



**Statement by Freedom House
OSCE Human Dimension Implementation Meeting
Warsaw, 3 October 2007**

**Nations in Transit 2007:
Pause and Pushback for Democratization**

Mr. Moderator,

Freedom House has been monitoring democratic governance in post-Communist states for over a decade. Freedom House's *Nations in Transit 2007* study is the only analysis that provides comparative ratings and comprehensive, in-depth analysis of electoral process, civil society, independent media, national and local governance, judicial framework and independence, and corruption in the vast region spreading from Central Europe to Eurasia.*

In 2006, on the whole, democratic performance slipped in the *Nations in Transit (NIT)* region, with only modest gains evident. Thirteen countries worsened and only six improved their democracy scores.

In my intervention, I will provide a full report-card of the main trends observed individually in the twenty nine countries covered in NIT, but first, I would like to discuss the alarming multi-year trend experienced in the countries of Central Europe.

Since gaining EU membership in 2004, the strongest-performing countries of Central Europe demonstrate stagnation or decline, showing a crisis of confidence in democratic institutions. Contrary to what many strongly believe the European Union stands for, today, the OSCE and Council of Europe have the only viable and available tools to systematically monitor and speak up on deteriorating democratic standards in Central Europe. In view of my argument that follows, **Freedom House urges the OSCE and ODIHR to discuss the worrying democratic accountability trends at the Madrid Ministerial Council.**

Central Europe's new EU member states, which have been reform leaders since the collapse of communism, experienced reform fatigue and political polarization that contributed to a slowdown in the democratic reform process. National governments in the Visegrad countries allow political triumphalism and one-upmanship to overwhelm practical strategies for addressing critical

* Numeric ratings accompanying each country reports are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress. The ratings for all categories reflect the consensus of Freedom House, the Nations in Transit advisers, and the report authors. Nations in Transit is an independent assessment with a methodology rooted in the Universal Declaration of Human Rights. It measures trans-Atlantic-agreed standards of democratic governance.

governmental challenges. There's a creeping alienation between the state-actors and society reinforced by growing public sense that the political playing field is tilted toward political elites, and only them – in very crude monetary terms – have benefited handsomely in the new market economies.

In 2006, the politics of Central Europe experienced political election campaigns effectively squeezing out the possibility of judicious dialogue on the most pressing political and economic reform questions. Populist slogans dominated the campaigns, parties gave quiet blessing for the emergence of illiberal views bullying large segments of the population, and party campaign financing practices were shady to say the minimum. In such climate of uncompromising, illiberal rhetoric and negative campaigning, scenes of violent rioters marches and brutal police response to peaceful demonstrators on the streets of Hungary's capital should not have come unanticipated.

The destructive environment led to government attempts to weaken other key democratic institutions. In sight of political gains – either to the benefit of those in the executive or the party in power – they chose to roll back anticorruption efforts. The Slovak government abolished the Special Court and Special Attorney's Office – two so-far effective offices in the combating corruption. In Slovenia, efforts to dismantle the Commission for the Prevention of Corruption were undertaken by the parliament, and only strong public opinion kept the commission open. And the establishment of the Romanian anti-corruption framework was allowed by parliament with the understanding that its independent powers could be quietly stripped away upon becoming a new EU member.

Furthermore, there are no noteworthy signs for optimism as we roll into the current year. That there has been no improvement exemplifies the recent spat by the Polish government rejecting to invite the OSCE ODIHR to dispatch assessment mission to monitor the upcoming parliamentary elections scheduled for October 21st. This is happening at the time, when, by replacing the heads of all state owned media, the Polish government effectively politicized the public service broadcasters – a key safeguard to ensure access to impartial information. **For the OSCE's election monitoring is the strongest way to ensure the transparency and free and fair conduct of the election campaign and voting, the participants today should send a clear message to the Polish government that they expect it to revisit its decision.**

Mr. Chairman, this brief summary suggests that governments and advocates in Central Europe cannot rest on reform laurels earned in the 1990s. The efforts to deepen democratic reforms still further will be an increasingly difficult task, but it is not yet too late. **Within its powers, the OSCE should act immediately to reverse the worrying negative tendencies.**

Nations in Transit 2007 Report Card

Reform Fatigue in Central Europe

The **Czech Republic's** inability to form a government in the five months following June elections led to essentially no government, impacted basic reform decisions, and demonstrated the depth of political partisanship present in the country.

Estonia continued its slow progress to bring its legislation and practice into line with EU regulations. President Ilves, elected last year brings both a younger perspective as well as a change in the dynamics between the presidency and parliament with his close ties to the Social Democratic Party, which he helped to re-develop.

In **Hungary**, political parties used affiliated civil society groups in their campaigns, and the autumn brought the sudden appearance of a number of groups that are opposed to the fundamental principles of liberal democracy.

In **Latvia**, despite the OSCE found no ground for criticism on the October Parliamentary elections, major distortions in electoral spending gave certain parties an advantage, indicating unfair pre-election rules.

Several months of political turbulence in **Lithuania** and the emergence of a minority led government did little to put into place active mechanisms for judicial reform or to inspire public participation in civil society.

In **Poland**, the change in government and its actions such as dissolving the civil service corps, controversial lustration policies, and consolidation of the division of EU Regional Funds under the PM led to an overall worsening of the country's democracy score. Furthermore, the government increased pressure on particular civil society organizations through xenophobic statements and actions.

The newly elected government coalition in **Slovakia** exhibited overly partisan interest in concentrating power through a number of key political appointments and through adopting measures to curb independent regulatory institutions. In its statements and actions the executive displayed its interest to curb the independence of the courts.

In **Bulgaria**, the year saw power change hands on local as well as national levels as the country concentrated on improving its outstanding EU requirements in the areas of judicial reform and the fight against corruption.

Romania continued to strengthen institutions in its bid to enter the EU in 2007. This was enhanced by a vibrant civil society and a set of media activities aimed at holding the government to its commitments. The Anti-Corruption office managed to investigate and prosecute a number of high level officials on corruption charges.

Balkan: A region reflecting opportunities—some missed—and challenges.

In **Serbia**, after years of delay a constitution was finally enacted in November 2006 and while the referendum process was somewhat flawed and portions of the content caused both domestic NGOs and the Council of Europe some concern, the passing of a new constitution still represented a step forward in building a modern and democratic state.

Conversely, little progress was made in **Bosnia-Herzegovina** to get beyond the political impasse over reform of the post-Dayton governing structures. Most strikingly, the goal of a joint ministry of interior seemed farther away at the end of 2006 than at its beginning.

In **Montenegro**, following the referendum on independence and subsequent declaration of statehood in June, the remainder of the year demonstrated little progress in tackling institutional reforms such as changes to a conflict-of-interest law that would demonstrate seriousness in prosecuting corruption.

Political dialogue in **Kosovo** was dominated by the status issue. Some progress was made in building up basic institutions including the creation of ministries of interior and justice but the administration missed the opportunity to demonstrate progress on decentralization and elections to demonstrate its ability to govern a post-status Kosovo.

The Europe-bound track that **Croatia, Macedonia, and Albania** selected several years ago also showed signs of slowing exhibiting the slight worsening of their *NIT* democracy scores.

Countries in the Commonwealth of Independent States (CIS) continue their path towards authoritarianism at the bottom of the *NIT* index.

The Western CIS states are moving along two diverging vectors: either slow-paced reforms are further sidetracked by contentious political environments, or the push to curtail nascent political pluralism is on the march. Central Asian countries further succumbed to authoritarian tendencies, maintaining their status at the bottom end of the *NIT* index.

In **Moldova**, reforms were generally stagnant during 2006 with President Voronin further consolidating his power over most aspects of Moldovan society. Opposition forces remained weak and divided, and the media fell heavily under political influence.

In **Ukraine**, the election of a new parliament in March and the subsequent political stalemate between political camps under the ‘dual executive system’ dominated much of 2006, leaving little time and energy for further democratic transition and consolidation. Improvements came only in the area of electoral process as the final preparations of election amendments prior to March 26 elections led to the most free and fair elections in Ukraine’s history.

The **Russian** political system continues to evolve according to Kremlin preferences. And although benefiting from extensive economic growth and outwardly stable, Russia’s political

system faces many questions as President Putin's term comes to an end and political actors focus on the succession of power.

Belarus continued its path towards consolidated authoritarian rule with presidential elections less than free or fair, increased pressure on civil society and media, and strengthening Lukashenko's grasp on political and economic power.

Most of the countries in the **Caucasus** and **Central Asia** further consolidated power around the president or political elite to the detriment of democratic development. Alternately focused on oil revenues, political infighting, international image, and cult of personality, little tolerance was exhibited for political pluralism and little effort ascribed to reform policies. The one exception is **Georgia**; although presidential dominance remains a concern.