič—Interior Minister Robert Kaliňák's former advisor—and Libor Jakšík, the suspected leader of a criminal organization. In connection with the ensuing police investigation, the authorities deposed Nicholson and pressed him to reveal his sources. The police argued during the deposition that Nicholson is not protected under the Press Act, which defines journalists as people employed by or in contract with media outlets.²⁶ Press freedom NGOs criticized this interpretation of the act, and the International Press Institute published a statement in September, claiming that Nicholson is entitled to the protection of journalistic sources and content according to Slovak and international law.²⁷ In 2009, Nicholson came into possession of an alleged secret-service file related to a major wiretapping operation (the so-called Gorilla file) that revealed widespread corruption between top officials and the financial group Penta during the 2002–06 period. Nicholson published a book about the file in 2012.

The pressure grew on Nicholson when tapes containing phone conversations between him and Slovak organized crime figures leaked in November. Police said that the conversations had been intercepted in connection with the 2010 murder of prominent lawyer and former Constitutional Court justice Ernest Valko, whom he had taught English. The source of the leaks was unknown at year's end, and Nicholson argued that they were an attempt to discredit him.²⁸

Politicians have frequently used defamation suits to punish media and to discourage critical journalists. Supreme Court Chairman Štefan Harabin and Prime Minister Fico have collected hundreds of thousands of euros in civil cases in recent years. In 2013, several members of the judiciary sued the newspaper *Nový Čas* and its publisher for damages totaling €940,000, while another judge was seeking €150,000 from the daily newspaper *Sme*.²⁹

In May, Organization for Security and Cooperation in Europe (OSCE) media freedom representative Dunja Mijatović criticized high fines in defamation cases and reiterated that public officials have to endure a higher threshold of criticism.³⁰ In his reply to Mijatović, Minister for Foreign Affairs Miroslav Lajčák mentioned the possibility of a cap on damages in defamation cases; however, no such steps were taken by year's end.³¹

Public figures have sometimes used criminal suits to deter critical journalists. In January, criminal charges were dropped in two cases: one against journalist Zuzana Petková and the other against filmmaker Zuzana Piusi. Petková's prosecution started in 2011, after she had published an article about the salary of Supreme Court Chairman Harabin's wife. Following a complaint from Harabin, the district prosecutor's office in Bratislava sued Petková for unauthorized use of personal data. The filmmaker Piusi was charged in relation to her critical documentary about the Slovak judiciary; a judge featured in the documentary claimed that she had not authorized the use of footage.

Except for public television and radio and the few local journals and TV stations owned directly by local governments, Slovak media outlets are in private hands. In recent years, investigative and analytic pieces have been replaced by more sensationalistic journalism. Television remains the main source of information for the majority of Slovaks.

Due to economic pressures, a number of key outlets changed hands in 2013, with the changes resulting in some layoffs. TV Markiza appointed a new director in September 2013, and the managers of TV JOJ became co-owners of the outlet in October 2013. In addition, in April, leader of the Czech political party ANO 2011 and billionaire Andrej Babiš announced the acquisition of the publishing house Ecopress, which publishes the daily *Hospodarske noviny*.

The Slovak Syndicate of Journalists (SSJ), the oldest and largest professional journalistic association in Slovakia, was suffering from financial problems following a change in its management in November 2013. SSJ currently represents only a small percentage of journalists active in Slovakia. Apart from SSJ, the Slovak National Committee of the International Press Institute (IPI) has also been representing the interests of journalists. Even though it does not have a large membership base, several media managers and editors of key Slovak outlets sit on the board of the Slovak branch.

Access to the internet is not restricted in Slovakia; the number of households with broadband internet connection increased to 75 percent in 2013.³² According to the Institute for Public Affairs (IVO), the digital literacy rate also increased, up to 79 percent from 76 percent in 2011.³³

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.25	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.50

The Slovak Constitution and other applicable laws provide an adequate framework for self-governance at the regional and local levels. Public administration is based on the principle of subsidiarity, and there are three levels of elected bodies: central (parliament), regional (regional assemblies), and local (municipal councils). Self-governments join forces in various associations, such as the Association of Slovakia's Towns and Villages (ZMOS), the Union of Slovakia's Towns (ÚMS), and the Association of Regional Capitals (K-8), to lobby at the central level.

The constitution and relevant laws allow citizens to exercise their right to vote at regional and local levels. Representatives of self-governments (deputies of municipal councils and regional assemblies, mayors of villages and towns, and regional governors) are elected in direct, free, and democratic competitions, which are open to political party candidates as well as independent candidates. Candidates represent a broad spectrum of opinions, and political parties play an important role in local elections. Slovakia's last municipal elections were held in November 2010, while the last regional elections took place in November 2013.

Center-right parties in Slovakia traditionally favor a decentralized model of governance with stronger powers for elected municipal authorities, while left-leaning and nationalist parties prefer a centralized model with a stronger position for state institutions. As part of a public administration reform in 2001–2005, significant powers were transferred from the central organs to local and regional self-governance bodies, including in the field of education, healthcare, social affairs, transportation, and environmental protection.

Following Smer-SD's electoral victory in March 2012, the party began implementing policies aimed at strengthening the state's positions in key sectors, including public administration. In 2013, Prime Minister Fico repeatedly expressed his support of the idea of creating three "higher territorial units" instead of the existing eight regions.³⁴ He also called for a stronger state presence in regional self-governments. The former government plenipotentiary for decentralization Viktor Nižňanský warned that Fico's plans could lead to the demise of the decentralized model of public administration introduced in 1990.³⁵

After replacing specialized offices with a centralized, integrated system in January, the government continued the reform of local and regional administration. According to the Law on Local State Administration, which came into force on 1 October, the country's 248 local government offices were replaced with 72 district

offices and 49 greater-district offices. The new law strengthened the position of the Ministry of Interior by giving the interior minister the power to propose new heads of district offices. The government argued that the new system is cheaper and makes access to government services easier. The critics of the law, however, claimed that the reform aims to further centralize power in the hands of the ruling party.

In June, the parliament approved the first reading of an amendment that aims to strengthen the position of mayors in municipal councils. If passed, the law would give mayors the power to appoint or remove directors of organizations financed from public funds without the approval of municipal councils. Since a large number of mayors elected on a Smer-SD ticket face municipal councils where the opposition is in majority, the ruling party could potentially benefit from the changes.

According to a 2004 law on fiscal decentralization, municipalities receive 70.3 percent of personal income tax yield. The Radičová government, however, reduced this amount to 65.4 percent in 2011 due to the necessity of fiscal consolidation during the financial crisis. At the end of 2013, ZMOS started negotiations with the government, demanding to return to the previous level of 70.3 percent in 2014. The association underlined that low funding hindered local development, deterred investments, and reduced the scope and quality of public services offered to citizens.³⁶ ÚMS also criticized the situation, pointing out that the government required self-governments to cut budget deficits but at the same time expected them to cover an increase in teachers' salaries. After negotiations with ZMOS, Prime Minister Fico agreed in October to increase the share of taxes for municipalities to 67 percent starting from 2014.³⁷ Some municipalities expressed disappointment with the compromise.

Self-governments are subject to internal as well as external supervision. Internal control is entrusted to chief controllers, who are appointed to six-year terms. Externally, the Supreme Audit Office (NKÚ) controls all funds expended by self-governance organs and supervises the financial management of legal entities established by them. Most self-governance organs have adequate capacities to manage their operations; employee training continues to improve due to various education projects that have been initiated and implemented by the government, self-governance associations, nongovernmental organizations, and international partners. The situation is significantly better in cities and large towns than in smaller towns and rural areas. Meetings of local and regional self-government bodies are held regularly and are open to the public.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.25	2.50	2.75	3.00	2.75	2.75	3.00	3.00

Slovakia's constitution guarantees all citizens equality before the law and prohibits discrimination on the basis of status, including gender, race, color, language, religion, political affiliation, nationality, or ethnic origin. The constitution ensures

the independence of the judiciary, and the country has a three-tiered judicial system consisting of the Supreme Court, regional courts, and district courts. The president appoints judges based on the proposal of the Judicial Council, the principal organ of self-governance within the judiciary. The Minister of Justice appoints the chairmen and vice chairmen of courts.

Despite constitutional guarantees, the Slovak court system has long suffered from corruption, intimidation of judges, and a significant backlog of cases. The public's sense of legal certainty is undermined by the court system's inefficiency, and trust in the judiciary is low. According to a 2013 opinion poll by the FOCUS polling agency and NGO VIA IURIS, only 31 percent of Slovakia's citizens trust the courts.³⁸

A series of reforms in 2010–11 sought to increase the transparency and accountability of the judiciary despite resistance from then opposition party Smer-SD and from Supreme Court head Harabin, in office since 2009. Upon entering office in 2012, the new Smer-SD government declared its intention to continue with measures increasing the overall efficiency and independence of the judicial system. However, no tangible improvement was reached in 2013, and many existing problems persisted. Prime Minister Fico, in response to criticism of the judiciary, argued in May that in order to improve the situation of the branch, significant funds would have to be transferred from other areas, such as social spending.³⁹

One of the most pressing problems that undermine the independence of the judiciary is the nepotistic selection of new judges. According to a study by Transparency International Slovakia (TIS), every fifth judge has close relatives employed in the judiciary (either in the court system or in the Ministry of Justice).⁴⁰ TIS used publicly available data that courts have been obliged to disclose since 2011.

In 2013, clashes between judges and Harabin, who is also head of the Judicial Council, continued. Harabin—who served as justice minister from 2006 until 2009, when he became chairman of the Slovak Supreme Court with a term ending in 2014—is a controversial figure in Slovak politics, and his performance has been frequently criticized by opposition leaders, NGOs, and judges. In August, in an interview with the daily *Sme*, Supreme Court Justice Peter Paluda spoke about Harabin's influence over the judiciary and his personal responsibility for the current state of the court system.⁴¹ The members of the association For an Open Judiciary (ZOJ) have attributed to Harabin a great deal of personal and political responsibility for existing problems in the judiciary and blamed his resistance to reforms for the judiciary's credibility crisis.

Reportedly, judges who criticized the judicial system and the Supreme Court chairman were subjected to pressure and disciplinary sanctions, while judges loyal to Harabin were quickly promoted. For instance, in the past, disciplinary proceedings started against justices Miroslav Gavalec and Robert Urban, widely known for their criticism of Harabin's performance. Harabin also sued his critics from the general public, such as the psychiatrist Renata Papšová, who was charged with defamation in May for statements she had made at a public hearing.⁴² The Supreme Court chief, however, allegedly rewarded judges loyal to him with temporary positions at the Supreme Court and annual scholarships in the Judicial Council.⁴³

Harabin's alleged meddling with disciplinary actions and a generally hostile atmosphere resulted in low interest in membership on disciplinary panels. After several judges revealed that in some cases the disciplinary proceedings had been abused to punish judges for their critical comments, many others avoided participating in the work of the panels. This caused huge delays in processing complaints and handing out decisions and resulted in a dysfunctional tribunal. In 2013, there were 37 disciplinary cases pending, and some of them had been ongoing for more than three years.⁴⁴ Harabin proposed to ameliorate the lack of interest in disciplinary panels by suggesting the introduction of bonuses in May.⁴⁵ A number of judges criticized the proposal, fearing it would only help expand clientelistic networks loyal to Harabin and strengthen his position in disputes with other judges.⁴⁶ Such bonuses were abolished by former justice minister Lucia Žitnánská during the previous government.

In June 2013, the Parliamentary Assembly of the Council of Europe (PACE) was unable to elect a new judge to replace Slovakia's outgoing Ján Šikuta at the European Court for Human Rights (ECHR) in Strasbourg. PACE refused all three candidates nominated by the Judicial Council on the grounds of lacking qualifications. Although the election was first postponed until September, the Judicial Council managed to nominate new candidates only in December, and Šikuta remained acting judge at year's end.⁴⁷

The parliament passed several laws affecting the court system in 2013, including an amendment to the Code of Civil Procedure. The April amendment expanded the powers of prosecutors to obtain court files in cases where they are not part of the proceedings. Opposition deputies expressed concerns over the amendment and suggested to limit prosecutors' access to cases where the state is also part of the proceedings. However, their proposal was not accepted. The parliament also approved an amendment to the Penal Code in May that expanded the list of extremist criminal offenses to include Holocaust denial and the denial of crimes committed by totalitarian regimes.⁴⁸ The amendment also adopted a provision on the prohibition of hate crimes based on sexual orientation. LGBT rights organizations welcomed the amendment and characterized it as a step forward in the struggle against homophobia.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	3.00	3.25	3.25	3.25	3.75	3.50	3.50	3.75	3.75

Corruption ranks among the most pressing societal problems in Slovakia. Corrupt practices have deep roots and are tolerated by a relatively large share of the population. Since the end of the 1990s—when pro-reform political forces adopted a number of important anticorruption measures, such as specialized courts and offices for curbing organized crime and corruption—Slovakia has developed a progressive institutional framework for fighting graft and improving transparency in the public sphere.

A constitutional law on conflict of interest bars the president, cabinet members, constitutional court justices, and other top officials from pursuing any business activities, receiving pay for brokering deals between the government and private entities or corporations, or receiving income generated by a side job or contract that exceeds the minimum wage. Other bills adopted during the last decade have sought to introduce the principle of zero tolerance of corruption among notaries and marshals, compulsory disclosure for customs officers, protection of whistleblowers in the workplace and witnesses in court cases, and the creation of the post of controller for local and regional self-governance bodies. All Slovak institutions financed from public funds are subject to the supervisory authority of the NKÚ.

In 2010–11, the cabinet led by Iveta Radičová implemented an impressive number of legislative and administrative measures designed to increase transparency and public oversight of government spending and to crack down on corrupt activities. Although the new government led by Robert Fico declared its intention to follow through with the fight, it has not yet proposed any comprehensive anticorruption strategies or legislation, and nontransparent practices continue to persist in the public sector, business, and judiciary.

Some steps taken by the government even pointed in the opposite direction and contributed to less transparency. The cabinet canceled the establishment of a council for transparency and open government in September after claiming that there are already “too many” existing advisory bodies.⁴⁹ The council, which would have included NGO representatives and members of an intergovernmental working group, was originally proposed by the Radičová government. The Fico government also removed a page that listed the party affiliations of people working in the prime minister’s office. The list was published in 2010 by the previous government in order to inform the public about party nominations in the state administration.

In March 2013, the parliament approved an extensive amendment to the Public Procurement Act. The initial draft of the amendment, introduced by Interior Minister Robert Kaliňák in September 2012, was criticized by opposition parties, experts, and NGOs for not doing enough to prevent clientelistic practices. Although the minister of interior pledged to incorporate civil society comments into the draft, the government submitted the bill to the parliament without them. Some problematic parts of the amendment, which would have, for example, made two-thirds of public procurement exempt from obligatory public tenders, were modified during the review process.

The amendment, which was adopted in two stages in February and March, introduced an electronic “marketplace” for the purchase of goods and services under a certain limit. The limit ranges from a few thousand euros to €130,000 depending on the purchase and excludes services provided by lawyers and consultants. Over-the-limit goods and services will still be procured centrally through the Ministry of Interior.⁵⁰ The law also established a new body to assess appeals by applicants—the Council of the Public Procurement Office (ÚVO). Its members include the chairman and vice-chairman of ÚVO and seven other people appointed by the government based on the suggestions of municipalities and NGOs. According to

its supporters, the amendment promotes transparency by making procurements public and facilitating the comparison of prices and tender criteria. Others, however, criticized the large number of exemptions available for procuring certain goods and services.⁵¹

Corruption cases attracted significant media attention during the year and confirmed the persistence of clientelist practices in the allocation of public funds. In January, the daily *Sme* reported about the acquisition of two L-410 planes without a tender. The Ministry of Defense claimed there had been no irregularities in the €9.8 million acquisition.⁵² *Sme* also reported about luxury rentals at the Ministry of Education; the short-term rental of a limousine from the company of former minister of economy Jirko Malchárek cost taxpayers a whopping €10,017.⁵³ In April, media outlets broke the story of a previously unknown procurement agency located in the tiny village of Horné Plachtince, which had announced a tender worth €130,000.⁵⁴ More than 20 state institutions participated, including four ministries and the state-run lottery. In September, the government bought back a minority stake in the country's main gas importer, the Slovak Gas Industry (SPP). The opposition claimed the official documentation on the acquisition was drafted by J&T, an investment company with close ties to the ruling Smer-SD, and initiated a no-confidence vote in September. The government survived the vote.⁵⁵

As in the judiciary, nepotism and cronyism have been a problem in the state administration, including in ministries, as well. An October scandal involving Minister of Agriculture Lubomír Jahnátek revealed that his ministry was employing several of his relatives and friends from his native village in senior positions. Smer-SD rejected a motion in the parliamentary committee on conflicts of interest and refused to investigate the case. Jahnátek was also at the center of attention earlier, when he failed to list an agricultural plot on his property declaration.⁵⁶

According to Transparency International's 2013 Global Corruption Barometer survey, 1 in 5 households admitted to paying a bribe to public institutions from September 2011 to September 2012. The most affected sectors included healthcare, law enforcement, the judiciary, and registry and permit services. 56 percent of the respondents claimed that corruption had increased in the last two years, and 63 percent of them considered government anticorruption activities inefficient. 40 percent of respondents were afraid of reporting corruption, and another 37 percent believed that reporting corrupt practices would have no impact. The most corrupt institution, according to Slovak citizens, was the judiciary (69 percent), followed by public servants (66 percent) and political parties (64 percent).⁵⁷

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Slovenia

by Damjan Lajh

Capital: Ljubljana
Population: 2.1 million
GNI/capita, PPP: US\$28,240

Source: The data above were provided by the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Civil Society	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Independent Media	1.50	1.75	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25
National Democratic Governance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Local Democratic Governance	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Judicial Framework and Independence	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75
Corruption	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25	2.50
Democracy Score	1.68	1.75	1.82	1.86	1.93	1.93	1.93	1.89	1.89	1.93

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 declared independence from Yugoslavia in 1991, establishing itself as an internationally recognized state. It joined the United Nations (UN) in 1992, the Council of Europe (CoE) in 1993, and the European Union (EU) and North Atlantic Treaty Organization (NATO) in 2004. Slovenia adopted the euro as its currency in January 2007 and entered the Schengen Area that December. In July 2010, Slovenia became a full member of the Organization for Economic Cooperation and Development (OECD).

The year 2013 was characterized by further contraction of Slovenia's economic activity and adverse labor market conditions. Although public debt is still well below the EU and eurozone averages, it exceeds 60 percent of gross domestic product (GDP), which is the upper limit set by the Stability and Growth Pact for EU member states.

Slovenia's economic struggles and mounting corruption allegations against the political leadership brought pressure to bear on the government of Prime Minister and Slovenian Democratic Party (SDS) leader Janez Janša, whose coalition had been teetering amid public protests over government corruption and austerity measures introduced in 2012. In February, the National Assembly voted to dissolve the Janša government. In March, a new, left-leaning government was sworn in, led by Alenka Bratušek, Slovenia's first female prime minister and the head of the Positive Slovenia party.

Janša himself was subsequently convicted of bribery in the long-running Patria Case. The end of the year was marked by the resignation of the three-member leadership of the Commission for the Prevention of the Corruption (CPC).

National Democratic Governance. Following a no-confidence vote by the parliament, the Janša government dissolved in late February. It was replaced in March by the new, 13-member government of Alenka Bratušek. The Bratušek government continued with measures to consolidate public finances, including some that triggered disagreement among various stakeholders; these included the introduction of a fiscal rule in the constitution, the increase in value added tax (VAT), and the introduction of a property tax. The new government did not bring greater political stability, as it also faced numerous problems and internal divisions. Two ministers resigned from their posts during the year. *Slovenia's national democratic governance rating remains unchanged at 2.00.*

Electoral Process. The only electoral events in 2013 were the replacement elections for the mayor and four city council members in the municipality of Maribor in March. However, the parliament did adopt new referendum legislation, as well as legislation regulating the financing of political parties and the financing of election

and referendum campaigns. *Slovenia's rating for electoral process remains unchanged at 1.50.*

Civil Society. Civil society continued to push back actively against austerity measures in 2013: groups and individuals organized a number of activities designed to delay or prevent the introduction of a new property tax; strongly opposed constitutional changes regarding referendums; and raised concerns about the introduction of a fiscal rule in the constitution. The National Assembly finally adopted a law on compensating individuals (known as “the erased”) who lack any legal status since Slovenia declared its independence in 1991. Representatives of the group in question were dissatisfied with the law. Public sector unions organized the third general strike of the public sector in Slovenia since September 2010. *Slovenia's rating for civil society remains unchanged at 2.00.*

Independent Media. In May, the Bratušek coalition reversed a 5 percent reduction in state funding to the public broadcaster RTV that had been introduced at the end of 2012. In November, the government prepared new draft legislation on RTV's financing, to be discussed in the National Assembly in 2014. The search for a new buyer for the daily newspaper *Večer*—ongoing since 2009 by order of the state's media competition watchdog—continued in 2013, without success. *Slovenia's rating for independent media remains unchanged at 2.50.*

Local Democratic Governance. Late in the year, the parliament passed a controversial new property tax whose revenues are to be split evenly between the national and municipal governments. The opposition also raised objections to a government proposal on reducing the number of municipalities. In March, replacement elections were held for the mayor and four city council members in the municipality of Maribor. In the first round of the mayoral race, the only non-partisan candidate, Andrej Fištravec, won with 52.73 percent of the votes. *Slovenia's rating for local democratic governance remains unchanged at 1.50.*

Judicial Framework and Independence. Slovenia's large backlog of court cases continued to diminish in 2013. Nonetheless, due to the remaining logjam, the European Court of Human Rights in Strasbourg ruled against Slovenia in two cases in mid-July and issued a fine in the amount of approximately €11,000. The end of a judicial-efficiency initiative called Project Lukenda resulted in layoffs and raised fears that judicial efficiency would backslide; however, the Bratušek government approved additional judicial funding to compensate for the decreased staff. The year saw several notable abuse-of-power and criminal convictions against politicians and businessmen. *Slovenia's rating for judicial framework and independence remains unchanged at 1.75.*

Corruption. Following an investigation into the finances of the leaders of seven parliamentary parties, the CPC reported in January that the presidents of Slovenia's

two main political parties—then prime minister Janša and Positive Slovenia leader Zoran Janković—had systematically violated anticorruption legislation by concealing large, unexplained assets. These allegations and others were the last straw against Janša's unpopular government and contributed directly to the no-confidence vote. In June, Janša himself was sentenced to two years' imprisonment and a fine of €37,000 for accepting a bribe from Finnish defense equipment producer Patria in 2006; however, the ruling was still tied up in appeals at year's end. At the end of the year, the three-member leadership of the CPC resigned in protest against the failure of politicians to react to the commission's warnings. As evidence of corruption in Slovenia's public sector mounts and political figures appear unable or unwilling to address the problem, *Slovenia's rating for corruption declines from 2.25 to 2.50.*

Outlook for 2014. The economic forecast for 2014 is poor, and Slovenia will likely remain in recession. As the Slovenian government wrestles against stagnant growth and rising unemployment, rescuing the weak banking sector will be a priority. The ruling coalition will also work on resolving the internal conflicts and instability that weakened the government in 2013. Slovenia's health and economy ministers, who both resigned in November 2013, will be replaced, as will the leadership of the CPC. Previously stalled anticorruption legislation—a major grievance of the outgoing CPC leaders—will also be on the political agenda. Local elections and elections to the European Parliament will be conducted. Mass protests are forecasted to continue in 2014.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Slovenia was hit hard by the global financial crisis of 2008, which crippled exports to European Union (EU) markets and left the country in recession. Once southeastern Europe's most economically successful postcommunist country, Slovenia struggled in 2013 to overcome an ongoing economic crisis compounded by rising public debt and a collapsing banking sector. Gross domestic product (GDP) fell by a further 2 percent in 2013¹ and the possibility of a eurozone bailout loomed for most of the year. Over 65,000 unemployed persons found jobs in 2013—11.5 percent more than in 2012.² However, due to greater levels of reporting by first-time jobseekers and persons reaching the end of their short-term employment contracts, the number of people registered as unemployed in 2013 was 8.8 percent higher, on average, than in 2012.³

Slovenia's economic problems formed the backdrop to a continuing political crisis. The coalition government led by Janez Janša's Slovenian Democratic Party (SDS) had been teetering for some time amid public protests over government corruption and austerity measures introduced in 2012. In January 2013, following an investigation into the finances of the leaders of seven parliamentary parties, the independent Commission for the Prevention of Corruption (CPC) reported that the presidents of the two largest political parties—Prime Minister Janša of SDS and Positive Slovenia (PS) leader and Ljubljana city mayor Zoran Janković—had systematically violated anticorruption legislation by concealing large, unexplained assets.⁴

Janša dismissed the ensuing condemnation and calls for his resignation, prompting three of the smaller parties in his government—the Civic List (DL), the Democratic Party of Pensioners of Slovenia (DeSUS), and the conservative Slovenian People's Party (SLS)—to exit the ruling coalition, leaving only SDS and the New Slovenia–Christian Democrats (NSi) party. People also demanded Janković's resignation from the presidency of PS, the country's largest opposition party. Realizing that in the likely event of the Janša government's collapse it would be PS's responsibility to form a new government and that coalition-building would be impossible under his leadership, Janković handed over a "blank" (undated) letter of resignation at the next party congress as a commitment to immediately renounce all his presidential functions and step down permanently from his position whenever the new government was appointed. With this act, Janković signaled his intention to withdraw from national politics, but he remained in local government as the mayor of Ljubljana.

A no-confidence vote in the National Assembly brought down the Janša government on 27 February, by which time Positive Slovenia had selected Janković's replacement, Alenka Bratušek. Lawmakers in the assembly voted 55–33 to name Bratušek as interim prime minister, giving her a mandate to create a new government. Satisfied with Janković's resignation, the Social Democrats (SD), DeSUS, and DL agreed to be part of a new, PS-led coalition that was endorsed by the assembly on 20 March.⁵ By law, the provisional government's term is scheduled to end in 2015, but Prime Minister Bratušek promised to hold a confidence vote one year into her term. Upon coming to power, the government immediately reversed two of its predecessor's controversial decisions: it restored the existence of the Ministry of Culture and returned the prosecutor's office to the authority of the Ministry of Justice.

As the economy continued to struggle, the new government pressed forward with measures to consolidate public finances. One important victory was an agreement with Slovenia's public sector unions on austerity measures, as frustration with previous or proposed job and wage cuts had already prompted significant public sector strikes in April 2012 and January 2013. The changes agreed upon in May came into force the next month and included a reduction in base salaries and lower payments for supplementary pension insurance.

Among the more controversial moves made by the new government in the name of fiscal responsibility was the introduction of a provision on public spending—the so-called “Golden Rule,” adopted by all eurozone members in March 2012—into the constitution. The Janša government had attempted the same change in 2012 in order to send a signal to international financial markets that Slovenia was taking serious measures to counter the financial crisis; however, the motion was blocked by the opposition, particularly the SD. After lengthy and complex negotiations, the drivers of the initiative finally succeeded in amassing the support of all the groups in parliament, minus the SD—thus exceeding the two-thirds majority required to change the constitution. The fiscal rule will not be enforced until 2015, to avoid excessively rapid or drastic intervention into public finances.

In line with the European Commission's “European Semester” policy recommendations, the Bratušek government also adopted a stability program on fiscal consolidation and national reform programs with policies to promote growth. One key component of these changes was raising the upper level of value-added tax (VAT) from 20 to 22 percent and the lower level from 8.5 to 9.5 percent.⁶ The government expects the VAT increase to bring in an additional €250 million annually. However, the measure encountered significant resistance from the political opposition and trade unions. The former argued that a VAT hike would have negative consequences for the economy, while unions complained that it would be especially hard on low-income workers.⁷ The VAT increase comes into effect on 1 July 2014.

Another controversial revenue-boosting measure adopted by the National Assembly in 2013 was a new tax on property. Following lengthy discussions and strong resistance from various stakeholders, the new tax was confirmed by 46 members of parliament, with six voting against it.⁸ The property tax should be introduced as of

1 January 2014 and will replace the funding local authorities previously received from income tax and in compensation for forest road maintenance costs and state use of local land. For the first three years, all revenues from the new tax will go directly to the state. From then on, only half of the projected €400 million in annual inflows will go to the state and the other half will go to the municipalities.⁹ Numerous actors attempted to delay or prevent the introduction of the tax, arguing that it would reduce municipalities' already-limited financial autonomy (see Civil Society section) and disproportionately burden farmers and the middle class. At year's end, the tax had been adopted but was not yet final, having been submitted by the SDS for review by the Constitutional Court.

Political stability eluded the Bratušek government, as corruption allegations, policy disagreements, and interpersonal conflicts persisted. On 20 November, Economy Minister Stanko Stepišnik stepped down amid allegations that he had applied for state subsidies through his ministry for a company that he co-owns.¹⁰ Five days later, Health Minister Tomaž Gantar resigned over healthcare policy disagreements within the ruling coalition, as well as corruption within the healthcare sector.¹¹ Replacements for the two ministers had not been appointed at year's end; instead, the Ministry of Economy was temporarily taken over by Finance Minister Uroš Čufer, while the Ministry of Health was temporarily led by Foreign Affairs Minister Karl Erjavec. The last demonstration of internal drift occurred towards the end of December, when a motion for ouster was filed against Interior Minister Gregor Virant. Among other criticisms, the opposition accused Virant of advancing "harmful" proposals, including a plan to reduce the number of municipalities, a controversial law on compensation of persons "erased" from the civil registry in 1992, and a possibly unconstitutional agreement with trade unions. Toward the end of the year, the opposition also began preparing an interpellation against Infrastructure Minister Samo Omerzel, alleging dishonest and irresponsible use of public funds.

Prime Minister Bratušek has been adamant that Slovenia will not require a bailout from the Eurozone. At the end of 2013, results from banking stress tests that were conducted for the government and central bank by an independent auditor showed a capital shortfall of eight banks in the amount of €4.7 billion—a massive amount, but less than the €5 billion the Bratušek government had put aside in a reserve.¹²

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

The Slovenian government gains its authority through universal and equal suffrage, and the will of the people is expressed in regular free and fair elections conducted by secret ballot. The electoral system has a multiparty base, political parties have equal campaigning opportunities, and the public's choices are free from domination by specific interest groups. With the exception of replacement elections for the mayor

of the Municipality of Maribor and for four members of its city council on 17 March (see Local Democratic Governance section), there were no other elections or referendums in 2013. However, the year did see the passage of important legislation affecting the conduct and financing of parties, election campaigns, and referendums.

National referendums have been a regular feature of Slovenian politics since independence. In recent years, frequent referendums have been criticized for deliberately obstructing the legislative process and contributing to political instability.¹³ For years, parties in the National Assembly tried in vain to build the two-thirds parliamentary consensus needed to amend constitutional provisions on referendums, but they succeeded in May 2013. Under the new legislation—adopted with 74 votes in favor and none against¹⁴—a petition for any future referendum will still require 40,000 signatures from voters but it will no longer require the support of the National Council or one-third of parliamentary deputies, as previously. A referendum may reverse legislation if it is voted against by the majority of valid ballots, but only if at least one-fifth of all eligible voters voted against it (previously, only a majority of voters had been required). The 2013 amendments also restrict the range of issues to which a referendum can be applied, excluding tax laws; customs duties and other obligatory duties; laws required for the implementation of the state budget; laws concerning emergency provisions to protect national defense and security or respond to natural disasters; laws on the ratification of international treaties; and laws addressing unconstitutional affairs in human rights and other areas. The intention of these restrictions is to prevent future political blockades, but the wider public still opposed the measure preventing referendums from affecting legislation with fiscal implications (e.g., pension reform).¹⁵

After almost twenty years of discussion, the National Assembly also introduced radical legislative amendments to regulate the financing of political parties.¹⁶ Under the 1994 Political Parties Act (previously amended in 2000, 2002, 2005, and 2007), political parties can obtain funds from membership fees, individual contributions, property income (not to exceed 20 percent total party income in any given year), and the state budget. New legislation, set to enter into force in January 2014, introduces provisions intended to patch the holes in the old law and provide a stronger guarantee of party finance transparency. The amendments ban all corporate donations¹⁷ and revise the criteria for the allocation of state budget funds to political parties: previously, 10 percent of state funding to parties was split evenly among all parties that had received over 1 percent of the vote and 90 percent was allocated in proportion to their relative electoral performance; now, 25 percent of the funds will be equally allocated between parties with the minimum level of support and 75 percent will be allocated in proportion to their electoral performance. The adjustment should translate into more funding for smaller parties. Up to half of the state funding for political parties will be diverted from the funds previously earmarked for education of members of parliament, administrative and expert assistance for parliamentary groups, and the administration of deputies' offices.

The new legislation also establishes that the annual reports of political parties are to be submitted to the Agency for Public Legal Records and Related

Services (AJPES), rather than to the National Assembly and the Court of Audit, and published on the AJPES website. The amendment specifies that any serious violations of financing regulations will be punishable with a temporary suspension of a party's public funding for a period of six months to one year. The amendment also increases fines for certain types of offenses, and decisions on offenses are now authorized by the District Court in Ljubljana.

Most efforts to reach a two-thirds consensus within the assembly on fundamental changes to electoral process have failed. At the beginning of 2013, Positive Slovenia put forth a proposal to maintain the proportional electoral system while introducing preferential voting and abolishing electoral districts.¹⁸ The abolition of electoral districts was the most controversial element of the proposal, as it could favor larger cities and towns, which would get a majority of the representatives in the parliament. In November, SDS (now the largest opposition party) put forth its own proposal for making Slovenia's government more representative.¹⁹ The proposed constitutional amendment included raising the electoral threshold and introducing a majority voting system, among other changes. For years, SDS has argued that the proportional voting system creates unstable coalitions incapable of reaching consensus on key issues.²⁰

Towards the end of 2013, President Pahor convened a meeting with leaders of all the parliamentary parties to negotiate consensus on these and other recently proposed changes to the electoral system.²¹ In the ensuing discussion, Pahor proposed to introduce preferential voting; abolish electoral districts; and raise the electoral threshold for entry into parliament to 5 percent from the current 4 percent.²² His suggestions met with resistance from SLS, SD, and DeSUS. Other parties support the proposal in principle, which could lead to the necessary two-thirds support in the National Assembly. The discussion on amending electoral legislation was ongoing at year's end.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Slovenia has more civil society and nongovernmental organizations (CSOs and NGOs) per capita than most states.²³ The majority of the country's approximately 24,000 NGOs are organized as associations and work at the local level in the fields of culture, sports, and art, or as fire brigades; others take the form of private foundations and institutes.²⁴ However, as in the rest of the region, Slovenia's NGOs and CSOs are struggling financially. Social partners, such as employers and trade union organizations, are the most important civil society actors engaged in policymaking, while environmental organizations, university research centers, and various interest groups play an active role where their specific interests are concerned. However, the majority of NGOs do not engage directly with political issues.

Austerity measures introduced in 2012 and 2013 sought to generate savings by reducing state bureaucracy and internal government expenditures; introducing new educational, employment, and healthcare regulations; and trimming down various government-funded policies and programs. In 2012, these measures prompted public sector unions to organize the largest public-sector strike in independent Slovenia's history. On 23 January 2013, public sector workers in Slovenia went on strike in protest of government plans to cut jobs and reduce public sector wages by a further 5 percent (following the 3 percent pay cut in 2012). An estimated 100,000 workers joined the strike from health and social welfare institutions, the police, kindergartens, and schools.²⁵ They were supported by the Association of Free Trade Unions of Slovenia, the Slovenian Students' Union, and the School Student Organization of Slovenia. An estimated 15,000 people joined a national demonstration in Ljubljana.

Other measures put forward in 2013 also prompted pushback campaigns from civil society. In response to the proposed introduction of a property tax, activists initiated a petition that collected more than 75,000 signatures. In early November, the organization Civil Society for Fair Slovenia also organized a public debate on the tax in Ljubljana.²⁶ Although the leaders of all political parties were invited, only opposition party leaders came to the debate, which was attended by several hundred people.

The introduction of a fiscal rule in the constitution was equally controversial. Trade unions, in particular, interpreted the proposed provision as a nail in the coffin of the welfare state, since strict adherence to the eurozone's "Golden Rule" would mean decreasing pensions and public sector wages by 30 percent or social assistance to disadvantaged individuals by 50 percent.²⁷ Unions demanded that the inclusion of the fiscal rule should be decided upon by citizens via referendum. Activists, trade unions, and other segments of civil society also strongly opposed the proposed constitutional changes regarding referendums, seeing the changes as a potential hindrance to direct democracy. In both cases, opponents of the constitutional amendments organized numerous protests, petitions, and other tactics, but the amendments were nevertheless adopted.

Public frustration with the perceived level of corruption in government was another theme of protests in 2012 and 2013. When the leadership of the Commission for the Prevention of Corruption resigned in late November, a handful of protesters gathered in the center of Ljubljana to support them and draw further attention to the problem of corruption in government. The small rally went largely unnoticed by the public, though it did include a tear gas attack on Mayor Jankovič, who had to be taken to the emergency room.

The numerous campaign movements of the last two years led indirectly to the establishment of a new party, Solidarity—For a Fair Society, in 2013.²⁸ The party's three-member presidency presides over a coalition of three major protest movements, as well as a number of smaller CSOs. The party's official objectives are preventing authoritarian modes of government and building solidarity as an alternative to neoliberal ideology.²⁹

In keeping with a 2010 ruling (confirmed in 2012) by the European Court of Human Rights (ECHR), in November 2013 the National Assembly finally adopted a law on state compensation to Slovenia's "erased"—individuals whose names were erased from the civil registry in 1992 because they had failed to apply for citizenship within six months of the country's declaration of independence, rendering them stateless. Under the new law, claimants will be compensated in the amount of €50 each for every month of their statelessness. However, only those currently holding permanent residence or Slovenian citizenship will be eligible for compensation, as the government asserts that people must demonstrate their desire to continue residing in Slovenia in order to prove that the "erasure" robbed them of anything.³⁰ Those who can show that they applied for citizenship or residency but were denied it will also be compensated. According to the Interior Ministry, around 12,000 of the more than 25,000 "erased" will receive compensation through the new scheme, at an estimated cost of €130 million to the state, paid out in five installments.³¹ The ECHR retains the right to approve or reject this plan, a decision it will make in 2014. Some representatives of the "erased" have called for a constitutional review of the plan, which they deem inadequate.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.75	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25

Slovenia's constitution and legal system guarantee freedom of the press, and for the most part, the media operate without direct political interference. However, press outlets are sometimes punished or threatened for reporting on controversies and corruption surrounding powerful political figures and parties. The privatization model established in the early 1990s enabled the state to maintain significant ownership of privatized companies through state-controlled funds. In the 2005–07 period, there were controversial changes to media regulations and takeovers of several daily newspapers, the public service radio and television, and the national press agency. In many of these outlets, governing bodies, managers, editors, and reporters were replaced by owners loyal to the political parties in power.³²

The search for a buyer for the daily newspaper *Večer* ended unsuccessfully in 2013. Since November 2008, the newspaper company Delo has been the majority owner of *Večer*. The Office for the Protection of Competition (AVK) ordered Delo to sell at least 75 percent of its stake in the newspaper in 2009 after discovering excessive concentration in the news and advertising market. In April 2013, yet another sale fell through as interested buyers failed to provide sufficient financial resources for the purchase.³³ Having already failed to meet multiple AVK calls to sell the newspaper, Delo faced a €1,000 fine for missing the July 2013 sale deadline.³⁴ At the end of 2013, a cooperative purchase of *Večer*, organized by its employees with support from the Slovenian Union of Journalists, was also unsuccessful.³⁵ The issue of its sale will thus continue in 2014.

In accordance with austerity measures adopted in 2012, funding for public broadcaster Radio-Television Slovenia (RTV) was reduced by 5 percent as of 1 January 2013, despite criticism from Positive Slovenia and other then-opposition party deputies, who insisted that funding for national broadcasting was essential to its survival and should not be cut.³⁶ Two months after the change of government in March 2013, the new Positive Slovenia–led coalition returned RTV contributions to their previous levels, using changes to the law on the implementation of budgets for 2013 and 2014. Government representatives explained that the reinstatement of RTV contributions to their previous levels after only five months was an integral part of the government’s recently signed agreement with public sector unions.³⁷ The new parliamentary opposition, which sees RTV as an inefficient institution, was highly critical of this aspect of the agreement, emphasizing that an increase in RTV contributions was never under the authority of trade unions (by law, unions are empowered to negotiate the size of salaries, but not their source).³⁸ At the end of November, the government put forth a draft amendment to the Law on Radio-Television Slovenia intended to fix the level of RTV funding and thus guarantee its long-term financial independence. The draft will be discussed in the National Assembly in 2014.

An incident at the end of 2013 drew attention to journalists’ right to protect their sources. When investigators visited the home of Defense Minister Roman Jakič in connection with allegations that he had abused his power as Director of Ljubljana Sport and Leisure Facilities from 2008 to 2012, a *Večer* journalist was already waiting on the scene. The special prosecutor’s department invited the journalist for an interview to inquire who had tipped her off. The journalist refused to disclose her source. The episode prompted the Slovenian Association of Journalists to issue an appeal to the police and prosecution to refrain from pressuring journalists into disclosing anonymous sources. Anonymity of sources is part of the official Code of Journalists of Slovenia (adopted in 2002), but it is not specifically protected under the law.³⁹

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

The main unit of local self-governance in Slovenia is the municipality. In 1994, the Law on New Municipalities established 147 municipalities, but in the years that followed, many of these split into smaller units, creating a total of 212 municipalities in a country with a total population of only 2 million people. The vast majority of these are very small and inadequately staffed, with limited financial resources and autonomy. Indeed, over half of municipalities have fewer than 5,000 inhabitants. The smallest Slovenian municipality has just over 300 inhabitants and the largest—almost 300,000.⁴⁰ Based on changes to the constitution in mid-2006, procedures for setting up the size, number, responsibilities, and financing of provinces, as well

as other related issues, should be arranged under a special law, which is yet to be established.

Weeks of large protest rallies in Maribor, Slovenia's second-largest city, forced the resignation of Mayor Franc Kangler (SLS) in December 2012. The focus of the protests had been the alleged corruption of Kangler and his political associates. Replacement elections were held in March 2013. The only nonpartisan candidate to run, Andrej Fištravec, won the election with 52.69 percent of the vote. Runner-up Matevž Frangež (SD) received 24.66 percent of votes, while SLS's candidate, Milan Mikl, who had temporarily run the municipality of Maribor after Kangler's resignation, came in third with 6 percent. All other candidates received less than 5 percent of the vote.⁴¹ The protesters who had demanded Kangler's resignation in December had also insisted on the resignation of Maribor's 45-member city council, but only four of its members agreed to step down. Their replacements were elected concurrently with the new mayor on 17 March. After the elections, SD continued to demand the dissolution of the whole city council.

Unlike any previous local election in Slovenia, the March 2013 vote was monitored by members of a local NGO, the Center for Citizenship Education. With the official permission of the Electoral Commission of the Municipality of Maribor, five volunteers made unannounced visits to 43 of Maribor's 114 polling stations.⁴² The volunteers recorded numerous minor and eight serious alleged violations of electoral legislation, including unsealed ballot boxes; inadequately marked or wheelchair-inaccessible stations; or failure by some electoral committees to keep minutes at the polls.

Despite the scale of the 2012 protests and evident level of dissatisfaction with the outgoing local elites, voter turnout was just over 32 percent for the mayoral elections, and just under 32 percent voted in the concurrent replacement elections to the city council. Turnout in Maribor's last local elections, in 2010, was over 43 percent.⁴³

Although he was elected on a nonpartisan ticket, Fištravec will have to prove to many voters that he is genuinely independent of long-dominant local elites, a concern voiced in postelection protests.⁴⁴ The new mayor has already been criticized for appointing cadres from his circle to important positions in local government.

Some of the austerity measures proposed in 2013 directly concern local governments. In addition to clashes within the ruling coalition and pushback from the political opposition and civil society groups, the proposed introduction of a new property tax met with strong resistance from local authorities. Most mayors and other local officials argued that by replacing the payments their administrations had previously received from the state in return for building on local land with a percentage of the proceeds from the new state property tax, the central government was reducing local governing bodies' financial autonomy. Municipalities will also lose the right to create their own local policies on real estate management.

In September, Interior Minister Gregor Virant put forward a controversial proposal on reducing the number of municipalities. The proposal stipulates that municipalities should have no fewer than 5,000 inhabitants, which would reduce the current number of municipalities to 120.⁴⁵ All three opposition parties (SDS, SLS,

and NSi) stood against Virant's proposal on the grounds that many of the existing municipalities had been created on the basis of referendums, which represent the will of the people. The Association of Municipalities and Towns of Slovenia (SOS) and the Association of Municipalities of Slovenia (ZOS) also opposed the change, citing the same argument. In December, opposition parties filed a motion to oust Virant from his position on the basis of the municipality-consolidation plan, as well as his role in the legislation on compensation for the "erased" and the government's possibly unconstitutional agreement with public sector unions over funding to the state broadcaster.⁴⁶

The Ministry of the Interior also proposed amendments reducing central government funding to municipalities. The proposed legislation would have reduced the allocation of income tax to municipalities from 54 to 50 percent, saving the state an estimated €86 million per year. The proposal, which was rejected before it could come before the National Assembly for debate, estimated that reducing state co-financing of joint municipal administrations from 50 to 30 percent would save an additional €14 million annually.⁴⁷

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75

Slovenia's judicial branch of government consists of the Supreme Court and the Constitutional Court. Judges in all courts may belong to political parties but they may not participate in political party organs. They are elected by the National Assembly after being nominated by an eleven-member Judicial Council consisting of five legal experts chosen by the National Assembly with input from the president and six more selected by their peers with permanent judicial offices. The Constitutional Court is composed of nine judges nominated by the president and elected by the National Assembly; these nine judges elect a president from among their own number for a term of three years.

Until recently, government and judicial authorities largely denied the existence of corruption within Slovenia's judicial system.⁴⁸ In 2013, however, a district court judge from Celje was fined and sentenced to five-and-half years in prison for abusing his judicial office and accepting a bribe.⁴⁹ Overall, the year was characterized by increased activity on the part of the prosecutor's office, police, and courts, manifested in more charges and convictions against politicians and other influential figures.

Increased zeal in law enforcement did not prevent at least one very public embarrassment where judicial procedure was involved. Having detained "construction baroness" Hilda Tovšak in February on suspicion of bribery and abuse of workers,⁵⁰ the special prosecutor's office then proved unable to collect enough evidence to charge Tovšak with the crime in question within the legally permitted timeframe. Despite the existence of numerous ongoing investigations against

Tovšak on accusations of embezzlement, abuse of power, and other serious criminal offenses, the official charges against her had to be reduced to relatively minor counts of bribery. This meant that Tovšak, who had already been in custody for 63 days, was overdue to be released. Before a new indictment could be filed, Tovšak disappeared and remained on the lam for almost a week until she was arrested under an Interpol warrant.⁵¹ Tovšak subsequently took advantage of the alleged mishandling of her case to win restitution from the state in the amount of €16,350. Ljudmila Novak, the president of the New Slovenia party, noted that Tovšak's escape had served Slovenia by "expos[ing] all the mistakes in the judicial system."⁵²

Slovenia's judicial system is burdened by a large backlog of cases, though the number of unresolved cases has been declining for several years. In mid-July, the ECHR ruled against Slovenia in two cases, issuing a fine of approximately €11,000 for violation of Articles 6 and 13 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.⁵³ Article 6 provides the right to a fair trial within a reasonable period of time, while Article 13 provides the right to an effective remedy in domestic courts. One of the cases had spent 9 years at various levels of Slovenia's judicial system, and the other had been unresolved for 13 years.⁵⁴

The judicial backlog continued to decline in 2013, despite deep austerity cuts in funding to the judiciary the previous year. The average time spent on major cases in the courts was reduced by one month in the first half of 2013.⁵⁵ The number of pending cases declined by 7.1 percent in the same period, while the number of major unresolved cases decreased by 10.9 percent. The total backlog decreased by 9.1 percent for all matters and by 16.4 percent for major cases.

The termination of Project Lukenda, a judicial efficiency initiative ongoing since 2008, resulted in 250 layoffs at the end of 2012 and raised fears about judicial backlogs worsening again.⁵⁶ In mid-2013, however, the government approved new funding for judiciary means, which enabled courts to compensate for staff shortages.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.25	2.25	2.50

Corruption appears less extensive in Slovenia than in most Central European countries, but a series of scandals in the last two years has exposed surprising levels of graft in the political sphere, exacerbating public frustration with austerity measures and fueling antigovernment sentiment. Prompted by the anticorruption mood in the country, Slovenian authorities were somewhat more active in investigating and trying cases of suspected corruption in 2012 and 2013. However, at year's end the leadership of the Commission for Prevention of Corruption (CPC) resigned in protest of the state's inadequate response to persistent corruption in government and the banking and healthcare sectors.

Established in 2004, the CPC is Slovenia's main anticorruption watchdog. Since 2010, its mandate also includes oversight of political lobbying, whistleblower

protection, and the integrity of the public sector. The CPC is state funded but it is not subordinate to any other state institution or ministry and does not receive direct instructions from the executive branch or the legislature. The CPC's tripartite leadership—a chief commissioner and two deputies—is appointed by the president of Slovenia following an open recruitment procedure and nomination by a special selection board. The chief commissioner's term of office is six years, while the deputies have a five-year mandate. The chief and deputies can serve up to two terms in office.

Following a yearlong investigation into the finances of the leaders of seven parliamentary parties, the CPC reported in January 2013 that the presidents of Slovenia's two main political parties—then prime minister Janša (SDS) and PS leader and Ljubljana mayor Janković—had systematically violated anticorruption legislation by concealing large, unexplained assets.⁵⁷ Janša's personal property was revealed to be out of all proportion to his officially reported sources of income and assets, and it had inexplicably increased by at least €210,000 since 2004. The CPC report also described "distinct corruption risks and suspected abuse of office" in connection with real estate deals in 2005 that had generated €100,000 in profit for Janša.⁵⁸ The commission's January report made similar allegations against Janković—€2.4 million in unreported assets and "several financial chain-transactions between the companies owned by Mr. Janković's sons and companies doing multi-million businesses with the city."⁵⁹ Some of the accusations against him dealt with funds connected to the construction of the Stožice sports complex in Ljubljana, for which Janković and a number of associates were already under investigation.

Janša and Janković both rejected the findings of the CPC report and maintained their innocence, filing civil suits against the CPC and demanding the suspension of the report. However, these protestations could not forestall the ensuing scandal that led to a no-confidence vote against Janša and Janković's resignation from the presidency of Positive Slovenia. In December 2013, the National Bureau of Investigation brought charges against Janša for the transactions described in the CPC report.⁶⁰ The state prosecutor's office was reviewing the case at year's end.

By this time, Janša had also been sentenced to two years' imprisonment and a fine of €37,000 for accepting a substantial kickback from the Finnish defense company Patria in 2006, during his first term as prime minister.⁶¹ Janša appealed the court's July 2013 decision, and the judgment was not yet legally binding.

Published in October, a European Commission study of corruption in the healthcare sectors of the EU found systemic corruption in all 28 member states.⁶² The study cited Eurobarometer surveys in which 59 percent of Slovenian respondents agreed that "the giving and taking of bribes, and the abuse of positions of power for personal gain, are widespread among people working in the public health sector." (The average for all EU respondents was 30 percent.) The study also identified weak procurement regulations, abstract legislation, and a lack of monitoring as the major causes of corruption in the field.⁶³ In Slovenia, the report's publication coincided with the launch of extensive police investigations into suspected white

collar crimes—especially bribery—in the healthcare sector. These will continue in 2014.⁶⁴

Against a backdrop of public frustration with the state of the economy and perceived corruption of political and economic leaders, law enforcement stepped up efforts to conclude a few longstanding, high-profile corruption investigations. As a result, Hilda Tovšak and two other business tycoons—Bine Kordež and Dušan Črnigoj—were convicted, sentenced, and jailed in 2013.

Notwithstanding these token successes, the volatile political situation prevented a more systematic government response to the corruption problem. The three leaders of the CPC resigned at the end of November—in protest, they said, of the government's inadequate anticorruption efforts.⁶⁵ Above all, the men expressed disappointment at the lack of progress in tackling systemic corruption, the gaps in the banking system, corruption in healthcare, and the ease with which public officials misrepresent their finances. The outgoing leadership of CPC will remain in office until their replacements can be appointed.

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- ⁶³ EC, *Study on Corruption in the Healthcare Sector* (Luxembourg: EU, October 2013), http://www.stt.lt/documents/soc_tyrimai/20131219_study_on_corruption_in_the_healthcare_sector_en.pdf.
- ⁶⁴ "Major Police Operation Targeting Corruption in Healthcare," *The Slovenia Times*, 19 December 2013, <http://www.sloveniatimes.com/major-police-operation-targeting-corruption-in-healthcare>.
- ⁶⁵ CPC, *Resignation of the Chief Commissioner of the Commission for the Prevention of Corruption and his Two Deputies* (Ljubljana: CPC, 29 November 2013), https://www.kpk-rs.si/upload/t_datoreke/Resignation_of_the_top_management_of_the_CPC_Slovenia.pdf.

Tajikistan

Capital: Dushanbe
Population: 8.2 million
GNI/capita, PPP: US\$2,500

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.75
Civil Society	4.75	5.00	5.00	5.50	5.75	6.00	6.00	6.00	6.25	6.25
Independent Media	6.00	6.25	6.25	6.00	6.00	5.75	5.75	6.00	6.25	6.25
National Democratic Governance	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50
Local Democratic Governance	5.75	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Judicial Framework and Independence	5.75	5.75	5.75	6.00	6.25	6.25	6.25	6.25	6.25	6.25
Corruption	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Democracy Score	5.79	5.93	5.96	6.07	6.14	6.14	6.14	6.18	6.25	6.32

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

Tajikistanis born after their country gained independence nearly 23 years ago have only distant second-hand memories of the brutal civil war that engulfed their country during the early 1990s, resulting in possibly over 100,000 human casualties and contributing to a state of perpetual poverty and socioeconomic malaise. Currently, an estimated 16 percent of Tajikistan's population lives and works abroad, mostly in Russia, sending billions of dollars annually to their home country.¹ The steady outflow of economic migrants and the significant volume of remittances were key factors in maintaining Tajikistan's political stability and macroeconomic growth in 2013.

It is highly probable that transparently administered elections in Tajikistan would demonstrate genuine public support for President Emomali Rahmon (in power since 1992), but the incumbent did not leave the November 2013 presidential elections to chance. His regime disqualified a key candidate, imprisoned one potential rival, sought the extradition of old and new opponents, and possibly ordered the kidnapping and murder of a critic. Much of this took place with the full compliance of the justice system, which is plagued by corruption and submissive to the executive branch. Civil society, meanwhile, remained generally docile—cowed by tacit government pressure and effectively discouraged from engagement on political issues by Western donors' emphasis on "projects." Despite harsh limitations on press freedom, Tajikistan's independent journalists acted as *de facto* human rights activists during the year, shedding light on alleged violations of citizens and detainee rights by government structures.

National Democratic Governance. In an apparent effort to consolidate power in the run-up to the November 2013 presidential elections, the government targeted critics at home and abroad. Tajik authorities unsuccessfully pressed for the extradition of former prime minister Abdulmalik Abdullojonov from Ukraine, and the State National Security Agency (GKNB) was likely complicit in the disappearance of government critic and ethnic-Uzbek activist Salimboy Shamsiddinov. Zaid Saidov, leader of the newly formed (unregistered) New Tajikistan Party, was arrested on dubious charges and sentenced to 26 years in prison in December. Meanwhile, Tajikistan remained the world's most remittance-dependent country, with cronyism and mismanagement in government and in the economy exacerbating high levels of income disparity. Due to the state's systematic repression of political pluralism, *Tajikistan's rating for national democratic governance declines from 6.25 to 6.50.*

Electoral Process. President Rahmon won the carefully orchestrated November 2013 elections with a reported 84 percent of the vote, extending his mandate to

the year 2020. Opposition parties united to support the candidacy of human rights lawyer Oinihol Bobonazarova, but she was disqualified from running when she fell 8,000 signatures short of the 210,000-signature threshold for the nomination petition. The Central Commission for Election and Referenda (CCER) had also barred Tajikistan's migrant population—many of whom are known to oppose the government—from participating in the nomination process. In general, the opposition lacked substantial and systematic support in the population, which remained largely apolitical, uninformed, and easily manipulated by government propaganda. In the wake of yet another “virtual” election devoid of genuine competition, *Tajikistan's rating for electoral process declines from 6.50 to 6.75.*

Civil Society. In January 2013, a court in the city of Khujand upheld a previous ruling dissolving Amparo, an activist nongovernmental organization (NGO) representing the rights of military recruits, many of whom are coerced into conscription and/or brutally hazed. The government also closed down five of the country's six officially sanctioned Islamic schools (*madrasas*) and continued to closely monitor and target members of the banned Jehovah's Witnesses. *Tajikistan's rating for civil society remains unchanged at 6.25.*

Independent Media. Intimidation and violence against journalists persisted throughout 2013 and the authorities periodically blocked social media and online news outlets. A new media law came into effect in March, guaranteeing freedom of speech and expression and banning censorship. Defamation and libel were decriminalized in 2012 and are now part of the civil code, but insulting the president or a public official remains a criminal offense. In the run-up to Rahmon's reelection, international media reported that a growing number of young professionals were participating in energetic debates about the regime and elections over social media. *Tajikistan's rating for independent media remains unchanged at 6.25.*

Local Democratic Governance. The strong prevalence of crony capitalism and the lack of a united opposition make democracy on the local level virtually non-existent in Tajikistan. Local parliaments, mayors, and district and provincial governors are the de facto appointees of the central government and the president. Despite changes in the law, including a 2009 Freedom-to-Farm decree, the production of cotton remains the major activity of many of the local households. Cotton farmers reap extremely small profits while a small handful of national and local elites profit from cotton cultivation and export. Outlying areas also remained cut off from electricity for much of the year, including most of the winter months. *Tajikistan's rating for local democratic governance remains unchanged at 6.00.*

Judicial Framework and Independence. Throughout the year, Tajikistan's security apparatus and judiciary failed to investigate what appeared to be systematic use of torture, mysterious deaths, disappearances and possible murders, and reported violations of due process. Reports of torture mounted in 2013, and

prosecution of perpetrators were few despite its explicit inclusion and definition in changes to the criminal code the previous year. Tajikistan continued to deny access to prisons to independent bodies, including the International Committee of the Red Cross (ICRC). The government also refused to ratify the Optional Protocol to the Convention against Torture (OPCAT), which would allow for a joint UN- and government-approved mechanism of prison inspections. Corruption is the main inhibitor to granting access to prisons. *Tajikistan's rating for judicial framework and independence remains unchanged at 6.25.*

Corruption. Tajikistan consistently ranks poorly on all global surveys measuring corruption and related indicators. Nepotism, cronyism, and other practices such as extortion and bribe-seeking by government officials remained pervasive in 2013, with no signs of diminishing by the government or associated rent-seeking elites. Despite some positive activity by the State Anti-corruption Agency, which periodically arrested and prosecuted low- and mid-level officials, resistance to corruption by citizens rarely went beyond negotiating the exact size of the bribe or fine to be paid. *Tajikistan's rating for corruption remains unchanged at 6.25.*

Outlook for 2014. President Rahmon's government has shown virtually no desire to improve democratic practices, enact institutional reforms, or increase political pluralism. Thus, it is likely that the authorities will maintain their continued harassment of members of the Islamic Revival Party (IRP) and the Social Democratic Party (SDP), the two significant legally operating opposition parties. It is equally doubtful that any new opposition political forces will be allowed to form that would challenge the ruling People's Democratic Party (PDP) in the expected February 2015 parliamentary elections. Income inequality will continue to rise, although the development of a new entrepreneurial generation, many of whom have gained extensive work experience in Russia, may lead to the establishment of more small and medium businesses. It remains unclear how the scheduled exit of American and North Atlantic Treaty Organization (NATO) troops from Afghanistan will affect Tajikistan's security or stability. The year may also see localized skirmishes in the east or northern parts of Tajikistan, whether related to the 2012 Khorog events, the drug trade, or the influence of extremist groups with links to Afghanistan.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50

In his New Year's address, President Emomali Rahmon—in power since 1992—expressed hope that 2013 would be characterized by an “atmosphere of mutual understanding and unity.”² The president's wishes did not materialize, as the need to guarantee his reelection in November led to systematic repression of regime critics using the state's security apparatus and corrupt judicial institutions.

Promising a return to stability and security after Tajikistan's 1992–97 civil war, Rahmon and his inner circle gradually centralized political and economic power in the late 1990s, restricting political rights and civil liberties while exacerbating high levels of income disparity through cronyism and mismanagement of economic resources.³ The authoritarian governance style of Rahmon has in past few years gradually tightened the noose around the only legal Islamic party in the post-Soviet world, the Islamic Renaissance Party (IRP), and prevented progressive voices—such as the Social Democrats—from promoting their ideas or joining the legislature. Rahmon's regime has also monopolized the state mass media and pursued an ethnicity-based nation-building agenda under which non-ethnic Tajiks (who form around one-third of the population) have little representation in the government.

As the 2013 presidential elections approached, the regime used the various legal and extralegal means at its disposal to intimidate critics and eliminate potential rallying for the opposition. In some cases, it pursued opposition figures that had already left the country. Former prime minister (1992–93) and presidential candidate (1994) Abdulmalik Abdullojonov—who fled Tajikistan in the mid-1990s due to accusations of involvement in a failed putsch and presidential assassination attempt—was detained in Kiev in February 2013 under an Interpol warrant.⁴ The Tajik government lobbied energetically for Abdullojonov's extradition from Ukraine, but he was released after a few months in custody, probably due to the intervention of the United Nations and pressure from member states of the Organization for Security and Cooperation in Europe (OSCE), which Ukraine chaired in 2013.⁵ The United States, where Abdullojonov has lived since 1998, is thought to have fought to avoid the embarrassment of seeing its refugee resident subjected to a probable kangaroo trial, imprisonment, or torture by a key Central Asian ally. The U.S. maintains cooperation with Tajikistan on a number of international security platforms, mostly related to the ongoing war in Afghanistan, a country with which Tajikistan shares a 1,400 km border. Rahmon's government tried unsuccessfully to extradite another of its exiled critics in 2013—businessman and opposition personality Umarali Quvvatov, who had been detained in Dubai in December 2012. However, Quvvatov was released nine months later.⁶

Perceived regime threats inside the country were also targets in 2013. In March, Salimboy Shamsiddinov, the head of the Society of Uzbeks in Tajikistan's Khatlon Province and an outspoken critic of the Tajik and Uzbek governments, went missing. After four months, it was announced that a body resembling Shamsiddinov's had washed up on the shore of the Amu River in Uzbekistan. Circumstantial evidence convinced many that Shamsiddinov's disappearance had been the work of Tajikistan's notorious State National Security Agency (GKNB). The previous year, Shamsiddinov had been brutally beaten by unknown assailants near the GKNB's provincial office just days after an interview in which he had accused the authorities in Tajikistan and Uzbekistan of committing "[cultural] genocide" through their treatment of ethnic Tajik and Uzbek minorities.⁷ The incident reportedly prompted no serious investigation. Shortly prior to his disappearance in 2013, Shamsiddinov had declared his intention of starting a political movement to promote ethnic Uzbeks' rights in Tajikistan. He had also publicly vowed to promote the candidacy of Social Democratic Party (SDP) leader Rahmatillo Zoirov if he chose to run for president in November.⁸

In April, unknown assailants attacked the deputy head of the IRP, Mahmatali Hait. Hait told a Human Rights Watch (HRW) researcher that he had been under surveillance by the GKNB prior to his assault.⁹ Also in April, a small group of well-known and respected politicians, businessmen, and academics announced plans to form the New Tajikistan Party.¹⁰ One month later, the leader of this group, Zaid Saidov, a prominent businessman and Tajikistan's industry minister until 2007, was arrested and eventually tried by the Supreme Court on a number of dubious criminal charges, including statutory rape, illegal deprivation of liberty, polygamy, bribery, and fraud. In December, Saidov was convicted and sentenced to 26 years in prison, and many of his multi-million dollar assets were confiscated by the state.¹¹

Although the last 15 years of relative stability have brought important infrastructural improvements—including the construction of roads, tunnels, and hydroelectricity plants—Tajikistan still has the postcommunist world's lowest per capita income¹² and its highest poverty rate, with over one-third of the population living on less than \$2 a day.¹³ High annual macroeconomic growth (averaging 6.8 percent from 2009 to 2013) belies the true state of Tajikistan's economy, which relies heavily on remittances from an estimated 1–1.5 million Tajik citizens living abroad, 90 percent of them in Russia.¹⁴ In 2013, Tajikistan was the most remittance-dependent country in the world, receiving \$4.1 billion from citizens abroad—the equivalent of 48 percent of Tajikistan's gross domestic product (GDP).¹⁵ High levels of domestic unemployment, underpaid public service positions, insufficient agricultural land, a poor economic climate, and the harassment of private businesses all encourage emigration. Meanwhile, Tajikistan's remittance dependence makes the Rahmon regime vulnerable to Russia, which has in recent years attempted to re-exert its political and economic domination over Central Asia. Russia has periodically used the threat of deporting migrants as a trump card when dealing with Tajikistan.¹⁶ The sudden loss of income and return of over one-eighth of Tajikistan's population could strike a crippling blow to the regime's stability.¹⁷

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.75

In a predictable landslide victory, President Rahmon was elected to a fourth term in office on 6 November 2013. In addition to systematic intimidation of potential rivals, the incumbent administration took advantage of its nearly absolute control over media coverage, the extremely high threshold for signatures required to participate, and the exclusion of migrant workers from the nomination process to cement its dominance over the electoral process.

Months before the elections, President Rahmon publicly promised European Commission President Jose Manuel Barroso that the November elections would be “free, transparent, and democratic.”¹⁸ Instead, the election was another pre-orchestrated affair, including an improbable voter turnout of almost 90 percent. According to the Central Commission for Election and Referenda (CCER), whose members were appointed by the president, nearly 84 percent of voters cast their ballots for Rahmon, who ran as the official candidate of the ruling People’s Democratic Party (PDP). Election observers from the OSCE and the European Parliament noted “widespread proxy voting” and “indications of ballot box stuffing,” among other violations. The overall ballot count was determined to have been “bad” to “very bad” in about one-third of the 3,158 polling stations.¹⁹

The Economist magazine reflected bitterly that “the mere presence of the 200-plus Western observers offers the ruling regime a degree of prestige and legitimacy” and questioned whether such large election missions were a proper use of \$3–4 million of (mostly) Western taxpayers’ money to monitor a preordained, fraudulent event.²⁰ Other observers note that Rahmon has shown no genuine interest in political or electoral reform and skillfully uses the presence of international cooperation as propaganda “to his own advantage.”²¹

Most analysts agree that Rahmon’s victory was guaranteed from the outset, not only because of fraudulent vote-tallies, but also because it represents the will of an absolute majority of voters.²² Rahmon is widely regarded as the father of the post-Soviet Tajik nation, having brought peace and stability to his country against great odds and maintained it—often via repressive means—for over twenty years. Moreover, the regime has at its disposal a well-oiled propaganda machine that works tirelessly to make sure Rahmon and the PDP are the only political forces with name recognition or credibility on election day. Not satisfied with these odds, the regime also employed intimidation tactics, including imprisonment, beatings, and the suspected elimination of at least one regime opponent.

Candidates wishing to run in the election were given 25 days to collect signatures from at least 210,000 eligible voters—a requirement the genuine opposition figure was not able to meet. Respected human rights lawyer Oinihol Bobonazarova—whose appearance on the political scene as the joint candidate of Tajikistan’s main opposition parties and other personalities had caused quite a

stir—fell 8,000 signatures short of the required threshold. Bobonazarova blamed her disqualification on the government’s intimidation tactics, including threats against three of her relatives, harassment of individuals signing the petition in favor of her candidacy, and the government’s refusal to properly cover her campaign in the state-run media.²³ At the same time, Tajikistan’s large population of migrant workers—which the opposition claims is a key powerbase for them—was ruled ineligible to sign nomination lists.²⁴

In the end, the November election was a one-man race despite the presence of five ostensible opposition candidates on the ballot. According to historian Andrew Wilson, the use of “virtual” or “soft” opponents is a tactic used in a number of post-Soviet regimes to superficially satisfy domestic and international audiences that “a real contest is taking place.”²⁵ Kirill Nourzhanov, another regional scholar, called President Rahmon’s rivals “bogus candidates” who “gracefully conceded defeat [while] calling the elections fair.”²⁶

In addition to clear election irregularities and a far-from-level playing field, the outcome of the race reflected a largely weak and apolitical civil society unwilling to mobilize resistance against the status quo. Some critics blamed the ineffective, disjointed, and weak opposition, accusing them of lacking clear goals and failing to unite political parties, civil society, and the population at large into a force capable of challenging the Rahmon regime.²⁷ Some asserted that Bobonazarova’s failed candidacy was partially due to bickering among key opposition leaders, as well as the general population’s lack of interest in reformist ideas.

If Rahmon reaches the end of his seven-year mandate, he will have been in power for just under three decades. The opposition has repeatedly drawn attention to the fact that Article 65 of Tajikistan’s constitution limits the president to two consecutive terms in office,²⁸ but the servile Constitutional Court has provided a more flexible interpretation of the relevant text. In May, the parliament once again rejected electoral legislation proposed by a deputy from the opposition IRP. The proposed amendment would have required that precinct and district election commissions be composed of members of all eight registered political parties.²⁹

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	5.00	5.00	5.50	5.75	6.00	6.00	6.00	6.25	6.25

In pre-Soviet days, traditional civil society in Central Asia centered around the *masjid* (mosque), *choikhona* (teahouse), and *bazaar* (market). These were venues for the exchange of ideas and communal cooperation referred to as *hashar* (assembling), a practice Soviet-era authorities also used in organizing communities.³⁰ The *mahalla* (neighborhood or district) is another part of the region’s cultural history, and the Tajik government has acknowledged its significance. Since the adoption of the 2008 Law on Self-governing Social Institutions—ostensibly intended to encourage self-

reliance and access to foreign aid at the local level—mahalla committees are allowed to register as social organizations and have their own stamp and bank account. However, few mahalla committees have had the will and knowhow to establish formal organizations, and those forming organizations have not been free from government interference.³¹

Alongside mahallas, thousands of registered nongovernmental organizations (NGOs) have sprung up since the mid-1990s. However, due to limited foreign aid and, more importantly, the overall low capacity of the NGOs, only a fraction of them are functioning. Most operational NGOs can be described as service organizations, rather than civil society ones, and are normally engaged in implementing expensive, often redundant, projects funded by Western donors.

The Tajik government allows registered NGOs that deal with apolitical socioeconomic or “soft” human rights issues to function relatively freely. On the rare occasions when an NGO attempts to tackle politically sensitive issues like corruption or systematic human rights violations, repercussions are serious. In January 2013, a court in Khujand confirmed an October 2012 decision to dissolve the Amparo Association of Young Lawyers, an activist NGO that had advocated for the rights of military conscripts and challenged the common and illegal practice of press-ganging, physical abuse, and hazing in barracks.³² Amparo had also suggested a bill on alternative (non-military and noncombatant) service, which is permitted under the constitution but never actually allowed. Further work on these issues eventually might have jeopardized the possible millions of dollars that military personnel extort annually from young men and their parents trying to buy off or postpone mandatory military service.

Proselytization and religious activism, primarily by Islamic and Christian groups, appear to gravely concern the government, which has banned several religious groups over the last few years. Among the banned groups are the Islamic *Jamoati Tabliq* (Proselytization Society) and the Jehovah’s Witnesses. In July 2013, the authorities also closed five of the country’s six officially sanctioned Islamic schools (*madradas*), all located in northern Sughd province, citing the need to “bring order” to the schools’ documents and curricula. This left only one madrasa open for legal Islamic education in Tajikistan at the end of 2013.³³

The madrasa closures are another step in the government’s overhaul of religious worship and education that began with the 2009 Religion Law and the 2011 Parental Responsibility Law. Among other restrictions, these two laws established onerous registration requirements for religious groups and forbade children under 16 from attending most religious services. The 2011 law is specifically criticized for contributing to Tajikistan’s sociopolitical problems by eliminating religious and moral education without offering alternatives in a country that in 2012 had the largest “youth bulge” in the postcommunist world, with an estimated 39 percent of the population being 14 years or younger.³⁴

In September 2013, a court in Dushanbe fined a Tajikistani member of the Jehovah’s Witnesses for violating Article 474 of the Administrative Code, which sanctions “carrying out religious activities without state registration or re-registration

of the organization.” The case was filed by the GKNB, whose regular monitoring of religious groups had led them to barge into the accused’s home during a private Bible-study session. Among other arguments, the Ministry of Culture justifies the Jehovah’s Witness ban on the basis of the group’s tendency to avoid military service, despite the right to alternative (noncombatant) military service guaranteed in Tajikistan’s constitution.³⁵

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.25	6.25	6.00	6.00	5.75	5.75	6.00	6.25	6.25

With the exception of Kyrgyzstan, Tajikistan ranks better than any of its Central Asian neighbors in all global press freedom indexes. However, the conditions for independent media remain extremely poor.³⁶ Journalists are inadequately trained and practice a high level of self-censorship. The government controls most printing presses, newsprint supplies, and broadcasting facilities, and television stations, state-owned or private, are only nominally independent. The authorities also blocked some critical websites and online news outlets, having continued these obstructions in the run-up to the 2013 presidential election. At the same time, public discussion via social media appeared to increase.

Independent media in Tajikistan have their origins in the Soviet *glasnost* era, when non-state sources of information began to operate. Today, the most widely read independent newspapers in Tajikistan are *Asia-Plus*, *Nigoh* (“Look”), and *Farazh*. The two largest state-owned newspapers, *Jumburiyat* (“Republican”) and *Sadoyi Mardum* (“People’s Voice”), are not particularly popular, but local governments and many state employees are forced to purchase annual subscriptions.³⁷

Television is the country’s most prevalent medium. The broadcast sector is dominated by state-controlled national television stations that praise Rahmon and deny coverage to independent or opposition points of view. There are also a dozen or more private stations, most focusing on entertainment.

Investigative journalism is rare in Tajikistan and the media practice a high degree of self-censorship in their coverage of top government officials, particularly the president and Mahmadsaid Ubaidulloev, the second most powerful figure in the country. Ubaidulloev was appointed mayor of Dushanbe nearly 20 years ago and also acts as the head of the *Majlisi Oli* (“High Chamber” of the parliament). References to Rahmon or Ubaidulloev in the press usually come in the form of praise, while lower-ranking officials at times come under criticism “for not properly completing their tasks [as] instructed by the president or the mayor.”³⁸

Despite limitations and dangers associated with covering sensitive topics, independent journalists are increasingly inclined to report on issues of corruption, nepotism, and serious human rights violations. One such example during 2013 was an investigative piece by two *Asia-Plus* reporters covering the disappearance of the ethnic Uzbek activist Shamsiddinov.³⁹

After several years under discussion, a new Law on Periodicals and Other Mass Media came into effect in March 2013, replacing media legislation from 1990. The law promises media freedom, bans censorship, and obliges public officials to respond to inquiries posed by journalists within three days. The law also stipulates that all media outlets in Tajikistan must be registered as legal entities.⁴⁰ Defamation and libel were decriminalized in mid-2012 and are now part of the civil code, but insulting the president or a public official remain criminal offenses.

In June, the OSCE Representative on Freedom of the Media criticized Tajikistan's Ministry of Foreign Affairs for denying accreditation in December 2012 to Abduqayum Qayumov, a well-known local journalist working in Tajikistan for the Prague-based, U.S. government-owned broadcaster Radio Free Europe/Radio Liberty (RFE/RL).⁴¹ The OSCE also objected to the re-imprisonment of northern Asht district reporter Muhammadyusuf Ismoilov, who was sentenced to 11 years in a high-security prison on charges of extortion and fraud in October 2013.⁴² Ismoilov had already spent nearly a year in jail in 2010 on similar charges including "incitement of regional hatred," before being freed and partially amnestied in 2011 following appeals from the international community.⁴³

There were also reports of intimidation and physical violence against journalists in 2013. In December, the authorities detained and beat Abdurahim Shukurov, a cameraman for the Ozodagon News Agency who had been covering the sentencing of the leader of the unregistered New Tajikistan Party, Zaid Saidov.⁴⁴ Some bloggers also complained of threats from the authorities when they wrote critically about government officials or agencies. Blogger Rustam Gulov, for example, who wrote about the government's illegal practices of forcibly extending young people's military service, was reportedly detained by the police on multiple occasions.⁴⁵ In Moscow, a Tajik opposition journalist, Bakhtiyor Sattori, survived what is speculated to have been a politically motivated stabbing in February.⁴⁶

Social networking sites are far more popular than pure news and information outlets. An estimated one million Tajikistanis visit social media sites such as Facebook and Odnoklasniki (Classmates) on a daily basis via their computers or mobile phones, where they discuss not only their personal lives but also cultural issues and politics. In the run-up to the election, BBC reported that a growing number of young professionals were participating in an energetic debate about the presidential elections through social media.⁴⁷ Thus, despite the fraudulent nature of the 6 November elections and lack of objective coverage of its procedure and results, one observer called the elections "a milestone for social media discussions" in Tajikistan that may "facilitate social and political transformations in the long run."⁴⁸

The government continued to block social media and news sites for extended periods of time during 2013. In January 2013, the state telecommunications agency reportedly ordered a block on several sites, including Facebook, local news sites TojNews and TopTJ, and the website of the Tajik service of RFE/RL (Radio Ozodi). The news sites had provided critical coverage of the government and speculated about the winner of presidential elections in November.⁴⁹ In May,

the government blocked YouTube for nearly ten days after a video from the site depicting President Rahmon's son's wedding, accompanied by commentary from Dodojon Atavulloev, a Moscow-based opposition journalist, appeared on the Kazakhstan-based satellite channel K+.⁵⁰ Throughout the video, which went viral, Atavulloev made disparaging remarks about Rahmon's demeanor and the supposed extravagance of the celebrations.⁵¹

The president is an avid proponent of new technology, notwithstanding his warnings to Tajikistan's youth to avoid excessive use of mobile phones, citing their costliness and harmful health effects.⁵² In the past six years, Rahmon has distributed thousands of computers to schools throughout the country, despite the fact that many of the same schools lack basic supplies, libraries, or the electricity needed to run the donated computers for much of the year. On National Youth Day (23 May), the president distributed over 2,000 iPads to a selected group of students. Critics accused Rahmon of attempting to buy the loyalty of the generally young social media crowd, and his actions created a new online catchphrase for attacking progovernment voices on social media: "You smell [of] iPad," meaning "You have been bought off by President Rahmon."⁵³

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	6.00	6.00	6.00	6.00	6.00	6.00	6.00

There are three official tiers of local governance in Tajikistan: regions or provinces; districts and cities; and municipalities (*jamoats*), towns, and villages. By law, provincial, district, and jamoat parliaments are directly elected, but corrupt politics and the weakness of the opposition ensure that these governing bodies are made up exclusively of pro-ruling party members. District and province governors, appointed by the president, are among the most powerful local leaders, and although local parliaments hold a veto privilege, this right is hardly ever exercised. Ultimately, subnational "power brokers," who are often off the radar of foreign observers, play a more significant role than most appointed or elected local officials on the local level.⁵⁴

An estimated three quarter of Tajikistan's citizens live in rural areas where the main source of employment is agriculture. With the encouragement of international financial institutions, Tajikistan began eliminating formerly communist state-owned structures in the mid-1990s. The process of privatization, including land reform and agricultural privatization, has been contaminated by corruption and favoritism, leading some critics to label Tajikistan a "case study of post-Soviet crony capitalism."⁵⁵

Tajikistan's terrain is 93 percent mountainous, and arable land is extremely limited. Around half of the country's irrigated lands are devoted to cotton production, an industry set up during the Soviet era. In 2009, a leaked U.S. Embassy cable referred to cotton production in Tajikistan as a "money-losing proposition."⁵⁶

Tajikistan's judicial and law enforcement systems are deeply corrupt, exercise almost no independence, and, in virtually all cases, side with the state or the wealthy. Though the scale of repression has subsided since the civil war era, the "climate of impunity [still] prevails."⁶⁵ Law enforcement bodies, including the GKNB, routinely "solve" suspected criminal cases through intimidation, beatings, and torture.⁶⁶

Suspects in custody are entitled by law to be interrogated in the presence of a lawyer within 24 hours and must be brought before a judge within 72 hours to have the legality of their detention evaluated. Such rules and regulations are almost never followed by the police in their entirety, and they are often intentionally avoided by the GKNB.⁶⁷ The undisclosed internal directives of the Interior Ministry and the GKNB regulating communication between defense lawyers and detainees—contrary to domestic and international law—almost always prevent defense attorneys from visiting the detained for days, or even months. These practices contribute to the vulnerability of suspects to physical and psychological abuse and torture-induced confessions.⁶⁸ In February 2013, four policemen were accused of torturing a suspect, 28-year-old Bahromiddin Shodiev, with beatings and electrocution, which allegedly led to his death. Of the four men, however, only one received a sentence, and this was limited to a two-year detention for violating Article 316 of the criminal code, which penalizes "dereliction of duty."⁶⁹

Article 88(3) of Tajikistan's criminal code outlaws the "use of evidence in judicial proceedings obtained under torture."⁷⁰ However, the European Court of Human Rights, of which Tajikistan is not a member, has described a "disturbing situation" in the country, claiming that the use of torture is "systemic," "widespread," and "routine." As a result, the court has declared the forceful return of suspects from its member states to Tajikistan to be a potential violation of Article 3 of the European Convention on Human Rights, which prohibits torture.⁷¹

Aside from a nine-month period in 2004–05, Tajikistan has consistently denied access to prisons to independent bodies including the International Committee of the Red Cross (ICRC). In 2013, the government used familiar excuses and delay tactics to once again avoid ratifying the Optional Protocol to the Convention against Torture (OPCAT), which would allow for a joint UN- and government-approved mechanism of prison inspections. While the main barrier to regular prison inspections is corruption within the penitentiary system leadership, the lack of concerted pressure from domestic civil society organizations or international funders also seriously inhibits progress on this matter.

Amnesty International reports the use of "batons, truncheons, sticks, and kicking and punching" by Tajikistan's security forces to extract real or false confessions, as well as "use of electric shocks to the body, including the genitals; pouring boiling water on a detainee's head; drenching with cold water; attaching plastic bottles filled with water or sand to the detainee's genitals; [and] burning with cigarettes or chemicals." Human rights defenders also report about cases of rape or rape threats against male and female detainees.⁷²

Abuse of this kind is also used to intimidate any who may seek legal redress. During 2013, there were at least four reported cases—one involving a child—where

complaints to law enforcement officials about abuse and torture led to reprisals in the form of intimidation, ill-treatment, and torture in detention centers under the auspices of the Interior Ministry and GKNB.⁷³

In October 2013, the Tajik media gave attention to a court verdict against two detainees, Sadriddin Toshev and Sunnatullo Rizoiev, whose previous prison sentences were extended by seven and nine years, respectively. The prisoners' sentences were extended due to their alleged "dissemination of lies" about the use of torture by the penitentiary staff. Toshev and Rizoiev claimed to have witnessed the 2012 beating to death of another detainee in a Dushanbe prison, Hamza Ikromzoda. Upon transfer to a correction facility in northern Khujand, the two claim to have been beaten by the prison staff alongside a number of other detainees.⁷⁴

Tajikistan's judicial and security systems have also failed to adequately investigate incidents of mysterious deaths and possible disappearances, which many suspect are linked to security agencies and are de facto state policy. In 2011, rebel leader Alovuddin "Bedaki" Davlatov and up to seven of his followers were allegedly detained, tortured, and extrajudicially executed by GKNB agents, despite the government and the OSCE reporting that Bedaki and his men had died in a gun battle with government troops.⁷⁵ In another case during a 2012 protest against the government in Khorog, the capital of Badakhshan, a regional representative of IRP, Sabzali Mamadrizoev, was abducted, tortured, and killed. Independent observers blamed the security forces for his killing. Sherik Karamkhudoev, another IRP official from Badakhshan, was also detained by the security forces during the 2012 Khorog clashes. In 2013, Karamkhudoev was tried and sentenced to 14 years of imprisonment on charges of "participating in mass disorder," despite claims that his confession of guilt was extracted through torture.⁷⁶

Despite a climate of impunity as well as a lack of protection of human rights in practice, there have been a few positive steps in the legal sphere in the past decade. These include the 2004 moratorium on the death penalty, the criminalization of torture in 2012, the 2012 adoption of the Law on the Prevention of Violence in the Family, and the adoption of measures that are intended to provide protection for participants in criminal investigations as well as minimize or eliminate intimidation and pressure.⁷⁷ In accordance with these positive steps, in May 2013, a Dushanbe court required the Interior Ministry to compensate a sum equivalent to \$10,000 to the widow of Safarali Sangov, who had died from police beatings in 2011.⁷⁸

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25

The pervasive and longstanding corruption in Tajikistan's government offices, law enforcement agencies, universities, hospitals, and businesses continues unabated. Corrupt practices remain a serious barrier to improving the economy, the education system, law enforcement, and good governance in general. Citizens appear to be

resigned to extortion, informal payments, illegal fines, and various other types of predatory behavior by government employees. Police officers and government bureaucrats openly seek or demand bribes from the general public, businesses, local and international organizations, resident foreign nationals, and even unsuspecting tourists.

Tajikistan consistently ranks poorly on all global surveys measuring corruption and related indicators. Transparency International's 2013 *Corruption Perceptions Index* placed Tajikistan 154th out of 182 countries, alongside the Republic of Congo.⁷⁹ Tajikistan was also ranked 143rd by the World Bank for its business environment, another indicator of government corruption. Other countries in the region performed significantly better on the World Bank's *Doing Business* indicators—Kazakhstan ranked 50th and Kyrgyzstan ranked 68th.⁸⁰ Tajikistan's corruption ranking declined on the Heritage Foundation's *Index of Economic Freedom*, which placed Tajikistan at 139th out of 178 countries.⁸¹ The Basel Institute's 2013 index on money laundering ranks Tajikistan as the fourth worst country in the world for money laundering risk.⁸²

Government officials and well-connected elites highly value their business interests and use coercive tools and bureaucratic procedures to eliminate their business competitors and gain unfair advantages. In 2013, the U.S. Department of State reported that "government officials have in several notable cases leaned on judges to produce 'correct' outcomes in business disputes."⁸³ Unsurprisingly, connections to Rahmon himself are the most valuable of all. In 2013, the president's son was appointed to the directorship of the State Customs Service.⁸⁴ Individuals from Rahmon's home region of Kulob are repeatedly appointed to a variety of lucrative government posts.

There is so much contradictory and overlapping legislation in Tajikistan, especially in taxation, that it is nearly impossible to be in full compliance with the law. As a result, businesses and individuals are constantly exposed to fines and vulnerable to being jailed, extorted, or stripped of their assets by the state tax office. Some of these charges have political motivations behind them, as exhibited most prominently by the 2013 imprisonment of businessman and aspiring politician Saidov on various charges, including corruption.⁸⁵

Everyday citizens regularly suffer from the actions of corrupt officials. As part of an ongoing program of charitable land distribution, 8,000 square kilometers were supposed to be distributed to impoverished farming families in southern Tajikistan's Khatlon Province, but many residents reported being asked for bribes or offered unusable land while large plots were sold off at price.⁸⁶ Meanwhile, corruption in the healthcare industry and the theft of donor funds intended to finance treatment of diseases like AIDS or tuberculosis has contributed to increasing rates of infectious diseases.⁸⁷

Resistance to corruption by citizens rarely goes beyond negotiating the exact size of the bribe or fine to be paid. Even indirect criticism of corruption can lead to government persecution. In July 2013, an elderly writer in Tajikistan had a book manuscript confiscated and was interrogated by security forces, likely due to his unflattering fictional portrayal of corrupt government officials in his stories.⁸⁸

Overall, little is being done to combat corruption. Anticorruption laws that are often the product of pressure from international organizations occasionally make their way into legislation, but their provisions are rarely put into practice. On the surface, the State Agency for Fighting Corruption and Economic Crimes appears to be a worthy entity with vigorous promotion of its goals.⁸⁹ However, arrests and convictions of government employees and law enforcement officers on corruption charges do not extend beyond token low-level figures and fewer mid-level state employees. Powerful or well-connected individuals are rarely prosecuted or investigated. When they are, official measures taken against them are invariably a political maneuver rather than a response to corruption.⁹⁰ Moreover, some anticorruption units are known to be highly corrupt, themselves.⁹¹

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⁸² Basel Institute on Governance, *2013 Basel Anti-Money Laundering (AML) Index* (Basel: Basel Institute on Governance, 2013), http://index.baselgovernance.org/index/Project_Description.pdf; and David Trilling, “Tajikistan Distances Itself From Blacklisted Iranian Businessman,” Eurasianet, 3 January 2014, <http://www.eurasianet.org/node/67909>.

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⁸⁴ George Camm, “Tajikistan’s President Appoints Son to Lucrative Government Post,” Eurasianet, 30 November 2013, <http://www.eurasianet.org/node/67816>.

⁸⁵ “Молния: Зайд Саидов проведет в тюрьме 26 лет” [Breaking: Zaid Saidov Given 26-year Sentence], Asia-Plus.

⁸⁶ Orzu Karim, “Tajiks Unhappy With Land Reform,” IWPR, 29 March 2014, <http://iwpr.net/report-news/tajiks-unhappy-land-reform>.

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- ⁸⁸ Konstantin Parshin, “Tajik Intellectuals Finding Little Room for Reasoned Discourse,” *IPS News*, 29 January 2014, <http://www.ipsnews.net/2014/01/tajik-intellectuals-finding-little-room-reasoned-discourse/>.
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Turkmenistan

by Annette Bohr

Capital: Ashgabat
Population: 5.2 million
GDP/capita, PPP: US\$12,920

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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
National Democratic Governance	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corruption	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Democracy Score	6.93	6.96	6.96	6.93	6.93	6.93	6.93	6.93	6.93	6.93

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

EXECUTIVE SUMMARY

Since the collapse of the Soviet Union in 1991, Turkmenistan has been widely regarded as one of the 21st century's most repressive regimes. Although a change of regime took place following the 2006 death of the country's first president, Saparmurat Niyazov, independent Turkmenistan has not experienced a regime transition under the rule of its second president, Gurbanguly Berdimuhamedow. The leadership is able to sustain its brand of authoritarian, personalistic rule through extensive security services and patronage networks financed by the sale of Turkmenistan's vast hydrocarbon resources. The acute shortage of qualified personnel and the relatively small size of Turkmenistan's intelligentsia limit opportunities for reform.

In 2013, Turkmenistan held its first multiparty parliamentary elections, but that body nonetheless looked set to firmly retain its rubber stamp character. The omnipresent leadership cult was entrenched even more firmly through its extension to some of Berdimuhamedow's family members and forebears, and the regime's opponents remained confined for the most part in the country's prisons or in emigration. A new media law officially forbidding censorship did not lead to any meaningful increase in freedom of information. Nevertheless, some positive changes were made in the sphere of education, such as the abolition of the teaching of Niyazov's quasi-spiritual guidebook for the nation, *The Ruhnama* (Book of the Soul), in schools, and the move to a 12-year schooling system. The issue of the rights of dual Turkmen-Russian passport holders was partially addressed.

National Democratic Governance. Decision-making power is concentrated in the hands of the executive branch, with the parliament acting as a presidential appendage. Internal security and law enforcement agencies ensure that the regime remains in power through tight control of society and by discouraging dissent. Almost all opposition groups are based abroad, and their leaders fear arrest if they return to Turkmenistan. In 2013, President Berdimuhamedow continued to appoint relatives and people from his home region in the western part of Ahal Province to senior government posts. Under his rule, officials have been replaced or rotated less frequently than in the Niyazov era, allowing them greater possibilities to establish their own power bases. *Turkmenistan's rating for national governance remains unchanged at 7.00.*

Electoral Process. Parliamentary elections in December 2013 were heralded as Turkmenistan's first multiparty elections, insofar as two registered parties were allowed to field candidates. A few months before the election, President Berdimuhamedow stepped down as chairman of the government-sponsored Democratic Party of Turkmenistan (DPT) and announced he would withdraw his

membership while in office, ostensibly so as not to give an advantage to any single party. Despite these changes, the elections were fundamentally noncompetitive, as all candidates were progovernment and previously vetted by government leadership. As usual, the Central Electoral Commission reported voter turnout of over 90 percent. Pending evidence that changes in Turkmenistan's electoral process are more than symbolic, *Turkmenistan's rating for electoral process remains unchanged at 7.00.*

Civil Society. Domestic and foreign nongovernmental actors (NGOs) remain strictly monitored, and the government continues to introduce constraints against their work. Unregistered NGO activity is punishable by a fine, short-term detention, and confiscation of property. All political parties, public associations, and religious congregations are required to register with the Ministry of Fairness to gain legal status. A resolution adopted in January 2013 required all foreign funding for registered public associations to undergo approval by at least five government bodies. In addition to the jailing of prisoners of conscience, systematic rights violations under President Berdimuhamedow include state control of religious leaders and communities, severe restrictions on religious education, raids on both registered and unregistered groups, and restrictions on places of worship. *Turkmenistan's rating for civil society remains unchanged at 7.00.*

Independent Media. The authorities maintain near-total control over Turkmenistan's traditional media, whose primary function is to describe and praise the activities of the president. Extremely low internet penetration limits access to other sources of information, and the government continues to block websites critical of state policy. Text-message filtering and surveillance are common. Turkmenistan's first media law, which claims to forbid censorship and "interference in the activities of the media," entered into force in January 2013. *Turkmenistan's rating for independent media remains unchanged at 7.00.*

Local Democratic Governance. Turkmenistan's governors (*hakims*) are directly appointed by the president. In 2013, President Berdimuhamedow abolished the study of *The Ruhnama* as a mandatory subject and instituted a 12-year system in general secondary schools, set to begin in the 2013–14 academic year. Since coming to power, the president has made a number of infrastructural improvements to Turkmenistan's decaying education system, but there remains a chronic shortage of qualified teachers, bribes are regularly accepted for places in higher education institutes, textbooks are laden with ideology, and young people are required to miss significant school hours in order to participate in state events. *Turkmenistan's rating for local democratic governance remains unchanged at 6.75.*

Judicial Framework and Independence. Of the 183 recommendations it received from the United Nations Human Rights Council in May 2013, Turkmenistan's government rejected 16 outright, including the release of political prisoners and the decriminalization of sexual relations between consenting adults of the same

gender. Turkmenistan's imprisonment rate is reported to be among the highest in the world, which has led to serious overcrowding and the spread of disease in the prison system. In February, two Turkmen civil society activists who had been convicted on politically motivated charges in 2006 finished their prison sentences and were released. After years in legislative limbo and following a series of high-level diplomatic negotiations, approximately 43,000 Turkmen residents who also hold Russian citizenship were promised new biometric Turkmen passports in July. Previously, the authorities had insisted that dual passport holders must renounce their Russian citizenship before receiving replacements for their no-longer-valid Turkmen travel documents. The Law on Citizenship was altered accordingly, allowing dual citizenship in certain cases, despite its prohibition in the 2008 Constitution. *Turkmenistan's rating for judicial framework and independence remains unchanged at 7.00.*

Corruption. Turkmenistan ranks among the world's worst performers in several annual indices measuring corruption and economic freedom. There is a notable lack of transparency with regard to economic figures, including government income, spending, and extra-budgetary accounts. Berdimuhamedow presides over a system that enables him to legally appropriate and use the revenues from hydrocarbons sales at his own discretion. Government contracts for the construction of large physical assets such as ministry buildings, hotels, and airports are a preferred means of providing elites with opportunities to pocket allocated funds. For the first time since independence, in August 2013, Turkmenistan entrusted local construction firms with a major development project, possibly heralding a move towards increased use of local labor. *Turkmenistan's rating for corruption remains unchanged at 6.75.*

Outlook for 2014. Liberalization in Turkmenistan is unlikely until a collection of social and cultural changes occur. Particularly essential would be higher levels of education and a concomitant growth in the number of intellectual elites, increased levels of occupational specialization and urbanization, and a freer media environment. The presidential cult will most likely develop and entrench itself further, while some governors and relatives of the president can be expected to continue establishing their own power bases. Some improvements to the educational system are also expected.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

While formal governing institutions have evolved over time in Turkmenistan, they have been manipulated by the leadership to provide a veneer of legitimacy and have no power to influence the decision-making process. The parliament (*Mejlis*), a unicameral body comprising deputies elected in single-mandate constituencies for five-year terms, acts as a presidential appendage. In addition to his role as head of the executive branch of power, President Gurbanguly Berdimuhamedow serves, inter alia, as chairman of the Council of Ministers (prime minister), supreme commander-in-chief of the National Armed Forces, chairman of the Council of Elders, head of the Council for Religious Affairs, and chairman of the Higher Council of Science and Technology. The president appoints the members of government and the Central Election Commission as well as high-ranking judges. Under the revised 2008 constitution, he was granted the power to directly appoint the country's governors at all levels.

In order to maintain power, the regime suppresses dissent and tightly controls independent activity, employing extensive internal security and law enforcement agencies overseen by the Ministry of National Security (MNS), independent Turkmenistan's equivalent to the Soviet-era Committee for State Security (KGB). The Ministry of Internal Affairs (MIA) directs the criminal police, who work closely with the MNS on matters of national security. Both ministries systematically abuse individuals' rights in order to enforce the government's policy of preempting regime threats. The armed forces in Turkmenistan have been stripped of any real security functions, leaving the MNS, rather than the Ministry of Defense, responsible for military counterintelligence. For years, the MNS, the MIA, the armed forces, and the Prosecutor General's Office have been engaged in a battle for the expansion of their respective spheres of influence, engaging in mutual espionage and prompting regular purges of their own ranks.

Turkmenistan's presidential personality cult, an integral element of the regime's nationbuilding strategy, was developed under former leader Separmurat Niyazov and continues, with some modifications, under Berdimuhamedow. Niyazov's honorific title was *Turkmenbashi* ("Head of All Turkmen"), and since 2011 Berdimuhamedow has been known as *Arkadag* ("Protector" or "Protective Mountain"). Particularly lavish or innovative ways of praising the president can result in promotion and access to scarce resources. Consequently, the cult is not simply promulgated "from the top" but also sustained "from below" as an accepted and familiar social mobility vehicle for civil servants. Berdimuhamedow, who began his career as a dentist, has

accumulated a plethora of honorific titles, degrees, awards, and prizes, including doctorates in economics and medicine, the rank of Army General, membership in the Academy of Sciences, a black belt in karate (awarded for his contribution to the development of the sport), and, in 2013, the title of “Distinguished Architect of Turkmenistan.”¹

Portraits of the president adorn both the inside and outside of government buildings, and his activities are the primary focus of state media. Turkmen media make visible efforts to present Berdimuhamedow as a youthful, energetic, and versatile reformer. Since 2009, he has been seen on state media riding a bicycle, behind the steering wheel of a race car, in the cabin of a fighter jet, dancing (somewhat awkwardly) at a circus performance, playing guitar, singing popular music, and performing surgery in a newly equipped clinic. After finishing first in an equestrian race in May 2013, the president was thrown to the ground when his horse stumbled after crossing the finish line. Footage of the accident was carefully edited out of all broadcasts, and no word of the fall appeared in Turkmenistan’s official media; however, a video clip of the incident that made its way onto an American website was reported to have received over 500,000 hits.² Apart from school textbooks, most newly published books in Turkmenistan are either tributes to Berdimuhamedow or works allegedly written by the president himself. The latter category includes books on topics ranging from Ahalteke horses to the art of carpet weaving and the use of medicinal plants. Six volumes of the *Arkadag’s* selected works, titled *Towards the New Heights of Progress*, had been published by mid-2013. The president also published a book about his father’s childhood entitled *The Bird of Happiness*.³ A statue of Berdimuhamedow the elder, who is still living, was unveiled in the president’s hometown in 2012.

Most political appointments are based on loyalty and subservience to the president rather than merit. In the past, fear of potential challengers has led the leadership to carry out widespread, regular purges of officials. However, after initial large-scale purges in 2007–08, officials have been replaced or rotated much less frequently, allowing them more opportunity to establish their own power bases. Whereas during the final years of Niyazov’s rule *hakims* (governors) typically served less than a year, more recently it has not been uncommon for regional *hakims* to serve 30 months or longer. When *hakims* are replaced, it is usually by a native of the region in question.⁴

In contrast to Niyazov, who steered clear of kinship or region-based networks, Berdimuhamedow often appoints his relatives and persons from his home region in the western Ahal Province (dominated by the Ahalteke tribe) to senior posts. The disproportionate number of Ahalteke tribe members in central government is also partly due to the fact that the capital city, Ashgabat, is itself located in Ahal Province. Like his predecessor, the president has also cultivated a close circle of non-Turkmen cronies who are “above clan politics,” comprising a handful of ethnic Jews, Russians, and Armenians in addition to selected Turkish, French, and German businessmen.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

For the first time in independent Turkmenistan's history, two registered parties were permitted to field candidates for parliamentary elections held in December 2013. The country's first "opposition" party, the Party of Industrialists and Entrepreneurs, was launched in August 2012, ostensibly to bring together representatives of small- and medium-sized businesses. In August 2013, President Berdimuhamedow made another gesture in the name of electoral competitiveness, officially stepping down as chairman of the government-sponsored Democratic Party of Turkmenistan (DPT) and withdrawing his membership while serving as president.⁵

By making the pro forma shift to multiparty politics, the leadership is able to claim that it meets one of the criteria set by some international organizations, governments, and financial institutions as a benchmark for further investment and cooperation.⁶ Turkmenistan's new veneer of political pluralism also enables it to keep pace with its Central Asian neighbors: Uzbekistan has long had artificially created "pocket parties" in parliament, while Kazakhstan finally allowed two additional parties—both of which are loyal to the regime—to enter parliament in January 2012.

As in previous elections, all candidates running in December 2013 were progovernment and previously vetted. At least one—Maisa Yazmuhamedowa, the former deputy chairperson responsible for ideology—was declared as having secured a seat before the preliminary results were announced.⁷ According to the official election results, 283 candidates vied for 125 seats, 47 of which went to the DPT, 14 to the Party of Industrialists and Entrepreneurs, 33 to the trade unions, 16 to women's groups, 8 to the Magtumguly Youth Organization, and 7 to other citizens' groups.⁸ As usual, the Central Electoral Commission (CEC) reported voter turnout of over 90 percent. At the first session of the newly elected parliament, Akja Nurberdieva was reelected chairperson, a position she has held since December 2006.⁹

Following an official invitation from the Ministry of Foreign Affairs of Turkmenistan, the Organization for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) deployed an Election Assessment Mission to observe the elections. Consisting of 15 international experts, the mission looked into issues such as the legal framework and media coverage of the campaign, but it did not carry out systematic observation of voting, counting, or tabulation. A final report was to be issued only in February 2014. The OSCE/ODIHR had not previously observed or assessed elections in Turkmenistan, although it had sent election support teams to the presidential elections in 2007 and 2012, the parliamentary elections in 2008, and the local elections in 2010.¹⁰

Unrelenting harassment by the authorities has driven the relatively small unofficial opposition either underground or into exile, primarily in Russia and

some Western European countries. The opposition-in-exile remains weak and prone to internal division, although some independent human rights activists from Turkmenistan operating abroad publish regular reports on the country's domestic and foreign politics.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

The 2003 Law on Public Associations requires all nongovernmental organizations (NGOs) to register with the Ministry of Fairness (*Adalat*), which also approves their internal governance structures. In addition to other restrictions, the law requires a high number of founding members for registration and limits organizations' territories of operation. The authorities are free to suspend registration altogether after two written reprimands.¹¹ A resolution adopted in January 2013 required all foreign funding to registered public associations to undergo approval by at least five government bodies. While in 2000, there were approximately 200–300 registered and unregistered NGOs operating in Turkmenistan, the International Center for Not-for-Profit Law estimates that by August 2013, only 100 or so were registered.¹² The vast majority of these support the government or receive direct government funding. The government-controlled Association of Trade Unions of Turkmenistan is the only central trade union permitted. Workers are barred by law from bargaining collectively or staging strikes.

Groups without official sanction wishing to register as NGOs have their applications turned down or dragged out for years. Because the prospects for securing official registration are considered so remote, many groups have chosen either to register as business societies or to forego the bureaucratic process and operate covertly, although the penalties for unregistered activity can be severe: unregistered NGO activity is punishable by a fine, short-term detention, and confiscation of property. In 2013, Turkmen officials continued to protest the participation of representatives of unofficial Turkmen NGOs operating abroad at annual OSCE human rights review meetings.¹³

In order to prevent the emergence of Islam as a locus of opposition activity, the Turkmen leadership has thoroughly infiltrated the official religious establishment. Religious matters are administered by the Council on Religious Affairs (CRA) set up by Niyazov in 1994, whose members are appointed by the government and report to the president. The CRA controls the hiring, promotion, and firing of Sunni Muslim and Russian Orthodox clergy, who are required to report regularly to the CRA.

As with political parties and public associations, all religious congregations are required to register with the Ministry of Fairness to gain legal status. In 2012, Turkmenistan's government reported that 128 religious communities had state registration, among which 104 were Muslim (Sunni and Shia), 13 were Russian

Orthodox, and 11 were of other faiths, including Protestant groups, the Baha'i, Roman Catholics, and the Hare Krishna community.¹⁴ Many minority religious groups, including the Lutheran, Jehovah's Witness, Armenian Apostolic, and Jewish communities, have faced repeated registration refusals.

At the end of December 2013, the religious freedom watchdog Forum 18 reported that there were 11 known prisoners of conscience jailed for exercising freedom of religion or belief in Turkmenistan. Seven of these had lodged applications to the UN Human Rights Committee protesting against their imprisonment and maltreatment.¹⁵ In addition to the jailing of prisoners of conscience, systematic rights violations under President Berdimuhamedow include state control of religious leaders and communities, severe restrictions on religious education, raids on both registered and unregistered groups, and restrictions on place of worship.

Little is known about the existence of radical Islamist groups in Turkmenistan beyond a few allusions in unofficial media. Despite reports that the Islamist group Hizb-ut-Tahrir has won converts in Turkmenistan's labor camps and prisons, a significant presence in the country has yet to be established. A well-known Turkmen blogger and journalist operating under the pen name Annasoltan wrote in 2011 that pockets of followers of Hizb ut-Tahrir, Tablighi Jamaat, Atageldi aga, and Myrat aga "play a much more significant role in Turkmenistan's underground political life than the government has ever admitted," although the evidence is circumstantial. According to Annasoltan, rather than advocating jihad, "hidden Islamists" are using the internet "to directly propagandize regular Turkmen."¹⁶

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Indices measuring media freedom around the world, including Freedom House's Press Freedom survey, rank Turkmenistan's media environment among the most repressive in the world, alongside North Korea and Eritrea. Virtually all newspapers, magazines, television stations, and radio stations in Turkmenistan are owned and controlled by the government. The only news agency in the country is the government's Turkmendovlethabarlary (TDH). The state employs a number of techniques to censor information, from information blackouts in state media to internet and text-message filtering, cyber-attacks, and surveillance.

Turkmenistan's first media law, which claims to forbid censorship and "interference in the activities of the media," entered into force in January 2013. Having been drafted with the assistance of the OSCE, the law conforms to international standards but is highly unlikely to serve any practical effect in liberalizing the country's carefully controlled media. To accommodate a provision of the new law banning press monopolies, President Berdimuhamedow officially relinquished his ownership of all the country's major newspapers, only to transfer

them to the Cabinet of Ministers, of which the president is the head, and to other government offices under his direct control. These offices will now be credited as the “founders” of various publications formerly “founded” by Berdimuhamedow and will be officially responsible for them.¹⁷

Turkmenistan regularly denies visas to foreign correspondents; the few correspondents who obtain permission to enter the country are accompanied by “minders” from the security services who severely restrict their movements and choice of interviewees. Some Ashgabat-based correspondents working for the U.S.-funded Radio Free Europe/Radio Liberty (RFE/RL), which has neither a bureau nor accredited journalists in Turkmenistan, noted in 2013 that much of the interference in their work now comes from mid- and low-level officials rather than directly from the central government and security services.¹⁸ One of the journalists commented that there had been fewer interruptions to phone service and less obvious surveillance of late.

Ordinary citizens are still unable to subscribe to any foreign periodicals at their home addresses, and foreign print matter remains generally inaccessible.¹⁹ Aside from the radio broadcasts of the Turkmen Service of RFE/RL (Radio Azatlyk) and the German Deutsche Welle in Russian, both of which are specifically targeted at Turkmen listeners, satellite television—widely viewed in the capital as well as in other cities—provides the most popular as well as only source of alternative media in Turkmenistan for those without access to the internet.

In 2011, Turkmenistan founded a National Space Agency, a major goal of which is to launch a commercial satellite to develop the country’s telecommunications systems and provide services to a larger market.²⁰ The artificial satellite will also be employed to monitor agricultural areas and conduct research for the needs of the oil and gas industry.²¹ The Turkmen satellite, scheduled for launch in late 2014, should end Turkmen dependence on the Russian JSC Gazprom Space Systems satellite for the provision of digital television and the broadcast of Russian and Turkish television programs.

Turkmenistan has one of the world’s lowest official internet penetration rates—about 5 percent in 2012, compared with 45 percent in Kazakhstan and 30.2 percent in Uzbekistan.²² State-owned Turkmen Telekom began connecting private citizens to the internet as recently as June 2008, and long waits and administrative requirements for getting connected—including a signature from the local police station—continue to hinder access. Dial-up access rates are prohibitively expensive for the average citizen and service is unreliable and slow; neighboring Afghanistan’s average download speed is more than twice as fast.²³

The percentage of citizens who access the internet through mobile phones is higher, estimated at 14 percent of the population, of which 6 percent had 3G service.²⁴ Mobile phones, which are much cheaper than fixed lines, are estimated to be used by over 60 percent of the population.²⁵ In November 2013, it was reported that the government had blocked the mobile messaging services WeChat and Line, having blocked the popular applications WhatsApp and Viber the previous year.²⁶

Websites critical of official government policy, independent news sites, and other undesirable online content are blocked by the authorities through the use of new filtering technologies, although patterns of censorship are inconsistent. It is not always a straightforward process to determine which websites have been selected for censorship, since some bandwidth that is purchased from Uzbekistan and Iran has already been subject to filtering by authorities in those countries.²⁷ YouTube, Facebook, and Twitter are either blocked or impossible to open due to slow connectivity, prompting increasing numbers of Turkmen to try popular chat forums such as VKontakte.ru and Odnoklassniki.ru. Electronic mail is monitored, although there are reports that communications between Gmail account users can be more difficult for authorities to intercept.²⁸

Unlike in other closed societies, such as China and Iran, circumvention tools used to bypass internet blocking systems are relatively unknown in Turkmenistan, while many internet users who are aware of them are fearful of using them.²⁹ However, some hacked versions of mobile browsers have appeared with built-in proxying, enabling amateurs to use them without having to code.³⁰ In April 2012, there were over 80,000 page views of a popular Turkmen news service that Psiphon, an open source web proxy, uses as its landing page.³¹

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	6.75	6.75	6.75	6.75	6.75	6.75	6.75

Tribal identities, which play an important role in Turkmen society and informal local politics, manifest 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. There are some 30 tribes, comprising more than 5,000 clans. The state flag contains five carpet guls (a design used in producing rugs), each of which is associated with a different tribe. Applicants for some public sector jobs must provide their prospective employers with a three-generation family genealogy (the so-called “third generation test”) in order to avoid a concentration of people from the same clan or family.

State power in Turkmenistan’s five regions (*welayatlar*), its districts (*etraplar*), and its cities is vested in the largely decorative people’s councils (*halk maslahatlary*). Villages have legislative councils (*gengeşlar*), whose members are directly elected for five-year terms. The more than 600 *gengeşlar* are administered by councilors (*arçınlar*), who are elected from among their respective memberships. The *gengeşlar* are responsible for confirming local budgets, accounting for the rational use of natural resources, protecting the environment, overseeing sanitation and water-supply sources, and organizing moral and patriotic education among youth.³² In reality, however, they follow the instructions of the *hakims*, who are directly appointed by the president.

Berdimuhamedow has made a number of changes to Turkmenistan's decaying education infrastructure, which was virtually dismantled during the last seven years of Niyazov's rule. General secondary schools switched to a 12-year education system starting from the 2013–2014 academic year. High school students are no longer required to undergo two years of practical work before applying to universities. Foreign degrees are once again recognized. New areas of study have been introduced or reintroduced (e.g., physical education and the social sciences), and post-graduate and doctoral studies have been reestablished at certain universities. The Academy of Sciences, which had been the mainstay of the scientific and academic community before its closure in 1993, was reopened in 2007.

Universities and institutes have already been permitted to remove Niyazov's quasi-spiritual guidebook for the Turkmen nation, *The Rubnama* (Book of the Soul), from their curricula. As of September 2013, it is no longer a mandatory subject in primary and secondary schools, either. However, an exam on the book's content is still an entry requirements for university applicants.³³

In practice, many of Berdimuhamedow's educational reforms lack substance. The tenth year's curriculum reportedly repeats that of the ninth year, and textbooks for most years and subjects are outdated, ideologized and in short supply. Despite the flurry of new schools being built, there is a chronic shortage of qualified teaching personnel. Furthermore, unofficial reports indicate that the long-standing practice of paying large bribes to procure a place in universities, institutes, and even some secondary schools has not abated, and bribes required to enter the most prestigious institutions can reach \$40,000–\$70,000. University students have become subject to greater restrictions on their personal lives, including dress codes and curfews. As of 2013, students are required to sign an oath that they will not drive an automobile or travel with another student driving an automobile until they have finished their studies, under threat of expulsion.³⁴ They are also forbidden to frequent discotheques and bars.

In 2013, the president asked his cabinet to consider setting up a new English language university in Ashgabat, not unlike Nazarbaev University in neighboring Kazakhstan. In 2013, the number of students in higher education in Turkmenistan was nearly 24,000, in addition to the approximately 10,000–15,000 students studying abroad. (This is comparable to the late Soviet period, when the number of students in higher education in the Turkmen Soviet Socialist Republic was over 40,000).³⁵ Many Turkmenistani students go to Belarus for their studies—6,514 in 2013, compared to only 67 students in 2006—owing to the long-standing friendly relations between the two authoritarian states, the relatively high standards of education in Belarus, and the favorable conditions offered to foreign students, including accommodation, reasonable tuition rates, and the possibility to study in Russian.³⁶

Unlike his predecessor, Berdimuhamedow has invested heavily in the country's healthcare infrastructure, building sanatoria and diagnostic and specialist centers in regional capitals, including the International Center for Head and Neck Diseases and the Oncology Center in Ashgabat, which has eight stories and a gold façade. Turkmen media estimate the cost of constructing such facilities over the past

decade at more than \$1.5 billion. From 2012 to 2016, the government plans to allocate another \$500 million for pharmaceutical factories, five emergency centers in regional capitals, and the purchase of modern medical equipment.³⁷ The regime has also liaised with international organizations to introduce maternity and immunization programs.

Despite this investment, most new facilities—many of which contain state-of-the-art equipment—are neither accessible to the vast majority of the population nor staffed with qualified medical personnel. Statistical data is notoriously unreliable, medical education is substandard, hospital staff are discouraged from reporting malpractice, and infant mortality rates are among the highest in the world—approximately 45 deaths per 1,000 live births, more than twice the rates of Kazakhstan and Kyrgyzstan.³⁸ The existence of certain communicable diseases is neither acknowledged nor addressed. The multi-drug resistant form of tuberculosis in particular poses a high risk of creating a serious health crisis.³⁹

Many parts of the country still lack sanitation systems and unified gas supply systems, despite the country's abundance of hydrocarbons. Dozens of villages lack steady supplies of electricity, and clean water supplies are often unavailable, requiring rural residents to use well or surface water that often contains residues from pesticides, fertilizers, and animal wastes. In 2013, there were reports of shortages of fresh water, particularly in the western regions of the country. In the city of Turkmenbashi, moreover, there was an absence of heating in the majority of schools and kindergartens as well as in the city hospital.⁴⁰

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Unchanged since the Soviet era, the court system in Turkmenistan consists of a Supreme Court, six regional courts, and approximately 60 district and city courts. The Supreme Economic Court hears all commercial disputes and cases involving conflicts between state enterprises and ministries. There is no constitutional court, and the president appoints all judges for five-year terms without legislative review. Judges and lawyers, however, play a marginal role in the legal system compared to the prosecutor general, a political appointee whose primary function is repression rather than oversight. Convictions are often based on confessions extracted by force, including the use of torture and psychotropic substances.

Under the proceedings of the Universal Periodic Review held in Geneva in May 2013, the UN Human Rights Council delivered 183 recommendations to Turkmenistan, of which the government ultimately fully accepted 166, partially accepted 1 and rejected 16.⁴¹ While the government accepted the recommendation to investigate the use of torture, requests for visits from nine Special Procedures of the UN Human Rights Council remained pending in 2013, including the request

from the Special Rapporteur on Torture, who had already been received by all other Central Asian states.⁴²

The Turkmen government rejected the recommendation to decriminalize sexual relations between consenting adults of the same sex, arguing that it was in contradiction to the mentality and culture of Turkmen society. Also rejected was the recommendation to release political prisoners, since, according to the Director of Turkmenistan's National Institute for Democracy and Human Rights, there are no such prisoners in the country.⁴³ One notorious aspect of Turkmenistan's prison system is that a number of persons have disappeared into it without a trace, including some 50 prisoners convicted in connection to the 2002 attempted coup. On a positive note, in February, 2013, two Turkmen civil society activists who had been convicted on politically motivated charges in 2006 were released from prison, although only after serving out their seven-year terms. The two activists together with a third, Ogulsapar Muradowa, who subsequently died in prison, had been arrested after helping a French journalist make a documentary on the state of human rights in Turkmenistan. Numerous appeals for the prisoners' release were made by international bodies, including the European Parliament, over the course of their internment. No reliable investigation has ever been made into the circumstances surrounding Muradowa's death.

The authorities restrict freedom of movement by confiscating passports and maintaining an extensive "blacklist" of citizens prohibited from leaving the country. According to the Vienna-based Turkmen Initiative for Human Rights, on 24 January 2013, 48 Turkmen citizens were barred—with no official explanation—from boarding flights destined for Istanbul, Dubai, and Moscow.⁴⁴ For internal travel, Berdimuhamedow's government eased restrictions early in his rule by reducing the number of roadside checks and inspections between cities. However, the influx of migrants to Ashgabat's outskirts from the country's various provinces reportedly led to an increase in crime and other social problems there in 2013, with the result that migrants are reported to be detained by police, interrogated, and occasionally forcibly returned to their place of official residence.⁴⁵

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. Many jobs in the public sector were effectively closed to non-Turkmen, particularly in the judicial system, law enforcement, security agencies, and financial and military organizations. In 2000, Turkmen was introduced as the language of instruction in all the country's schools, including in regions where ethnic Uzbeks or Kazakhs are preponderant. There are only a few schools in the country that offer classes with Russian as the language of instruction (approximately 30 classes in 2011), and these are mainly intended for members of ethnic minorities.⁴⁶ On the other hand, English has become a compulsory subject from the first through the twelfth year.

In June 2013, a series of phone calls between Turkmen and Russian heads of state was required to make headway on the vexed issue of rights for the approximately 43,000 residents of Turkmenistan holding both Turkmen and Russian passports,⁴⁷

in violation of a 2008 constitutional provision against dual citizenship. From July, new biometric passports were to become mandatory for travel outside the country, although Russian passport-holders were reportedly denied their new-style Turkmen documents unless they surrendered their existing Russian ones. With only one month to go before the July deadline, Turkmenistan's Foreign Affairs Ministry announced that the Migration Service would begin immediately issuing biometric passports to the citizens of Turkmenistan holding Russian citizenship, thus averting a potential diplomatic crisis.⁴⁸ Though the constitutional ban on dual citizenship remains, the Law on Citizenship was subsequently revamped, allowing Turkmen citizens who had received Russian passports under a 1993 agreement between Russia and Turkmenistan—but not those who received them after it was unilaterally rescinded by Turkmenistan in 2003—to retain them.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

Turkmenistan's president presides over a system that enables him to control and use at his own discretion the revenues from hydrocarbons sales, which form the country's primary source of income. The government is able to sustain its rule through the receipt of these export revenues, which it uses to finance pervasive security services and vanity construction projects as well as to secure the support of patronage networks.

Turkmenistan does not publish its national budget in full, contributing to a widespread lack of transparency in economic figures. Those figures that are published are often compiled from local economic reports that have been inflated to show growth. No information has been released regarding export revenues held by former president Niyazov in foreign banks, and it remains unclear what share of export revenues are currently being diverted by the Berdimuhamedow leadership to off-budget accounts. The overall amount of export revenues remains a closely guarded secret. In 2013, reports continued alleging cronyism among the president's relatives, who were reported to hold lucrative positions in various economic sectors, particularly trade, where they amass personal fortunes.⁴⁹

Political elites in the country have traditionally built up local power bases by allocating key posts and opportunities to their loyalists. A limited number of patronage networks commanded by Berdimuhamedow 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. Turkmenistan ranks among the world's worst performers in several annual indices measuring corruption and economic freedom, including

The Wall Street Journal's Index of Economic Freedom and Transparency International's Corruption Perceptions Index.

Inconsistent regulatory practices, feeble rule of law, and the absence of international business norms remain major disincentives to foreign investment.⁵⁰ Under both Niyazov and Berdimuhamedow, Turkmenistan's government has cancelled licenses and contracts with foreign firms and had their assets seized, as was the case with MobileTeleSystems (MTS), Russia's largest mobile phone operator, in 2010. Forging a personal relationship with the president or, alternatively, working through established foreign businessmen or high-ranking foreign officials remain the best ways to penetrate the country's market.

Because of the nontransparency of capital expenditures, the awarding of contracts for the construction of large physical assets such as ministry buildings, hotels, or airports is a preferred means of providing elites with opportunities to pocket some of the allocated funds. U.S. diplomatic cables obtained by the antisecrecy organization WikiLeaks identified construction as the most corrupt industry in Turkmenistan, with contractors inflating costs by up to 30 percent to cover bribe payments.⁵¹ Foreign contractors, such as the Turkish Polimex and French Bouygues, regularly pay kickbacks to Turkmen officials.

Traditionally, Turkish companies have been contracted to build the lion's share of Turkmenistan's landmark public works. In August 2013, however, Turkmenistan entrusted a local construction firm with a major development project for a new district in the capital city. The government's unprecedented hiring of a Turkmen construction firm for such a project may herald a very gradual move towards the greater employment of local labor, which would be politically popular, given extant complaints over the use of Chinese laborers in the gas industry.

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Ukraine

by Oleksandr Sushko and Olena Prystayko

Capital: Kyiv
Population: 45.6 million
GNI/capita, PPP: US\$7,180

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75	4.00	4.00
Civil Society	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.50
Independent Media	4.75	3.75	3.75	3.50	3.50	3.50	3.75	4.00	4.00	4.25
National Democratic Governance	5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75	5.75	6.00
Local Democratic Governance	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50	5.50
Judicial Framework and Independence	4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00	6.00	6.00
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.25
Democracy Score	4.50	4.21	4.25	4.25	4.39	4.39	4.61	4.82	4.86	4.93

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 2013, Ukraine entered a period of political turbulence caused by a growing conflict between the government's evident authoritarian trend and society's determination to seek democracy, European integration, and the rule of law. After years in which President Viktor Yanukovich worked to concentrate power in his own hands, the system of checks and balances had been undermined, and the authorities were increasingly misusing the judiciary for political purposes. This process was interrupted by massive protests in late November, triggered by the government's abrupt refusal to initial an Association Agreement with the European Union (EU).

Since gaining independence from the Soviet Union in 1991, Ukraine has held five presidential (1991, 1994, 1999, 2004, and 2010) and six parliamentary (1994, 1998, 2002, 2006, 2007, and 2012) elections. The latest parliamentary elections, held on 28 October 2012, were widely recognized as a step back from the democratic standards that had previously been achieved. Moreover, under a 2010 Constitutional Court decision, the Verkhovna Rada (parliament) lost much of its authority to a stronger presidency. The legislature is no longer authorized to appoint and dismiss cabinet ministers, though it retains the right to confirm the prime minister appointed by the president. In practice, the parliament lost its ability to exercise oversight and control over the executive branch. The government and its allies retained a slim majority in the body in 2013, while three opposition factions—*Batkivshchyna* (Fatherland), Ukrainian Democratic Alliance for Reforms (UDAR), and *Svoboda* (Freedom)—collectively held about 40 percent of the seats.

The government took some steps to meet demands from the international community and the opposition to release members of the former government who were imprisoned on politically motivated charges. Two former cabinet ministers were freed after receiving a presidential pardon in April. However, former prime minister Yuliya Tymoshenko remained in prison at the end of 2013, having received a seven-year sentence for "misuse of power" in 2011.

Ownership changes and an increase in violence drove an overall deterioration in the media environment during the year, though some television channels offered fair coverage of the antigovernment protests of November and December. Civil society organizations continued to operate in a relatively free environment, representing a wide spectrum of interests. New legislation on nongovernmental organizations (NGOs) took effect in January, providing a more hospitable legal framework for civic activity. Nevertheless, as the political crisis emerged in November, there were new signs of pressure on the NGO sector. Some positive reforms targeting

corruption were enacted in the spring, but they were overshadowed by reduced transparency on procurement and the growing wealth of the president's inner circle.

Meanwhile, the Ukrainian economy entered into recession, contracting slightly for the full year. The International Monetary Fund (IMF) refused to resume its stand-by program until the government could fulfill all the relevant conditions. In December, after the government declined to initial the EU agreement, Ukraine received a \$3 billion loan from Russia and the promise of an additional \$12 billion in 2014.

National Democratic Governance. From the time he took office in 2010, President Yanukovich consistently attempted to build an authoritarian regime on the basis of personal connections and the predominance of the executive over the legislature and judiciary. However, lack of public support and the relative strength of opposition forces prevented him from achieving lasting success. The massive protests of November and December 2013 in Kyiv and other cities presented the government with a major challenge. Hundreds of people were beaten and some arrested during police assaults on the demonstrations on 30 November, 1 December, and 11 December. While the regime remained in place at year's end, its public legitimacy was substantially undermined. During the crisis, the government was reluctant to conduct genuine negotiations with protesters, relying instead on the loyalty of police and judges. No policemen were punished for the excessive use of force against peaceful demonstrators, and as of the end of December, officials had taken no steps to address the protesters' grievances. Due to the authorities' failure to respond properly to society's expectations and demands, which resulted in the escalation of the political crisis, *Ukraine's rating for national democratic governance declines from 5.75 to 6.00.*

Electoral Process. There were no national elections in 2013. The Verkhovna Rada adopted reforms to the electoral framework that reflected many but not all of the recommendations issued by international monitors following the October 2012 parliamentary elections. Voting was held on 15 December in five constituencies where winners were not determined in 2012. However, these elections demonstrated almost the same shortcomings that were detected the previous year, with even wider use of fraud and vote buying reported. In some cases, there were major gaps between the exit polls and official results, raising doubts about fairness. Separately, due to obstruction by the ruling party, the Rada failed in its obligation to set dates for local elections in Kyiv and seven other cities. *Ukraine's rating for electoral process remains at 4.00.*

Civil Society. Civil society is a central pillar of Ukrainian democracy, with a variety of groups and initiatives playing a crucial role in the defense of democratic values and practices in the country. The new Law on Civic Associations, which took effect on 1 January 2013, opened wider space for nonprofit activity, liberalizing the registration of new NGOs and removing some administrative barriers. The mass

protest movement that emerged in November and December became an engine for the recruitment of a new generation of civic activists. It represented not just a substantial and consistent protest action, but a truly bottom-up self-organization by the public, featuring highly productive horizontal civic networking. Due to the evident and growing power of Ukrainian civil society as expressed in the Euromaidan movement, *Ukraine's rating for civil society improves from 2.75 to 2.50.*

Independent Media. Ukraine has a diverse and competitive media market, and the constitution and legal framework generally provide for media freedom, but respect for these fairly progressive laws has diminished in recent years. The overall situation for the media deteriorated in 2013. Controversial ownership changes at Ukrainian Media Holding (UMH) and the independent television channel TVi led many respected journalists to resign, and the level of violence against reporters increased during the year. At least 51 journalists were attacked on the weekend of 30 November alone as they covered the Euromaidan protests, and impunity for such assaults remained the norm. In one of the most prominent cases, investigative journalist and activist Tetyana Chornovol was forced off the road and severely beaten in late December. Meanwhile, new internet-based media outlets emerged to provide accurate information about public affairs, and cyberattacks and misleading clone websites rose in response. *Ukraine's rating for independent media declines from 4.00 to 4.25.*

Local Democratic Governance. The key problems hindering the development of local self-government were left unaddressed during 2013. They included an excessive concentration of power and revenue at the national level, fragmentation of lower-level administrative units, vague criteria and procedures for establishing various territorial units, inadequate financing for local government budgets, and poor staffing of local self-government bodies. The head of the Kyiv city administration, Oleksandr Popov, was suspended in December, and at the end of the year, the capital had neither a mayor nor an administrative head. The Euromaidan movement could have a positive impact on the development of local self-government in the future, as decentralization and the empowerment of local communities were among the strategic demands of the protesters. *Ukraine's rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. The country's justice system remains undemocratic and unreformed, lacking transparency and the trust of citizens. Most of the developments in the judicial sphere in 2013 were negative, leading to greater control over and misuse of the judicial system by the executive branch. An exception was the implementation of a new code of criminal procedure, which continued in 2013 and was generally recognized internationally as a positive process, though Ukrainian experts disagreed in their assessments of the code and its enactment. The government continued to use the courts and law enforcement agencies for political ends during the year, refusing to release Yuliya Tymoshenko, the former prime

minister, and giving free rein to police and prosecutors as they cracked down on the Euromaidan protesters. In addition to police assaults and trumped-up criminal charges, demonstrators and activists faced abductions and torture by unidentified men who were apparently acting in concert with the authorities. *Ukraine's rating for judicial framework and independence remains at 6.00.*

Corruption. Corruption has been a core characteristic of the Ukrainian political, economic, and social systems, though the Euromaidan movement demonstrated the readiness of citizens to mount a real effort to combat the problem. The political and judicial systems are still considered the most corrupted parts of the state, and poorly regulated public procurements continued to present opportunities for large-scale graft. Observers noted the ongoing and extremely rapid enrichment of Yanukovich's close associates, known as the "Family," and his elder son Oleksandr in particular. *Ukraine's corruption rating declines from 6.00 to 6.25.*

Outlook for 2014. Ukraine is at a critical point in the development of its statehood and democracy. The year 2014 will be full of challenges due to the obvious conflict between the interests of antidemocratic forces—whether native to Ukraine or directed by Moscow—and the will of the majority of society to overturn the old system and establish transparent governance that meets European standards. Such a transformation is possible and would include, but not be limited to, restoring checks and balances, limiting presidential power, and ensuring free and fair presidential and parliamentary elections. However, the most negative potential outcomes of the crisis, including armed conflict, cannot be fully ruled out.

Regardless of the short-term political implications, which are still uncertain, the Euromaidan movement will have a lasting impact on all spheres of political, social, and economic life in Ukraine. Society's demands for reform and European integration may play a crucial role in the further consolidation of Ukrainian democracy. At the same time, because a substantial part of the society does not support the movement, reconciliation efforts will be needed to build a sustainable consensus on the goals and means of any major changes. Areas of possible agreement could include the strengthening of local self-governance, a reform of the judicial system, and measures to eliminate corruption and personal enrichment by public officials. All of this will depend on a positive resolution of the immediate political crisis and the creation of a peaceful atmosphere in which the long-term interests of the country can be freely discussed.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75	5.75	6.00

From the time he took office in 2010, President Viktor Yanukovich made continuous efforts to build an authoritarian regime on the basis of personal connections and the predominance of the executive over the legislature and judiciary. However, a lack of public support and the relative strength of opposition forces in society prevented him from achieving any lasting success. Despite the emergence of the Euromaidan protest movement late in the year, there were no changes in the cabinet in 2013, and major interest groups preserved their positions of power, competing for access to state resources and influence on the president.

Although a constitutional assembly continued its work during the year, the constitutional reform effort was essentially frozen, as there was a lack of political will on the government's side to change the existing presidential model, which allowed one person to dominate all branches of power.

The political opposition maintained a strong minority presence in the Verkhovna Rada (parliament), with *Batkivshchyna* (Fatherland), the Ukrainian Democratic Alliance for Reforms (UDAR), and *Svoboda* (Freedom) controlling a combined 40 percent of the seats. Moreover, the government took some steps to meet international and opposition demands to free members of the previous government who had been incarcerated on politically motivated charges the previous year. In April, Yanukovich pardoned former interior minister Yuriy Lutsenko and former environment minister Heorhiy Filipchuk, clearing the way for their immediate release. However, the most prominent political prisoner, former prime minister Yuliya Tymoshenko, remained behind bars at year's end, having been sentenced in 2011 to seven years in prison for "misuse of power."

For most of the year, the prospect of initialing an Association Agreement with the European Union (EU) at a 28–29 November summit served as a constructive factor that encouraged political elites to cooperate in order to achieve the criteria laid out by the EU in December 2012. The Rada successfully drafted and adopted a number of required laws, including those on elections and countering corruption. This positive trend was then shattered on 21 November, when the president unexpectedly decided—under strong Russian pressure—not to initial the EU agreement as planned.

The sudden reversal of pro-EU policies after three years provoked a feeling of betrayal in the public, leading to the largest civic protests since the Orange Revolution of 2004. The Euromaidan rallies in Kyiv—so named because of their support for European integration and their base in the city's Independence Square (Maidan Nezalezhnosti)—drew hundreds of thousands of people. The number

reportedly swelled to over half a million on 1 December, after the government tried on 30 November to disperse the protesters with brute force. The use of violence seriously undermined the administration's public legitimacy, and protesters began demanding not just the signing of the EU pact but also the resignation of Yanukovich and his entire cabinet.

Despite the massive protests, the opposition in the Rada failed to secure a majority for a no-confidence vote against the cabinet on 3 December. Only 186 of 450 lawmakers voted to dismiss the government.¹

As antigovernment rallies continued in Kyiv and other cities through the end of the year, the administration proved reluctant to conduct genuine negotiations with the protesters, relying instead on the loyalty of the police and judiciary. Hundreds of people were beaten and some arrested during police assaults on 30 November, 1 December, and 11 December, and a number of policemen suffered injuries as well. However, no policemen were punished for using excessive force.

On 29 December, a so-called Maidan People's Assembly adopted a manifesto that included a comprehensive list of objectives, including punishment for human rights abusers, adoption of a new constitution, decentralization of power, the lustration of judges, and fundamental reforms of the law enforcement system.²

Even before the protests began, Ukraine's finances were close to default, devastated by a combination of economic mismanagement and unchecked corruption. In exchange for Yanukovich's decision not to go forward with the EU agreement, the Russian government offered relief in the form of a \$15 billion loan and a discount of roughly one-third on the price Ukraine would pay for imports of Russian natural gas.³ The relevant deals were signed in Moscow on 17 December, and the first \$3 billion of the promised loan was paid that month.

According to a poll conducted by the Democratic Initiatives Foundation, the country remained politically divided at year's end, with 50 percent of respondents supporting the Euromaidan protests and 43 percent opposed. At the same time, 75 percent agreed that the movement was the most important event of the year, and large majorities supported some of the key demands of the protesters. For example, 61 percent were in favor of criminal charges against those who beat demonstrators, and 78 percent agreed on criminal proceedings against anyone involved in corruption.⁴

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75	4.00	4.00

There were no national elections in 2013. The main developments of the year were connected to legal changes prescribed by the Venice Commission, the EU, and the Organization for Security and Cooperation in Europe (OSCE) following the October 2012 parliamentary elections.

The Ministry of Justice drafted legislation that would amend the laws governing parliamentary elections, but a number of recommendations of the Venice Commission and the OSCE were not accounted for, including those that would require a constitutional amendment (particularly with respect to rules disqualifying candidates who lack Ukrainian residency or have criminal records); those that imply harmonization of electoral laws governing local, parliamentary, and presidential elections; and those that the government said would require further exploration (such as introduction of public funding of political parties).⁵ The draft legislation was nevertheless adopted by the Rada in November, incorporating many if not all relevant recommendations from the international bodies.

Also during the year, the High Administrative Court revoked the mandates of five Rada members in a series of rulings, and, although technicalities were cited in each case, political motivations were widely suspected. Two members whose elections were invalidated in February—Oleksandr Dombrovsky and Pavlo Baloha—had reportedly refused to join the ruling Party of Regions faction in the parliament. Serhiy Vlasenko of *Batkivshchyna* was stripped of his seat in March because he had served as Tymoshenko's defense lawyer. Also in March, Andriy Verevsky of the Party of Regions lost his mandate for leading a commercial entity while also serving as a lawmaker. And in September, the court removed Ihor Markov, also of the Party of Regions, for alleged electoral violations, though he had publicly clashed with the party leadership.⁶

Five other seats had been left vacant since the October 2012 elections because fraud and other irregularities made it impossible to determine a winner. Legislation passed in September 2013 cleared the way for special elections, and fresh voting for these mandates was held on 15 December. However, the elections demonstrated many of the same shortcomings that were detected the previous year, namely the misuse of administrative resources, unequal access to media, and vote buying. The last problem was allegedly even more extensive than before. In some cases, major gaps were noted between exit polls and the official results, adding to serious doubts about the fairness of the elections.⁷ Opposition forces ultimately captured only one of the five seats.

The ruling party prevented the Rada from setting dates for overdue municipal elections in Kyiv and six other major cities during the year.⁸ The mandate of the incumbent Kyiv city council expired in the spring, and the capital had been without an elected mayor since July 2012. In May, the Constitutional Court approved the postponement of Kyiv's elections until October 2015.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.50

Nongovernmental organizations (NGOs) continued to operate in a relatively free environment in 2013, representing a wide spectrum of interests. Civil society played

a crucial role in defending democratic values and practices in Ukraine, particularly toward the end of the year, when the emergence of the Euromaidan movement generated unprecedented levels of civic self-organization and mass mobilization around issues of common concern.

Substantial progress has been achieved with regard to providing a legal framework for nonprofit activity. The new Law on Civic Associations, which took effect on 1 January 2013, created greater space for NGOs to operate by removing some administrative barriers. Among the major reforms were a simplified registration process and rules allowing organizations and companies to establish NGOs. Problematic restrictions that existed in the old framework were also eliminated, including those limiting where organizations could physically operate or conduct activities within Ukraine, banning advocacy on behalf of individuals or groups that are not members of the organization, and prohibiting commercial activity to raise funds. By allowing NGOs to conduct nonprofit commercial activity aimed at their legitimate goals, the new law could help diversify such groups' sources of income and strengthen their financial sustainability.

The government has formal mechanisms for consultation with civil society on draft legislation and other matters, including civic councils operating at different levels of government. However, the voices of civil society actors were ignored on many occasions in 2013 when politically sensitive issues were concerned. The unclear procedure for the election of civic council members caused competition between NGOs with different political bents. In late December, responding to the massive protests, the government prepared a draft law that would severely restrict organizations with funding from international sources, branding all such NGOs as "foreign agents" in an imitation of similar Russian legislation. The bill had not yet passed at year's end.

The Euromaidan protests became a source for the recruitment of a new generation of civic activists, and a number of groups addressed the crowd from the stage in central Kyiv. Low confidence in political parties gave NGOs additional responsibilities, and they attempted to focus on the goal of institutional transformation rather than a simple change of government. There were various civic networks operating at the maidan, including "Civic Sector of Maidan," "Maidan Civic Council," and "All-Ukrainian Forum of Euromaidans," providing the means for an array of individual groups and interests to coordinate their activities. In order to improve communication between political and civic actors involved in the protests, the All-Ukrainian Association "Maidan" was established in December.

The Euromaidan movement represented not just a substantial and consistent protest action but a truly bottom-up process of mass self-organization and horizontal civic networking. Such a process had been lacking in Ukraine since its independence, and it will affect the country's future for years to come, even if the direct political results of Euromaidan are still uncertain.

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.75	3.75	3.75	3.50	3.50	3.50	3.75	4.00	4.00	4.25

Ukraine has a diverse and competitive media market, and the constitution and legal framework generally provide for media freedom. However, respect for these fairly progressive laws has diminished in recent years. The overall situation for media freedom deteriorated further in 2013.

The country's politicized state media remained unreformed and continued to serve the interests of senior politicians and the state bureaucracy. The private media sector, while pluralistic at the national level, has faced increasing political pressure. Biased coverage in favor of the government continued at some television channels in 2013, and self-censorship was a visible phenomenon.

In June, it was announced that the Ukrainian Media Holding (UMH) group had been sold for an estimated \$340 million to East European Fuel and Energy Company, or VETEK, owned by 28-year-old Serhiy Kurchenko, who belongs to the inner circle of associates of President Yanukovych and his son Oleksandr, known collectively as the "Family."⁹ UMH owns some 50 broadcast, print, and online brands, including the well-known publications *Forbes Ukraine* and *Korrespondent*. A large group of journalists, including *Korrespondent* chief editor Vitaliy Sych, resigned from the company over the subsequent months.¹⁰ The new management had allegedly instructed them not to pursue critical stories about lawmakers from the ruling Party of Regions or investigate corruption in the executive branch.¹¹

Journalists also left the formerly independent television channel TVi after a highly opaque hostile takeover in April. The station had already been weakened by an allegedly politicized tax investigation in 2012 and pressure on cable companies to drop it from their packages. After the change of ownership, the channel reportedly began to reappear on many cable networks.

Internet-based media continue to expand rapidly. More than 35 percent of households have regular internet access, and about 40 percent of the adult population are regular internet users, though in the larger cities this indicator exceeds 65 percent.¹² At the same time, cybercrimes are also proliferating, and a number of fake websites have appeared to mislead readers. For instance, the most popular online news outlet, *Ukrayinska Pravda* (Ukrainian Truth), has two clone sites dedicated to discrediting independent journalists, civic activists, and opposition politicians. In October 2013, Oksana Romanyuk, director of the Institute of Mass Information media watchdog, was targeted in a cyberattack that stole the contents of her home computer and posted them online. A link to the material was published on one of the *Ukrayinska Pravda* shadow sites, called *Ukrayinska Kryvda* (Ukrainian Lies). Experts blamed the government for such attacks, noting that infected e-mail used to hack the target computers often bore the domain name of the Interior Ministry.¹³

The political crisis and protests of November and December had a variety of effects on the Ukrainian media landscape. Some television channels seemed to improve their standards, providing comparatively fair coverage of the

demonstrations, and new internet-based broadcasters like Hromadske TV and Spilno TV became key sources of information about the Euromaidan movement and related developments. However, the crisis also led to increasingly biased coverage on progovernment stations and a dramatic rise in physical attacks against journalists. At least 51 journalists were reportedly attacked on the weekend of 30 November while covering protests in Kyiv and other cities.¹⁴ The assailants included police and unidentified thugs. However, the most prominent incident occurred away from the protests on 25 December, when a group of attackers drove well-known investigative journalist and activist Tetyana Chornovol off the road, dragged her from her vehicle, and brutally beat her.¹⁵

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50	5.50	5.50

Ukraine has four tiers of subnational administrative divisions: the Autonomous Republic of Crimea and oblasts (regions), including two cities with oblast status, Kyiv and Sevastopol; raions (districts) and cities with raion status; cities; and villages and townships. Each raion is divided into a number of village councils. Ukraine has 24 oblasts (plus Crimea), 490 raions, 118 city raions, 459 cities, 1,344 townships, and 29,787 rural populated localities.

Local governance is regulated by Section XI of the constitution and a number of specific laws, including the 1997 Law on Local Self-Government and the 1999 Law on Local State Administrations.¹⁶ The laws have been amended many times since their original adoption, but they still mostly reflect and operate on principles inherited from Soviet times—namely, strong centralization, lack of local autonomy, and a disproportional distribution of the state budget.

Over the past 17 years, the authorities have repeatedly attempted to implement a package of legislation on local governance reform. However, each attempt failed to reach completion, and every successive government started the process anew. There were no new attempts of this kind during 2013.

The key problems hindering the development of local self-government remained unchanged: an excessive centralization of power at the national level; excessive fragmentation of lower-level administrative units; assumption of the powers of local self-governance bodies by the administrations appointed by the president and cabinet; vagueness of the criteria and procedures for establishing various territorial units; absence of an adequate financial basis for local government budgets; unfair and inefficient accumulation of funds by the central government; and poor staffing of local self-government bodies.

There were local elections in about 400 jurisdictions during the first half of 2013, and the ruling Party of Regions won the majority of the contests.¹⁷ There was no election in 2013 to fill the mayor's post in Kyiv, which had been vacant since the incumbent resigned in June 2012. Moreover, the city council's term expired in

the spring of 2013, and the Constitutional Court ruled in May that voting for both the mayor and the council could be postponed until October 2015. In December, the maidan protesters occupied the city council building. Oleksandr Popov, the presidentially appointed head of the Kyiv city administration, was suspended on 14 December as a result of his role in the beating of protesters by police on 30 November and 1 December. Though the suspension was welcomed by the opposition, Popov was widely seen as a scapegoat rather than the principal organizer of the police abuses. At year's end, the capital had only acting executive officials.

In October, the Council of Europe's Congress of Local and Regional Authorities adopted a report on the state of local and regional democracy in Ukraine.¹⁸ The document noted that several cities had lacked mayors for long periods of time and that the financial autonomy of local authorities was limited. It also observed that the Ukrainian government had failed to act on pledges to reform the system and clarify the division of responsibilities between national and local entities. The report recommended legislative changes that would remove restrictions on the powers of local authorities, as well as prompt elections to fill vacancies in local governments.

The Euromaidan movement could have an impact on the future development of local self-governance. Many residents and some officials in the regions, particularly in western Ukraine, organized their own local protests and civic networks, emphasizing their differences with the central authorities. Allies of the Yanukovich administration also attempted, with less immediate success, to mobilize supporters in other regions in the south and east. Decentralization became one of the long-term political demands of the Euromaidan protesters and was written into the manifesto adopted on December 29: "Decentralization of power, giving real power to local governments, including the creation of their full executive powers, limiting the powers of the president and the authority of appointed local governors to only administrative functions, providing conditions for the development of local communities through the decentralization of public finances."¹⁹

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00	6.00	6.00

Apart from the implementation of a new criminal procedure code that had come into force in late 2012, most of the developments in the judicial sphere in 2013 were negative, reflecting the courts' dependence on and misuse by the executive branch.

The reforms contained in the new criminal procedure code included equalization of the rights of the defense and the prosecution; introduction of the principle of adversarial argument; an end to the exclusive right of investigators and prosecutors to produce evidence; a requirement that the defense be conducted only by lawyers, whereas previous rules allowed the defendant to be represented by relatives; a ban on pretrial detention in cases that do not involve grave or extremely grave crimes; and a ban on detention in the investigatory isolation ward for commercial crimes.

International organizations praised the code and encouraged the authorities to fully implement it.²⁰ Some respected Ukrainian NGOs also positively assessed the impact of the code's implementation on the judicial system.²¹ However, others argued that it had been drafted without proper input from Ukrainian specialists or the opposition, that it was adopted in violation of normal legislative procedures, and that some provisions may be contrary to the constitution, existing legislation, and international conventions ratified by Ukraine.²²

Long-awaited judicial reforms that would guarantee the independence and professionalism of judges were not undertaken in 2013. The membership of the High Council of Justice still does not meet international standards, and the independence of the High Qualification Commission of Judges also remains insufficient.

Former prime minister Tymoshenko continued to serve her 2011 sentence, and there were no new court decisions on the additional allegations that had been lodged against her. In April, the European Court of Human Rights (ECHR) ruled that Tymoshenko's pretrial detention was arbitrary and unlawful, though the judges rejected claims that she had been beaten or denied proper medical treatment. The ECHR was still considering a separate case focused on Tymoshenko's actual conviction and sentence. Also in April, the pardon of former interior minister Lutsenko and former environment minister Filipchuk was welcomed by the opposition, international observers, and much of the public,²³ but it was nevertheless a political decision by the executive rather than an internal correction by the judicial system.

Ukrainians continued to widely distrust the country's law enforcement bodies, according to opinion surveys. The judiciary, prosecutors' offices, and police agencies were considered to be among the most corrupt spheres of public life. One poll found that 59.8 percent of respondents do not support the work of the courts in Ukraine.²⁴

The judiciary and law enforcement agencies were used to suppress the Euromaidan movement in late 2013. Riot police and other internal security forces carried out brutal beatings of protesters, the courts jailed activists on trumped-up charges, and a number of government opponents faced abduction and torture by unidentified assailants who seemed either to belong to or be working in league with state entities. Such abuses highlighted the need for a thorough overhaul of the country's justice system.

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00	6.00	6.25

According to the prosecutor general's office, civil servants are the most corrupt group in Ukraine, followed by police officers, the military, and tax officials.²⁵ Similarly, Transparency International's 2013 Global Corruption Barometer found that 82 percent of respondents in Ukraine believed public officials and civil servants

to be corrupt or extremely corrupt. Some 84 percent said the same of police, 87 percent did so regarding the judiciary, and 74 percent deemed political parties to be corrupt or extremely corrupt.²⁶ Another poll released in August found that 18.9 percent of Ukrainians had paid a bribe over the past year.²⁷ President Yanukovich himself stated in February that corruption was costing the state budget 20 billion hryven (\$2.4 billion) annually.²⁸

Corruption continues to hamper economic development in the country. According to a study by Ernst & Young released in May, 85 percent of Ukrainian executives reported that it was impossible to do business in the country without paying bribes.²⁹ In March, the same company found that corruption was considered by foreign businessmen to be the biggest problem for Ukraine's investment climate.³⁰

In March, the latest report of the Group of States against Corruption (GRECO) indicated that Ukraine had fully implemented only 2 of the 13 recommendations for tackling corruption that were still outstanding as of 2012, having originally been issued in 2007.³¹ GRECO noted some positive steps but encouraged the Ukrainian authorities to fulfill the rest of recommendations, including the creation of an independent and effective anticorruption body, ensuring the protection of whistle-blowers and the political independence of prosecutors, and reforming public procurement laws to comply with European standards of transparency and accountability.

Procurement legislation adopted in 2012 had carved out extensive exceptions to the underlying law's transparency and competition requirements, exempting all procurements by public, municipal, and state-owned enterprises as well as private business entities in which the state interest exceeds 50 percent. Experts predicted that the new rules would effectively exclude 80 percent of all state procurements from the law's regulations. Consequently, in the first half of 2013, public data was provided on only about 131.94 billion hryven (\$16.1 billion) in public tenders, compared with 307.75 billion hryven (\$37.6 billion) in transactions that were disclosed during the same period in 2012.³²

In May 2013, the Rada rejected anticorruption legislation proposed by the opposition, but it did pass a bill that expanded income-disclosure rules to a wider circle of officials' relatives and to lower-ranking officials. Related legal changes introduced criminal liability for corporations whose employees pay bribes and enabled asset seizures in corruption cases.

As in previous years, any positive changes in the legal framework were undermined by an apparent lack of political will to combat corruption, and overshadowed by evidence of illicit enrichment among the president's closest associates. In April 2012, Yanukovich's son Oleksandr was already on *Forbes Ukraine's* list of the 100 richest Ukrainians, with an estimated fortune of \$99 million.³³ A year later, his assets had reportedly jumped to \$187 million. And by November 2013, his net worth was estimated at \$510 million, having nearly tripled in the intervening months.³⁴

Dissatisfaction with the high level of elite corruption was among the core grievances that brought people to the streets to participate in the Euromaidan

movement. European integration and its attendant reform requirements were seen as a means to fight this feature of the Ukrainian state and society, and the government's decision to back away from the EU Association Agreement amounted to a rejection of this reform path. The Euromaidan movement can be interpreted as a signal that Ukrainians are finally ready to take the necessary steps to defeat corruption and cleanse the governing system, though it will be a long and difficult undertaking.

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Uzbekistan

by Sarah Kendzior

Capital: Tashkent
Population: 29.8 million
GNI/capita, PPP: US\$5,340

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electoral Process	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Civil Society	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Independent Media	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
National Democratic Governance	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Local Democratic Governance	6.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Judicial Framework and Independence	6.25	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00
Corruption	6.00	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75
Democracy Score	6.43	6.82	6.82	6.86	6.89	6.93	6.93	6.93	6.93	6.93

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 1991, Uzbekistan has been ruled by Islam Karimov, a communist apparatchik turned nationalist dictator who has retained the most pernicious aspects of Soviet rule. Karimov was appointed first secretary of the Communist Party of the Soviet Socialist Republic of Uzbekistan in 1989 and maintained his hold on the country during the Soviet transition period. Obsessed with threats to his power, Karimov employs a massive security apparatus to monitor the activities of real and perceived opponents and to scan the Uzbek population for signs of dissent. His regime has banned opposition groups, persecuted civil society activists, and nearly eradicated independent media. Citizens are arrested on arbitrary charges, denied due process, and tortured during interrogation and in prison. Since the events in Andijon in May 2005, when government forces opened fire on a crowd of protesters, including women and children, Uzbekistan's regime has become increasingly insular, opposing foreign efforts to monitor or intervene in domestic political affairs and rejecting cooperation with international organizations.

In 2013, Uzbekistan was subject to international condemnation that did little to curb repressive policies. Forced labor, child labor, and human trafficking continued, despite monitoring efforts from international groups. Uzbekistan cooperated with other authoritarian former Soviet republics in the extradition of refugees, who face torture and prison at home. Corruption remained pervasive while fallout from the 2012 international money-laundering and bribery scandals hurt the finances and reputation of the presidential family.

National Democratic Governance. The Karimov regime offers citizens no opportunities to meaningfully participate in the country's political system. Pervasive surveillance and intimidation by the state's security apparatus persisted in 2013. Unemployment remained high, prompting millions of citizens to work abroad as migrant laborers, which the government mocked and condemned. Clashes over resources and territory soured relations between Uzbekistan and neighboring states. *Uzbekistan's rating for national democratic governance remains unchanged at 7.00.*

Electoral Process. Elections in Uzbekistan are preordained affairs, orchestrated to maintain the power of Karimov's allies. All opposition parties are denied registration. Despite the existence of a constitutional term limit, Karimov has been in office for more than 20 years. In 2013, rumors of a presidential successor swirled as foreign media reported plots against first daughter Gulnara Karimova from members of the Karimov administration. *Uzbekistan's rating for electoral process remains unchanged at 7.00.*

Civil Society. Human rights activists, Karimov critics, and devout Muslims continued to be the targets of brutal attacks, bogus legal charges, and other punitive measures. State agents harassed dissidents and their family members, including relatives of dissidents living abroad, as exemplified in the arrest of the Uzbekistan-based father of the leader of the U.S.-based Birdamlik People's Movement. Surveillance and intimidation by the national security services is rampant. In 2013, several elderly dissidents were arrested on what appear to be fabricated charges, with rape accusations used to justify unlawful detention. *Uzbekistan's rating for civil society remains unchanged at 7.00.*

Independent Media. The Karimov regime has all but eradicated free media in Uzbekistan. The few independent journalists who remain are subjected to harassment and detention. As most of the country's independent journalists have fled the country, foreign-based Uzbek websites and their contributors are now the primary targets of government censorship. The regime continued to restrict access to both domestic and foreign websites, issuing new censorship directives, attacking proxy servers, and blocking several popular news sources. They also cracked down on popular music deemed insufficiently loyal to national objectives and stripped musicians of their performing licenses. *Uzbekistan's rating for independent media remains unchanged at 7.00.*

Local Democratic Governance. Most local and regional officials are chosen by the state, without input from Uzbek citizens. *Mahallas*, or neighborhood councils, serve as the eyes and ears of the central government, reporting suspicious activities to higher authorities and working to preempt manifestations of antigovernment sentiment. In line with regime directives, local authorities continued to abuse their power by forcing citizens to work in cotton fields, at the expense of educational and professional activities.

Although the Uzbek government allowed an international labor group to monitor harvest conditions, state officials directed citizens to lie to investigators about forced and child labor. *Uzbekistan's rating for local democratic governance remains unchanged at 6.75.*

Judicial Framework and Independence. The Karimov regime maintains strict control over the judicial system, routinely violating citizens' fundamental legal rights. Citizens are arrested on arbitrary charges, denied due process, given lengthy prison terms, and even tortured. Uzbekistan cooperated with Russia and other authoritarian states on the extradition of refugees and other targeted citizens. In 2013, the International Committee of the Red Cross halted prison visits due to the "unconstructive attitude" of Uzbek officials. *Uzbekistan's rating for judicial framework and independence remains unchanged at 7.00.*

Corruption. In 2013, a series of telecom industry money-laundering and bribery scandals in Europe were linked to President Karimov's daughter, Gulnara Karimova,

resulting in friction within the ruling family. Hundreds of millions of dollars in accounts belonging to Karimov family associates were frozen. In June, the US State Department dropped Uzbekistan from Tier 2 to Tier 3 on its annual Trafficking in Persons report, citing forced labor, child labor, sex trafficking, bribery, and the arrest of forced sex laborers as prostitutes. *Uzbekistan's corruption rating remains unchanged at 6.75.*

Outlook for 2014. Survival, not politics, is likely to remain Uzbeks' primary concern in 2013. Corruption is endemic, and the national security services wield enormous power over Uzbekistan's civil affairs. Though Uzbek government officials pay lip service to international monitoring efforts, it is unlikely they will reform their forced labor practices in a significant way. Migrant labor will increase and the status of migrants will continue to be a contentious issue for Uzbeks in Uzbekistan and abroad. Despite rumors that Karimov is preparing a successor, there is no proof that the president intends to leave office at or before his next opportunity for reelection in 2015. Moreover, there is no reason to believe that a hand-picked successor would adopt a more humane approach to governing.

MAIN REPORT

National Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Meeting with local farmers and officials in Uzbekistan’s Jizzakh and Sirdaryo regions in June 2013, President Islam Karimov proclaimed that Uzbekistan’s “lazy” people had mostly left the country. “I describe as lazy,” the president explained, “those who go to Moscow and sweep its streets and squares. One feels disgusted with Uzbeks going there for a slice of bread.” He added that Uzbekistan was free of beggars because “people’s dignity does not allow them to do that.”¹

The statement, which was broadcast on national television, elicited outrage from the only Uzbek citizens who could safely express it—namely, those living outside of the country, including in Moscow, where migrant laborers remit earnings that constitute 16.3 percent of Uzbekistan’s economy.² By lashing out at migrant workers—whose number is estimated at three to five million—Uzbekistan’s leader of more than two decades demonstrated one of the many ways in which his administration is oblivious (or impervious) to the hardships faced by its citizens.³ Earlier in the year, Karimov called those who could not find jobs in Uzbekistan’s economy a “shame on the nation.”⁴

Mass outmigration challenges the carefully crafted fiction—bolstered by gross domestic product growth in 2011 and 2012—that Uzbekistan’s economy is thriving. In reality, poverty is widespread in the country, and the World Bank estimates that 20 to 30 percent of the population is unemployed.⁵ Heritage Foundation data puts inflation at 12.8 percent for 2013.⁶ In January, the government also banned the sale of foreign banknotes to citizens, causing the value of Uzbekistan’s national currency to drop dramatically on the country’s black market.⁷

Within Uzbekistan, criticism of government policies, economic and otherwise, is dangerous. In violation of the constitution, which guarantees freedoms of speech, media, and religion, the Karimov regime uses legal and extralegal mechanisms to deny citizens any participation in political life. Throughout 2013, Uzbeks experienced tight restrictions on civic engagement and personal expression, while the National Security Service (SNB), a massive surveillance force responsible for curtailing perceived threats to the regime, monitored and harassed citizens.

Only four political parties, all progovernment, are currently registered in the country. Unregistered opposition groups function primarily in exile. In 2011, the parliament gained the right to nominate the prime minister, who must then be approved by the president. The chairman of the senate was also named the president’s successor in case of death or incapacitation. These two reforms have served to minimize the power of the prime minister and strengthen the role of

parliament. Analysts view the changes as either window-dressing or moves by Karimov to manipulate rival elites.

Vigilant against challenges to Uzbekistan's internal stability, the Karimov regime is equally convinced that the country's sovereignty is in danger from abroad. Throughout 2013, the Uzbek government engaged in contentious negotiations with neighboring states over resources and territory. The year opened with clashes in Sokh, an island of territory controlled by Uzbekistan, entirely surrounded by Kyrgyzstan's Barken province, and populated mainly by ethnic Tajiks. Residents of Sokh seized roughly 30 residents of a Kyrgyz village after an alleged conflict with Kyrgyz border guards. Though the hostages were freed within days, tensions in the region remained high.⁸ Border checkpoints were closed, making it impossible for residents to obtain food and gasoline until they reopened two weeks later. Talks between Uzbek and Kyrgyz state officials in March led to no firm resolution.⁹ Relations with Tajikistan were also strained after Uzbekistan banned the road transportation of liquefied natural gas, cutting off Tajikistan's gas supply at the height of winter.¹⁰

High-level visits between U.S., European, and Uzbek officials continued throughout 2013, even after neighboring Kyrgyzstan decided not to renew the U.S.'s lease of the Manas military airbase, reducing America's presence in the region.¹¹ Uzbekistan continued to cooperate with Russia on security issues—in particular, the extradition of migrants and refugees—but maintained a fiercely independent, isolationist public profile.

Electoral Process

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Since Uzbekistan gained independence in late 1991, no elections held there have been judged free or fair by the Organization for Security and Cooperation in Europe (OSCE). The OSCE's Office for Democratic Institutions and Human Rights (ODIHR) declined to send a full election monitoring team to the last parliamentary elections in 2009 because the system in Uzbekistan does not meet minimal standards for democratic elections by "offer[ing] the electorate a genuine choice."¹²

Popular elections are only held for the office of the president and the lower house of parliament (*Oliy Majlis*). Only four registered parties—the Democratic Party of Uzbekistan, the Adolat (Justice) Social Democratic Party, the Liberal Democratic Party, and Milliy Tiklanish (National Revival)—are allowed to nominate candidates and participate in elections. In the last presidential election, in 2007, all four parties proclaimed their loyalty to President Karimov. No opposition parties are allowed to register, and there is no way for an independent candidate or a candidate from a civic group to run. The next presidential election is set to be held in 2015.

Though Uzbekistan's constitution states that the same person cannot be president for more than two consecutive terms, Karimov has served three since 1992.¹³ In 1995 and 2002, national referendums extended his term and postponed

elections. In 2002, the parliament passed a law lengthening the presidential term from five to seven years. Karimov's supporters argued that the change nullified his previous terms and justified his stay in power. In December 2011, the parliament cut the presidential term back to five years, a move that potentially creates a new loophole for his next reelection. The state press praised the shortening of term length as emblematic of Karimov's tradition of democratic reform.¹⁴

In 2013, unsubstantiated rumors spread online that 75-year-old Karimov was in poor health, and choosing a successor. Rumored candidates included first deputy prime minister Rustam Azimov; the chairman of Uzbekistan's National Security Service, Rustam Inoyatov; Prime Minister Shavkat Mirziyayev; and Karimov's billionaire daughter, Gulnara Karimova, who works as a fashion designer, philanthropist, and aspiring pop star.¹⁵

Karimova, who returned to Uzbekistan in 2013 after being investigated for money laundering in Switzerland, France, and Sweden,¹⁶ appears more eager for contact with the outside world than her father. Her use of Twitter to engage followers and spar with Western critics was initially viewed as a state-sanctioned effort to boost her popularity. But by year's end, few considered Karimova a likely candidate to replace Karimov, who is rumored to view his daughter's financial scandals abroad as a vulnerability.¹⁷ In September, Karimova's younger sister, Lola, told BBC Uzbek that Gulnara would never succeed their father and emphasized their estrangement.¹⁸ Karimova responded by saying that her sister "practiced witchcraft"¹⁹ and by comparing her plight to that of the doomed sons of Joseph Stalin.²⁰ She later accused other officials in the administration of trying to poison her.²¹

Though Karimova's proclamations shed some light on Uzbekistan's dynastic politics, the electoral process itself remained unchanged: a matter of elite machinations divorced from civic engagement and removed from public view.

Civil Society

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Backed by a formidable Interior Ministry and security forces, Karimov has eliminated nearly all civil society groups that do not embrace state policies. Criticism of local officials, judges, and law enforcement representatives is rarely permitted. A few small independent rights organizations remain in Uzbekistan, including Ezgulik (Virtue), the Human Rights Society of Uzbekistan (HRSU), the Expert Working Group (composed of members of Ezgulik and the HRSU), and the Initiative Group of Independent Rights Defenders of Uzbekistan. Other organizations, like the Birdamlik (Solidarity) People's Movement and Sunshine Uzbekistan, are run primarily by Uzbek exiles abroad but have members in Uzbekistan, all of whom face constant harassment by state officials.

One of the SNB's most common tactics of intimidation has been to punish the family members and friends of dissidents in the hopes of curtailing their activity. In

2013, this tactic was applied to Uzbeks living outside the country. The most prominent example was the detention of Hasan Choriyev, the 71-year-old father of Birdamlik leader Bahodir Choriyev.²² In June, the elder Choriyev was taken away by police in his hometown of Shahrisabz to an undisclosed location.²³ He was later charged with raping a 19-year-old woman, despite the fact that the ailing Choriyev, who has had his prostate removed, is physically incapable of forced sexual intercourse.²⁴ (Rape accusations are a common pretext for detention in Uzbekistan. In August, another activist, Fakhridin Tillaev, was accused of rape and then beaten by a crowd; Tillaev denied the allegation and was never charged.²⁵)

A few weeks before his father's arrest, Bahodir Choriyev had announced his ambition to run for president on a popular diaspora website.²⁶ The Choriyev family believes that this declaration, as well as their near-decade of political activity, prompted their father's arrest. Seven of the ten Choriyev siblings live in St. Louis, Missouri, where they operate a trucking business. One told *Al Jazeera English* that the arrest would not deter Birdamlik's political aims: "We love our father. But we're not changing our fight. Because there are thousands of people like him, thousands of people in jail for no reason."²⁷ On 28 June, the brothers covered their semi-trucks in Birdamlik banners and drove to Washington, D.C. for a protest against the Karimov regime.²⁸ The demonstration shut down Massachusetts Avenue.

On 3 July, Birdamlik activists in Uzbekistan went to the prosecutor's office to protest Hasan Choriyev's detention. As soon as they arrived, they were beaten by a group of about 20 people and each charged a \$2,200 fine for holding an unsanctioned demonstration.²⁹ In August, Hasan Choriyev was sentenced to five and a half years in prison.³⁰

The arrest of Choriyev is part of a broader strategy to curtail Uzbek dissident activity abroad. It follows attacks on Uzbek exiles allegedly orchestrated by the Uzbek government and carried out by agents of the SNB, including the shooting of outspoken imam Obidxon Qori Nazarov in Sweden in 2012, the murder of imam and People's Movement of Uzbekistan activist Fuad Rustamkhojaev in Russia in 2011, and the murder of the ethnic Uzbek journalist Alisher Saipov in his native country of Kyrgyzstan in 2007.³¹

Other politically active Uzbek exiles faced difficulty abroad. In June, former British embassy official Kayum Ortikov revealed that he had been tortured by Uzbek authorities after being accused of being a spy.³² The Ortikov family, living as refugees in Ukraine, asked for asylum in Britain, but their requests were ignored.³³ At the end of the year, the Ortikovs were given asylum in the United States.³⁴

Activists aiding Uzbeks with their struggle were also threatened. In January, Vitalii Ponomarev, the lead Central Asia expert with Memorial Human Rights Center in Moscow, received three threatening emails all stemming from an IP address in Tashkent. Ponomarev believes they were from the SNB. The anonymous authors threatened to kill Ponomarev, or Ponomarev and his family, if he continued to go to southern Kyrgyzstan. Ponomarev had previously documented the 2010 ethnic violence in southern Kyrgyzstan as well as SNB activity in Russia.³⁵

In 2013, the Uzbek government continued to pay lip service to improving civil society. In January, in a self-declared “act of humanism” commemorating the country’s 20th anniversary, the government amnestied 840 inmates, with no political prisoners among them.³⁶ In April, they released activist Mamadali Mahmudov, imprisoned since 1999, a week before U.S. Assistant Secretary of State for South and Central Asian Affairs Robert Blake visited Tashkent. Since his release, Mahmudov, 72, has remained silent on political matters in Uzbekistan.

Many dissidents arrested in Uzbekistan in 2013 were among the older generation who were active in the late Soviet transition period when Karimov took power. In August, 75-year-old activist Turaboi Juraboev was sentenced to five years in prison for extortion,³⁷ and in September, Bobomurod Razzakov, the 61-year-old leader of the Ezgulik movement, was sentenced to four years for involvement in human trafficking.³⁸ Both Juraboev and Razzakov were outspoken critics of the Karimov regime and had condemned its use of forced labor in the cotton industry.³⁹

Independent Media

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.75	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Uzbekistan’s national and local media outlets parrot state rhetoric, while independent media have been almost eradicated through decades of government intimidation and censorship. The 2005 Andijon events marked a turning point for Uzbek media, as state authorities sought to control coverage of the violence and its aftermath by expelling foreign journalists from Uzbekistan; most are still denied entry today. The majority of independent Uzbek journalists have fled the country, and many now run websites that report on and critique state politics. As a result, foreign-based independent Uzbek websites and their contributors are now the primary focus of government censorship efforts. The few remaining independent journalists in Uzbekistan are routinely harassed and imprisoned on charges ranging from defamation to extortion, forgery to smuggling.

Compared to previous years, fewer journalists were arrested in Uzbekistan in 2013. There are few independent journalists left to arrest. In July, the Tashkent-based website *Uzmetonom* briefly shut down after a military prosecutor threatened the site’s owner for covering a shooting on the Uzbek-Kyrgyz border.⁴⁰ The website, known for conspiratorial and controversial reports on Uzbekistan’s political affairs, reopened a few days later. In September, journalist Sergei Naumov was arrested after going missing and sentenced to 12 days in jail for assaulting a woman. Naumov, a well-known critic of forced labor in the cotton fields, denies the charges and says they are politically motivated.⁴¹

In June, the Uzbek government moved to develop a bylaw to regulate bloggers, deeming them equivalent to mainstream media and requiring citizens get a license to blog.⁴² Political blogging is rare in Uzbekistan since most citizens self-censor

online. The bylaw, if passed, would make what is already tacitly forbidden fully illegal and would prevent critics from writing under pseudonyms.⁴³

Throughout 2013, Uzbekistan continued to block access to foreign websites covering politics in Central Asia, including RFE/RL, Uznews.net, Ferghana.ru, and Registan.net. Authorities also cracked down on the proxy servers many Uzbeks use to access prohibited websites. In October, Ferghana.ru reported that some websites had become temporarily unblocked, but they were blocked again days later.⁴⁴ While blocking foreign websites, the government also developed websites that covered topics like religion and politics, such as Olam.uz, Mezon.uz, Ladoshki.uz, and Islom.uz. State-sanctioned religious figures are sometimes given slightly more leeway to comment on current affairs so long as they do not directly criticize the Uzbek government.⁴⁵

In 2013, the government cracked down on pop culture both in Uzbekistan and beyond. In June, the Uzbekistan's Culture and Sports Ministry announced a ban on "meaningless" songs that fail to "praise the motherland."⁴⁶ They singled out the pop groups Mango and Ummon and singers Dilfuza Rahimova, Otabek Mutalhojaev, and Dilshod Rakhmonov for being "meaningless from musical and lyrical standpoints" and stripped them of the licenses that had allowed them to perform in public.⁴⁷ Other pop stars were given a deadline of 1 July to reform. In October, Jasur Umerov, a popular Uzbek singer, was stripped of his performing license after he failed to take part in mandatory cotton harvesting.⁴⁸ Foreign pop culture was also decried: in April, Uzbek cultural officials declared the popular "Harlem Shake" dance a "vortex full of meaninglessness and shamelessness."⁴⁹

Local Democratic Governance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75

In Uzbekistan, the state appoints key local officials based on their loyalty and ability to fulfill demands from Tashkent. Provincial governors are usually rotated every few years, apparently in order to prevent any single official from gaining significant power. *Mahallas*, or neighborhood councils, the most localized level of governance, are expected to report suspicious activities to higher authorities in order to eliminate antigovernment sentiment. Local officials also continue to follow national directives that force Uzbek citizens, including children, to work in the country's cotton fields.

The use of forced and child labor in Uzbekistan's cotton industry has long been the target of domestic and international human rights campaigns. Local officials in Uzbekistan are tasked with ensuring that enough residents work in cotton fields to meet government-set production targets. Children and teenagers are forced to pick cotton and are told it is their patriotic duty.

Following years of international criticism, in 2013 the Uzbek government approved the International Labor Organization (ILO) to deploy teams to

Uzbekistan to monitor the harvest.⁵⁰ In preparation for the monitoring, the Uzbek government allegedly ordered citizens to hide the conditions of the harvest from the organization. “My brother told me that all students were ordered to write a statement that they have never picked cotton in their life—even their elder siblings have never been forced to pick cotton—and that only during the Soviet era had some of their relatives taken part in the cotton harvest,” one source wrote in a message to Radio Free Europe’s Uzbek-language Ozodlik service.⁵¹

Ozodlik played an instrumental role in bringing evidence of cotton field conditions to the public. Uzbeks used cell phones to send testimonials, documents, and photos, which the service posted online.⁵² One student identifying as Shokhrukh, using the WhatsApp mobile-messaging application, wrote that students were given instructions on how to answer ILO questions: “We have to say we are picking cotton completely voluntarily to help our government, to relentlessly work to help improve our country’s economy.”⁵³

Despite the presence of ILO monitors, the cotton harvest continued to structure the lives of ordinary Uzbeks in the same detrimental ways it had in the past. Hospitals were short-staffed as doctors, nurses, and surgeons were sent into the fields to pick cotton.⁵⁴ Parents in Jizzakh were told by local officials that the social service benefits for their children were being withheld to pay for their “place” in the cotton field. They were also told they could pay \$55 to avoid the harvest.⁵⁵ Parents of college students in Angren were told that if their teenagers did not pick cotton they would not be allowed to matriculate.⁵⁶

By September, several Uzbek citizens had died in the harvest, including a six-year-old who suffocated under a cotton load in a trailer, multiple stabbing victims in the mandatory cotton-picking site in Qashqadaryo province, and one victim of electrocution.⁵⁷ There were also two suicides in the fields. On 17 October, a 38-year-old cotton farmer committed suicide on his own field after Uzbek officials berated him for not meeting his quota, telling him, “You would be better off hanging yourself.”⁵⁸ On 22 September, a female college student committed suicide in a cotton field in Karakalpakstan after being insulted by teachers monitoring the harvesting process.⁵⁹

Uzbekistan’s national cotton industry continues to exploit local officials’ fears of disobeying state laws and citizens’ fears of government punishment. There is little indication that the industry will be reformed in the foreseeable future.

Judicial Framework and Independence

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.25	6.75	6.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00

Uzbekistan’s judiciary functions as a tool of the executive branch, serving the president’s interests. Judges are appointed, which compromises their independence. The presumption of innocence and right to an attorney are guaranteed by Uzbekistan’s

constitution but routinely overlooked in detention facilities and courtrooms. While the right to appeal exists, lower court rulings are rarely overturned by higher courts; at best, the appeals process provides an opportunity to reduce one's sentence.

The judicial framework within Uzbekistan remained unchanged in 2013, but extradition and cross-border violence played a greater role. In February, Shukhrat Musin, an Andijon refugee whose return the Uzbek government had demanded, was reported missing in Kyrgyzstan.⁶⁰ In March, Amnesty International reported that Azamat Ermakov, an Uzbek who had disappeared within hours of his release from prison in Nizhny Novgorod, Russia, had been abducted and sent back to Uzbekistan for trial.⁶¹ In November, the European Court for Human Rights found Russia responsible for the illegal extradition of Ermakov.⁶² In August, a Tajik citizen, Abdumavlon Abdurakhmonov, was allegedly detained by Uzbek security officials without explanation.⁶³

These judicial maneuverings are not unique to Uzbekistan but represent a broader network of cooperation between security forces in former Soviet authoritarian states.⁶⁴ An official at Amnesty International noted in July that all Central Asian states collude in "the abduction, disappearance, unlawful transfer, and torture of wanted individuals" but that "requesting states are overwhelmingly Uzbekistan and Tajikistan" and "the offending torturers are Uzbekistan and Tajikistan."⁶⁵

Prison conditions in Uzbekistan remain dire. In June, Reporters Without Borders called for the release of imprisoned Karakalpakstan journalist Solidzhon Abdurakhmanov, whose health had deteriorated since his incarceration in 2008. In 2012, the International Committee of the Red Cross attempted to visit Abdurakhmanov but was denied.⁶⁶ In 2013, the ICRC announced that it was stopping all prison visits in Uzbekistan due to the "unconstructive attitude" of Uzbek officials who refused to let them see prisoners in their everyday state.⁶⁷ In July, former British embassy worker Kayum Ortikov described his own torture in an Uzbek prison and claimed that Uzbek guards beat him with an iron bar and lit his genitals on fire.⁶⁸

Besides real and perceived critics of the regime, devout Muslims are the most common target of the legal system. In February, 11 men were sentenced to terms of up to 12 years for founding a group allegedly called "Jihadism," and in July, 20 others were sentenced to lengthy terms for membership in another new group called "Hizb-ut Nusrat."⁶⁹ No evidence of the existence of either group is available.⁷⁰

In Tashkent, a Muslim father and son who taught the Koran to school-aged children were charged under Criminal Code 229-2: "Teaching religious beliefs without specialized religious education and without permission from the central organ of a [registered] religious organization, as well as teaching religious beliefs privately."⁷¹ They face up to three years in prison. In November, Ravshan Gulyamov, the chairman of the Samarkand branch of the Uzbekistan-Iran Friendship Society, was sentenced to five years in jail for propagating Shia Islam.⁷²

Christian groups are targeted as well. In August, a group of nine Baptists were fined more than \$21,000 for possessing religious texts and holding private services. Several devout Christians had their homes searched and their religious

literature, including the Bible, confiscated. Fines for possession of such materials grew increasingly harsh throughout the year.⁷³

In June, the U.S. State Department dropped Uzbekistan from Tier 2 to Tier 3 on its annual Trafficking in Persons report. Uzbekistan and Russia received the lowest rating in the world, beating out Afghanistan, Belarus, and Turkmenistan. The government report primarily cited forced labor in the cotton fields—including “verbal and physical abuse and lack of freedom of movement”—but also noted that Uzbek citizens were subjected to forced labor and sex trafficking around the world, with Uzbek orphans the most vulnerable. (In June, an Uzbek woman was convicted for trafficking women to the United Arab Emirates and Thailand for forced prostitution.)⁷⁴ The report also cited bribery and human trafficking among border guards and that women forced to work as sex laborers were being prosecuted for prostitution.⁷⁵

Corruption

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.00	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75	6.75

Corruption is pervasive in Uzbekistan, which is ranked as the world’s 8th most corrupt country in Transparency International’s 2013 Corruption Perceptions Index. Uzbek citizens must pay bribes to public officials and both public and private sector jobs can be purchased. In 2013, Uzbekistan contended with the fallout from the previous year’s telecommunications scandals—particularly those implicating first daughter Gulnara Karimova—as well as criticism of forced labor and human trafficking.

After Swedish telecom company Teliasonera’s local affiliate was shut down by the state in 2012, revelations of corrupt business dealings among the presidential family came to light. In January, new documents revealed that Teliasonera sought to negotiate directly with Karimov’s daughter Gulnara and allegedly paid more than \$300 million in bribes to an offshore shell company believed to be controlled by the Karimovs.⁷⁶

In February, the Chief Executive Officer of Teliasonera was forced to resign after an external review showed serious misconduct.⁷⁷ In May, Swedish media reports revealed that Karimova had dictated the terms of the contract and threatened the company with persecution from multiple government ministries if they refused to pay.⁷⁸ Money laundering investigations in Switzerland and Sweden continued throughout 2013, and hundreds of millions of dollars in accounts belonging to Karimov family associates were frozen.⁷⁹ In October, another Teliasonera executive resigned over allegations of corruption, and in November, four more executives were dismissed as the investigation continued.⁸⁰

By the end of the year, Karimova was rumored to be ostracized within the presidential family. Her TV and radio channels in Uzbekistan were cut off, her bodyguards fired, and her organizations—including Fund Forum, a powerful

philanthropic and cultural organization popular among Uzbek youth—were put under investigation.⁸¹ In October, the bank accounts of Terra Group, a media holding company associated with Karimova, were frozen.⁸² Karimova later confirmed that the company was being investigated for taking bribes.⁸³

As Karimova complained she was a target of state abuse and attempted to reposition herself as a human rights activist,⁸⁴ Uzbek political exiles occupied her multimillion-dollar luxury villa in Switzerland. Activist Safar Bekjon, who says he was given the keys to the Geneva villa by an unidentified Karimova associate, posted photos of Karimova's possessions on his blog.⁸⁵ Many were later identified as artwork and relics stolen from state museums in Uzbekistan.⁸⁶

Though it was the subject of avid media attention around the world, Karimova's downfall should not be taken as a sign that corruption is being seriously addressed by the administration. Instead, it shows that in Uzbekistan, no one—not even the president's daughter—is safe from the whims of the regime.

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