

# NATIONS IN TRANSIT 2016

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## ON THE COVER

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Hungarian soldiers with barbed-wire fencing on the border with Slovenia in September 2015. *Photo by Jure Makovec*

# Nations in Transit 2016:

## Europe and Eurasia Brace for Impact

by Nate Schenkkan

Europe and Eurasia ended 2015 mired in institutional and economic crises that threatened both the survival of the European Union and the stability of Eurasia's entrenched dictatorships.

While illiberal nationalism rose in Europe, with Central European leaders closing borders and denouncing refugees and migrants as a threat to the nation, financial pressures brought about by falling oil prices and worker remittances undermined the economies of Russia and most former Soviet states. The risk is that these separate developments could converge, with the collapse of Eurasian states adding to Europe's growing list of troubles.

Since 1995, *Nations in Transit* has tracked the progress and regression of democracy in Central Europe, the Balkans, and Eurasia. Data from the last decade present a grim portrait of decline. Weighted for population, the average Democracy Score in the region has declined for 12 years in a row. A stark return to consolidated authoritarianism in Russia, which accounts for 35 percent of the region's population, has been the top driver of the decline. But the problem goes well beyond Russia. The region has had more declines than improvements every year since 2007. Not a single subregion—Central Europe, the Balkans, or Eurasia—has improved overall since 2011. These trends

have now coalesced into fundamental threats to the regional order that bode ill for 2016 and beyond.

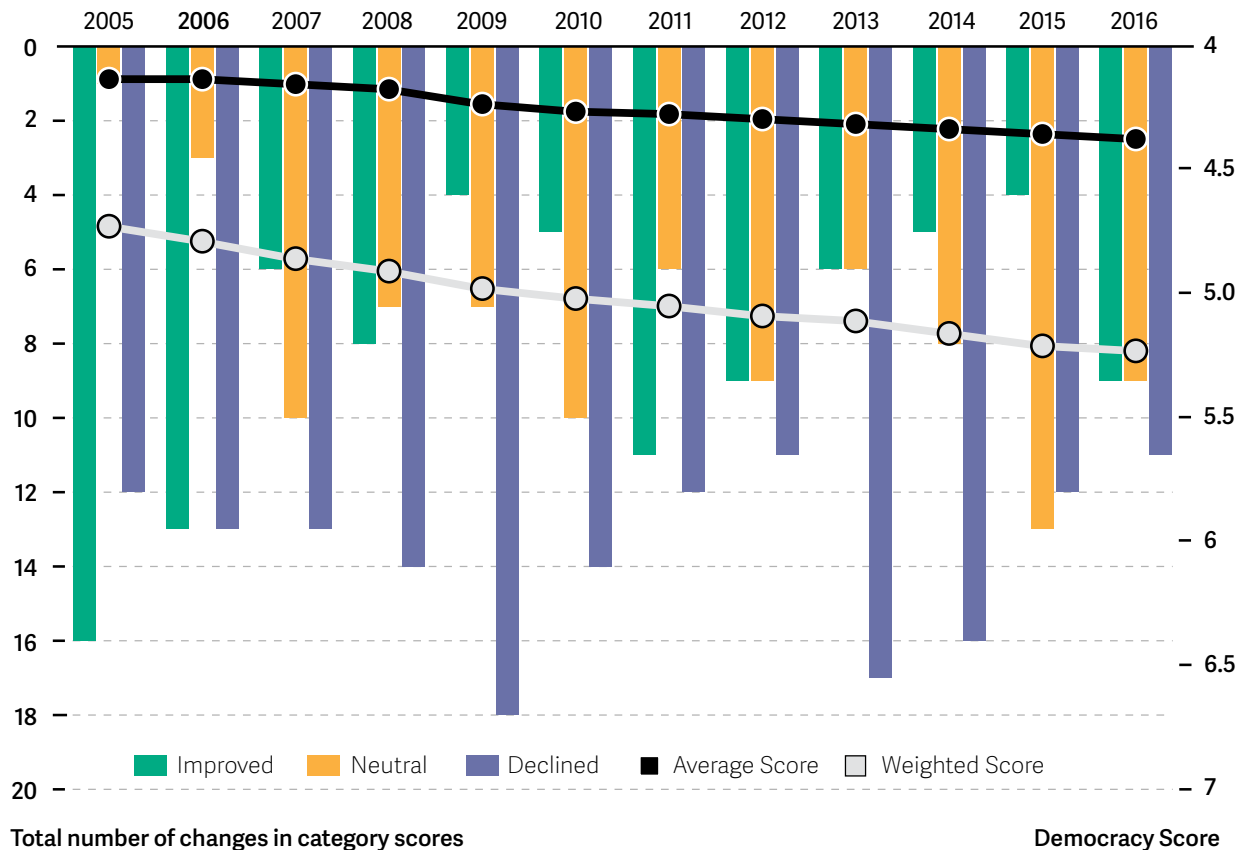
### Europe in question

European institutions have faced a growing crisis of confidence since 2008, triggered first by the ongoing struggle to wind down the eurozone debt crisis. But the increased flow of refugees and migrants from the Middle East and North Africa in 2015 presented the European Union and its leading governments with an emergency that could not be contained with half-measures or delay, and the disjointed response they offered was plainly inadequate.

Europe's disunity left the field open for populists. Leading politicians in Central Europe—backed by some counterparts in Western Europe—embraced xenophobia and nationalism, positioning themselves as protectors of their countries' Christian identity against an "invasion" of Muslims. The challenge to Europe that for years has been embodied by the brazen illiberalism of Hungary's Viktor Orbán is no longer concentrated in a single country; it is becoming the preferred

## NATIONS IN TRANSIT 2016: CHANGES IN DEMOCRACY SCORE

Number of changes in DS per year; average changes weighted and unweighted for population



approach among the states that joined the EU after 2000. What used to be fringe talk of the possible collapse of the union is now widely discussed.

## Europe's disunity left the field open for populists.

Driven by Hungary's rapid backsliding, *Nations in Transit's* average Democracy Score for Central Europe has declined 12 percent from its peak in 2006. Moreover, the Law and Justice party's moves to rapidly take control of state institutions and weaken checks and balances in Poland damaged that country's score in 2015 and portend further declines in 2016.

In the Balkans, the leaders of Serbia, Macedonia, and Montenegro have turned the EU's disarray to their advantage, trusting that its longing for stability will outweigh clear evidence of individual politicians and parties capturing the state to promote their own interests.

Despite allegations of vote rigging, corruption, and fraud that prompted Macedonia's largest protests in years, former prime minister Nikola Gruevski has stalled implementation of an EU-brokered reform deal and appears likely to return to power through early elections now scheduled for June. In Serbia, Prime Minister Aleksandar Vučić successfully opened accession negotiations with the EU even as he accused the bloc's representative of funding investigative journalists to undermine him. Montenegro opened six new chapters in its accession negotiations and received a formal invitation to join NATO, but it is mired in corruption under Prime Minister Milo Đukanović, who has run the country in and out of office since 1991.

After substantial progress from 2004 to 2010, the Balkans subregion has declined six years in a row, and its average Democracy Score is the same as it was in 2004. With the exception of Albania, the scores of all the subregion's EU candidates and potential candidates are declining, not improving—a disturbing indicator of their level of commitment to EU standards.

## Eurasia on the brink

In the Eurasian half of the *Nations in Transit* region, the collapse in global commodity prices, especially oil, drove Russia into recession and triggered similarly desperate currency crises and budget shortfalls in the petrostates of Azerbaijan, Turkmenistan, and Kazakhstan. The decline rippled through the non-energy economies of the Eurasian periphery that are dependent on Russia through subsidies and migrant labor: Belarus, Kyrgyzstan, Tajikistan, and Uzbekistan.

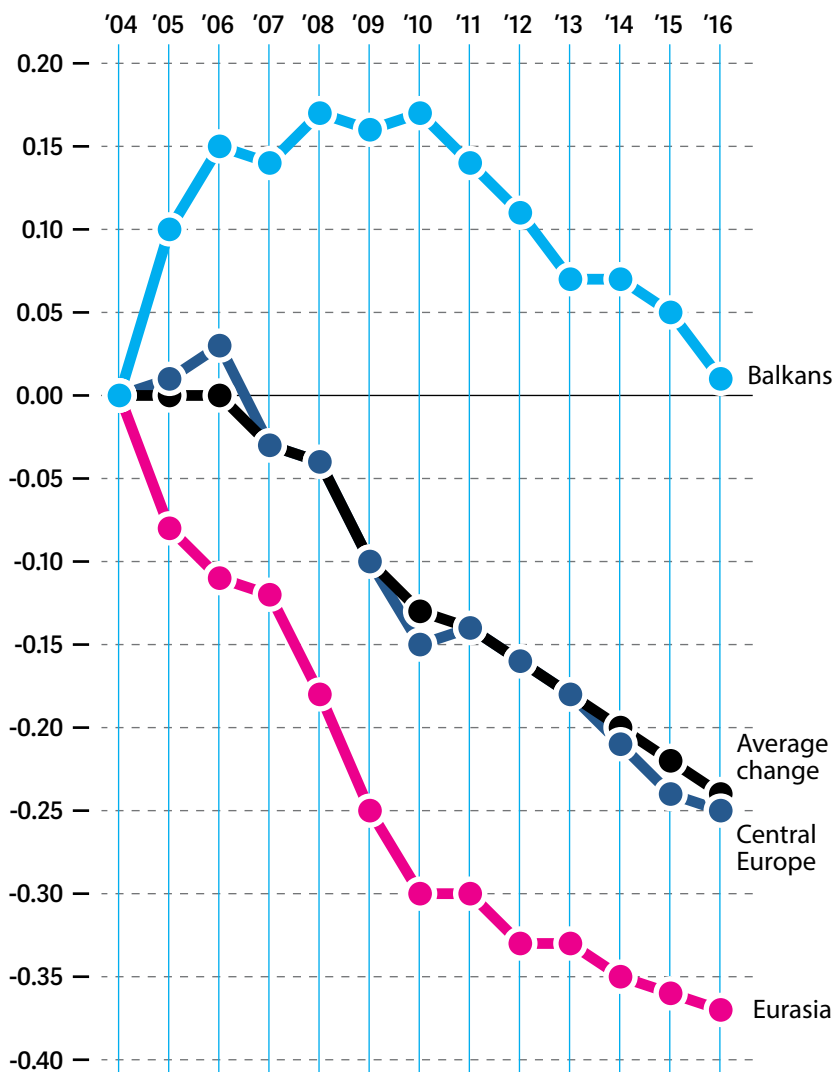
Eurasia's economic crisis is exacerbated by the fact that vital state institutions have been hollowed out over decades. The lack of transparency, accountability, and checks and balances has left the dictators of the region saddled with bloated, indebted, and deeply corrupt state enterprises built on high commodity prices. Petty corruption and official predation weigh down weak private sectors. As we write in early 2016, banks are being shuttered and International Monetary Fund (IMF) delegations are touring the region on emergency evaluation missions. If oil prices stay low throughout 2016, Eurasia's much-vaunted authoritarian stability could come to a dramatic end.

The majority of Eurasian leaders have responded with measures intended to ensure that nothing threatens their rule. Vladimir Putin's naked embrace of autocracy since his return to the presidency in 2012 deepened in 2015 with an ever-harsher crackdown on civil society and political organizing. Application of the "foreign agents" law drove civic organizations abroad or underground, and the list of political prisoners continued to grow. Russian "innovations" in authoritarianism, such as restrictions on nongovernmental organizations, spread further within Eurasia, in some cases through imitation, and in some cases through active Russian efforts. With the economic situation becoming more desperate and the chance of success in Ukraine more distant, Putin opened a new front in his challenge to the West by launching military operations in Syria to back President Bashar al-Assad.

Tajikistan pursued one of the fiercest consolidations of power the region has seen in the last decade, banning the main opposition party and imprisoning its leadership. One opposition leader, Umarali Kuvvatov, was assassinated in Istanbul. Kazakhstan's President Nursultan Nazarbayev held early elections to reaffirm his mandate while signing a new law to increase control over civil society. Azerbaijan continued a crackdown that began in the summer of 2014, marked

## NATIONS IN TRANSIT 2016: CHANGE IN DEMOCRACY SCORE AVERAGES BY REGION

Normalized subregional Democracy Scores



Eurasia's economic crisis is exacerbated by the fact that vital state institutions have been hollowed out over decades.

in 2015 by the sentencing of the country's most prominent investigative journalist, Khadija Ismayilova, to seven and a half years in prison.

Showing his typical Machiavellian flexibility, Belarus's President Alyaksandr Lukashenka took the opposite tack by freeing political prisoners and allowing mild criticism ahead of a presidential election in October, in an effort to court the EU and replace the patron-

## NATIONS IN TRANSIT 2016: OVERVIEW OF RATINGS CHANGES

▼ Decline ▲ Improvement □ Unchanged

The NIT ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The NIT 2016 ratings reflect the period from 1 January through 31 December 2015.

	COUNTRY	DS 2016 (DS 2015)	EP	CS	IM	NDG	LDG	JFI	CO
BALKANS	Albania	4.14	▲		▼				
	Bosnia and Herzegovina	4.50 (4.46)							▼
	Croatia	3.68	▲						▼
	Kosovo	5.07 (5.14)			▲		▲		
	Macedonia	4.29 (4.07)	▼	▲	▼	▼	▼	▼	▼
	Montenegro	3.93 (3.89)					▼		
	Serbia	3.75 (3.68)			▼	▼			
CENTRAL EUROPE	Bulgaria	3.25 (3.29)				▲			
	Czech Republic	2.21							
	Estonia	1.93 (1.96)	▲						
	Hungary	3.29 (3.18)				▼		▼	▼
	Latvia	2.07							
	Lithuania	2.32 (2.36)					▲		
	Poland	2.32 (2.21)			▼	▼		▼	
	Romania	3.46		▲			▼		
	Slovakia	2.61 (2.64)						▲	
	Slovenia	2.00 (1.93)			▼			▼	
EURASIA	Armenia	5.36							
	Azerbaijan	6.86 (6.75)		▼	▼			▼	
	Belarus	6.64 (6.71)	▲	▲					
	Georgia	4.61 (4.64)						▲	
	Kazakhstan	6.61							
	Kyrgyzstan	5.89 (5.93)	▲						
	Moldova	4.89 (4.86)				▼	▲		▼
	Russia	6.50 (6.46)		▼					
	Tajikistan	6.54 (6.39)				▼		▼	▼
	Turkmenistan	6.93							
	Ukraine	4.68 (4.75)				▲	▲		
	Uzbekistan	6.93							

**Categories:** EP – Electoral Process, CS – Civil Society, IM – Independent Media, NDG – National Democratic Governance, LDG – Local Democratic Governance, JFI – Judicial Framework and Independence, CO – Corruption, DS – Democracy Score.

age that Russia can no longer provide. The cosmetic “thaw” worked: The EU has lifted sanctions, and the IMF is in talks to prop up the economy.

### **Muddling through**

Even in a dark year, there are small reasons for hope. Civil society–driven efforts to uproot a corrupt system in Ukraine showed intermittent progress in 2015, with the government enjoying relative stability and laying the groundwork for institutional reforms in the judiciary, the prosecutor’s office, and anticorruption bodies. So far the EU and democratic donor governments have remained firm in making assistance conditional on reforms, and it is vital that this approach continue, lest entrenched elites turn such aid into yet another embezzlement scheme. Ukraine is and should be the top priority for reform efforts in the region, and aid must not become a blank check for its leaders. The same is true for Moldova, where the EU and its allies still have a chance to build on popular outrage over the 2014 theft of \$1 billion from the country’s banks and force the state to finally tackle corruption.

In Georgia, despite the politicization of high-profile cases, the judiciary has improved at the day-to-day level, offering a positive sign that even in a polarized system, structural reform may still have momentum. Parliamentary elections in 2016 will be a major test of the durability of this trend. Kyrgyzstan held on-schedule elections in October that improved modestly on its previous round in 2010. Although there is disturbing evidence of consolidation of power around President Almazbek Atambayev, the electoral process was open enough that his party could not secure a majority in the parliament. Kosovo, the worst performer in the Balkans for years, made some progress on institution building in 2015, although a serious crisis between the opposition and government brought the parliament to a standstill late in the year, threatening to cripple the government’s work in 2016.

### **Rising to the challenge**

In Europe and Eurasia, not to mention the United States, the politicians who stand out today are the ones with the particularist platforms and the easy answers—build a wall, crush the terrorists, protect the fatherland. It is not enough to say that these populists are doomed to fail, that their disregard for checks and balances or their dismissal of basic economics will eventually be their undoing. The damage they do can live on long past their time on the political stage.

Europe must choose between creating account-

able mechanisms with enough power to address fundamentally supranational issues, or watching as individual member states take apart the union piece by piece. On migration, the EU’s March 2016 deal with Turkey neither solves the problem nor complies with international law. By granting accession progress to Turkey’s deeply authoritarian government in exchange for a crackdown on refugees, the EU has undermined its moral authority and left itself vulnerable to blackmail. At least on this front, the Hungary model—of unilateral border controls, dismissal of international law, and stigmatization of outsiders—appears to be winning.

## The concept of a Europe “whole and free” is still valid, but it must be updated to recognize the internal threats to Europe’s unity and liberty.

Paradoxically, despite the EU’s failures on migration, there are signs that it is gaining assertiveness on good government elsewhere. For candidate countries, accession criteria have grown more stringent. For members, the relative success of the union’s Cooperation and Verification Mechanism in encouraging Romania to curb corruption, and the early invocation of the EU’s new rule-of-law mechanism regarding Poland, show that there is hope for more accountability within the bloc.

After an initial hesitation, the United States has done an admirable job of supporting far-reaching reforms in Ukraine, which is still the single most important policy for sustaining democratization in the region. The decision to deploy more troops in Eastern Europe and the Baltics is another positive sign that Washington is responding appropriately to Moscow’s threats.

The United States is less well prepared for the more subtle challenge of preventing backsliding inside the EU and in the Balkans. The concept of a Europe “whole and free” is still valid, but it must be updated to recognize the internal threats to Europe’s unity and liberty, namely the return of nationalism and the dismantling of checks and balances to allow state capture. A forward-looking U.S. policy will support Europe not only against external aggression, but also against the dangers posed by grand corruption and illiberalism at home.

## Turning to Xenophobia in Central Europe

In 1991, Central European leaders distinguished themselves with their commitment to cooperation and democratic practices after tearing down an oppressive system. In 2015, they stood out by constructing walls and obstructing supranational problem solving. Twenty-five years after the founding of the Visegrád Group, the Czech Republic, Hungary, Poland, and Slovakia have become the building blocks of a Europe that is more nationalistic and more inward looking than at any other time in the past two decades.



### VIKTOR ORBÁN

#### Prime Minister of Hungary

"Of course it's not accepted, but the factual point is that all the terrorists are basically migrants.... The question is when they migrated to the European Union."

Small pockets of illiberalism have long been developing in the region, as shown by the past decade of score declines in *Nations in Transit*, but the new challenge of the refugee crisis exposed the true fragility of European integration. As the crisis escalated, Central European politicians led the way in embracing xenophobic rhetoric to marshal public support for their positions, and tore down the barriers of "unnecessary political correctness" even as they erected real fences.



### MILOŠ ZEMAN

#### President of the Czech Republic

"I believe this invasion is being organized by the Muslim Brotherhood, using financial means from a number of states.... The

Muslim Brotherhood cannot start a war against Europe, it doesn't have the power, but it can prepare a growing migrant wave and gradually control Europe."

The European Union's demand that member countries share the burden by accepting a proportional quota of refugees—from 803 for Slovakia to about 7,000 for Poland—was met with significant resistance in Central Europe, including lawsuits filed by Slovakia and Hungary at the European Court of Justice. Political leaders also exploited the crisis to strengthen their populist appeal, disregarding fundamental humanitar-

ian principles and the ideals of democratic pluralism for short-term partisan gain. Hungary's ruling Fidesz party and Slovakia's Smer experienced an upsurge in opinion surveys, and the crisis dominated political discourse in both countries.



### ROBERT FICO

#### Prime Minister of Slovakia

"Since Slovakia is a Christian country, we cannot tolerate an influx of 300,000–400,000 Muslim immigrants who would like to start building mosques

all over our land and trying to change the nature, culture, and values of the state."

Political forces in the other two Visegrád countries, Poland and the Czech Republic, were less unanimous in obstructing collective action by the EU, but they provided their fair share of hostile rhetoric. Czech president Miloš Zeman and Polish ruling party leader Jarosław Kaczyński found support for their vilification of migrants not just among extremist groups, but in a significant percentage of the population. Still, push-back from civil society and individual citizens against the turn to illiberal discourse did offer a sliver of hope for the region.



### JAROSŁAW KACZYŃSKI

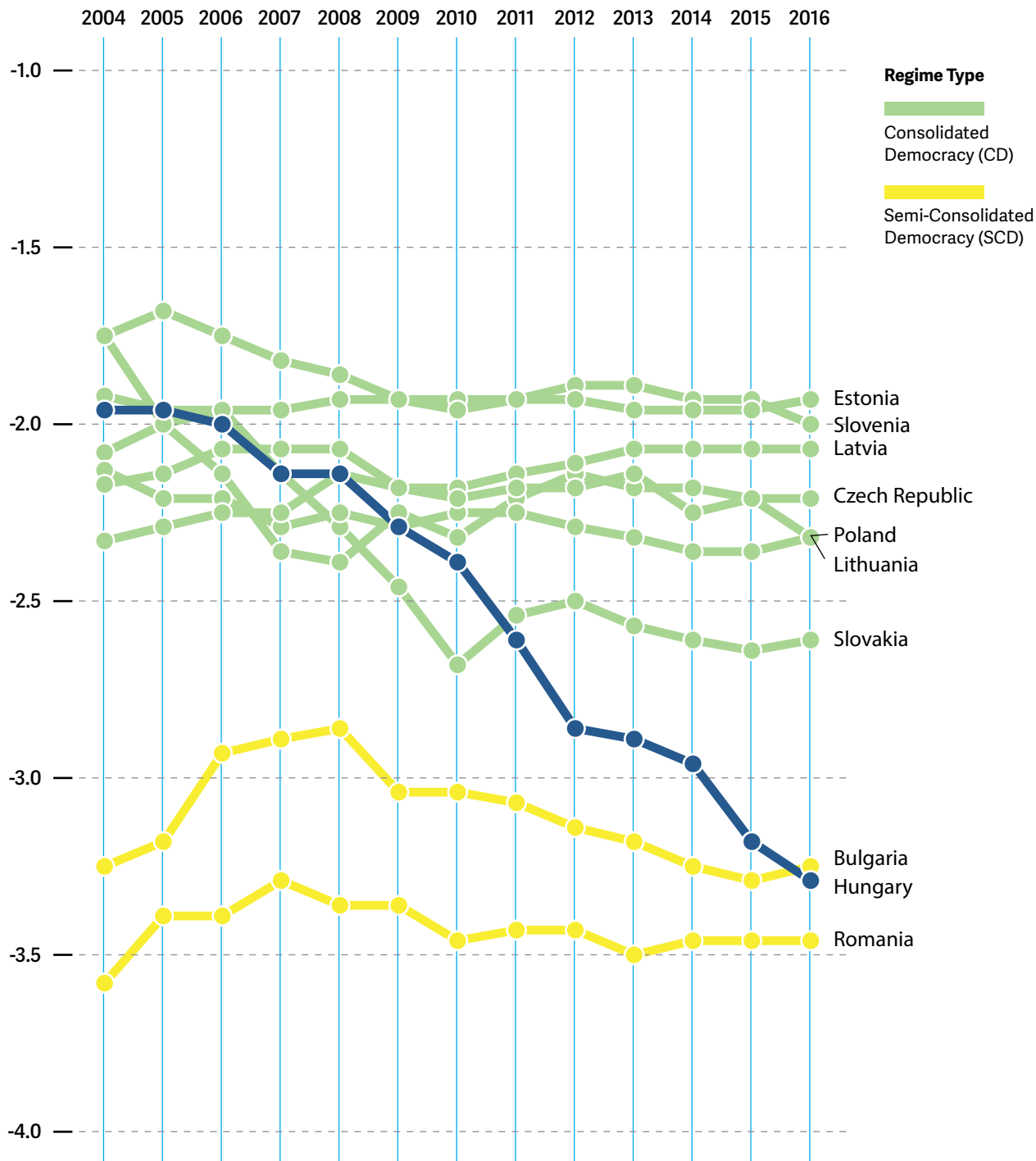
#### Leader of Poland's Law and Justice party

Migrants carry "all sorts of parasites and protozoa, which ... while not dangerous in the organisms of these people, could be dangerous here."

The democratic malaise illustrated by these leaders is not limited to Central Europe. The EU as a whole is facing questions about its identity, both as a unified actor on crucial policy matters and as a project built on liberal values. Many Western European politicians have also turned to hateful rhetoric, and many more advocate nationalist solutions. But the fact that the Visegrád Group, 25 years after its founding, has transformed from an exemplar of unity and democracy into a leading proponent of selfishness and bigotry should serve as an urgent warning about where Europe is headed.

NATIONS IN TRANSIT 2016: CENTRAL EUROPE CHANGES IN DEMOCRACY SCORE

Hungary drives the decline

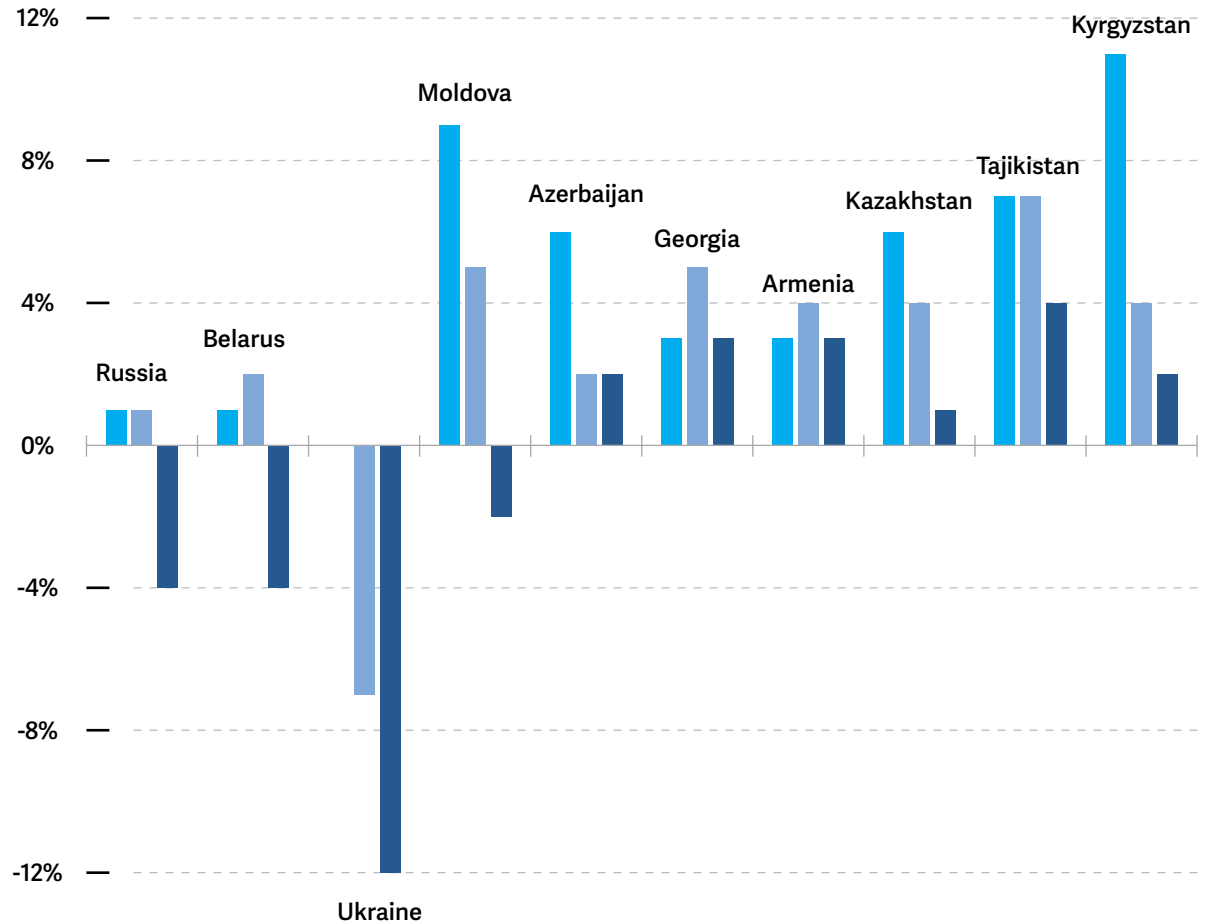


## Eurasia's Economic Crisis

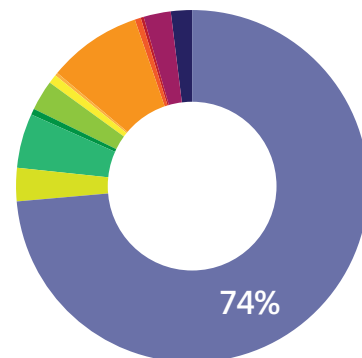
A combination of U.S. and European sanctions on Russia, Russian countersanctions, and a collapse in world oil prices has driven Eurasia's economies to the brink. In 2015, the region's oil-exporting states increasingly faced hard decisions about currencies and budgets. Other Eurasian economies that rely on Russian subsidies or remittances from migrant laborers in Russia were caught in the downward spiral.

### GDP GROWTH IN SELECT EURASIAN COUNTRIES

2013 2014 2015

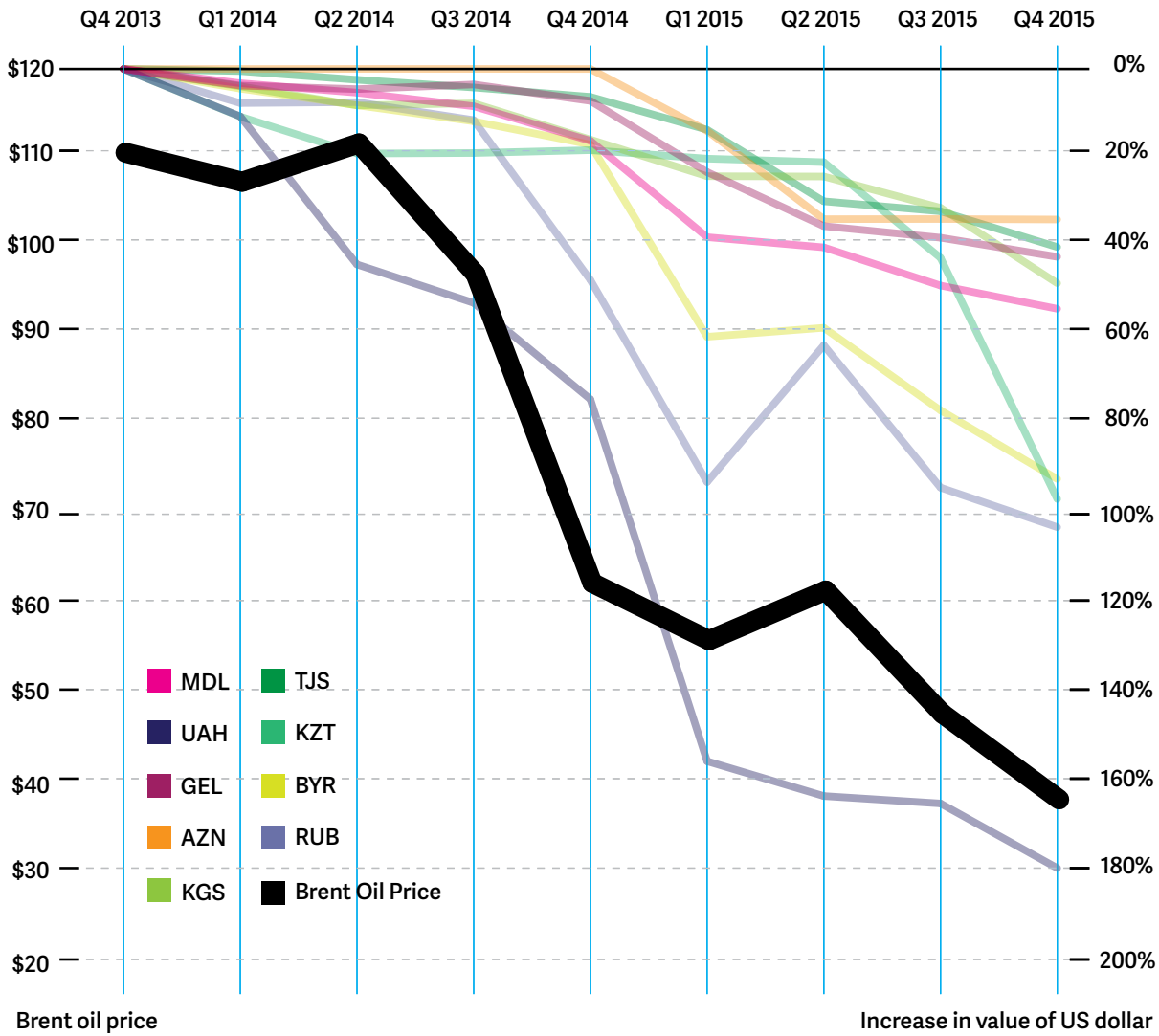


### PERCENTAGE OF REGIONAL GDP

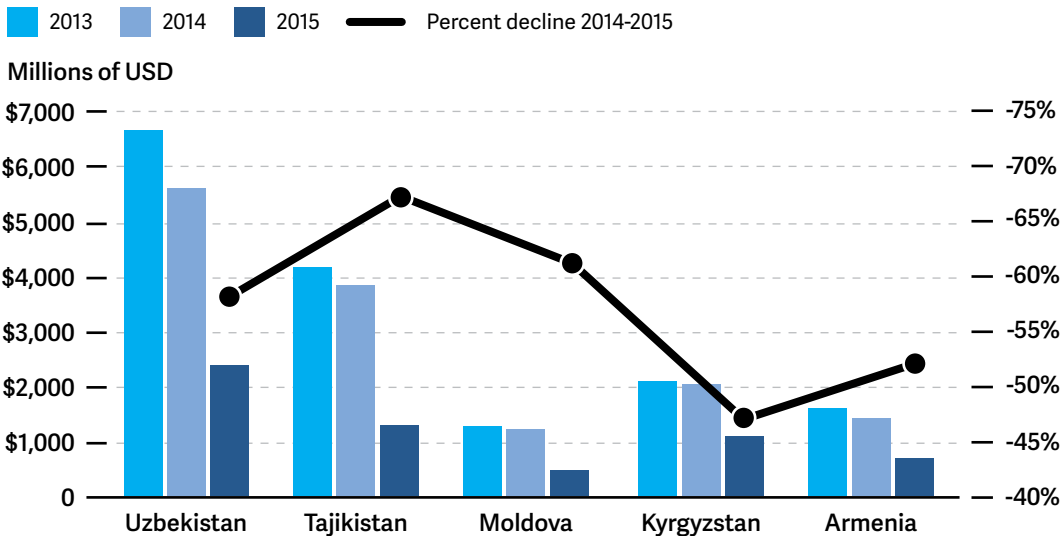


Source: World Bank

### SELECT EURASIAN CURRENCIES AND BRENT PRICE OF OIL



### REMITTANCES VIA MONEY OPERATORS FROM RUSSIA, YEAR ON YEAR



Sources: Energy Information Administration, regional national banks

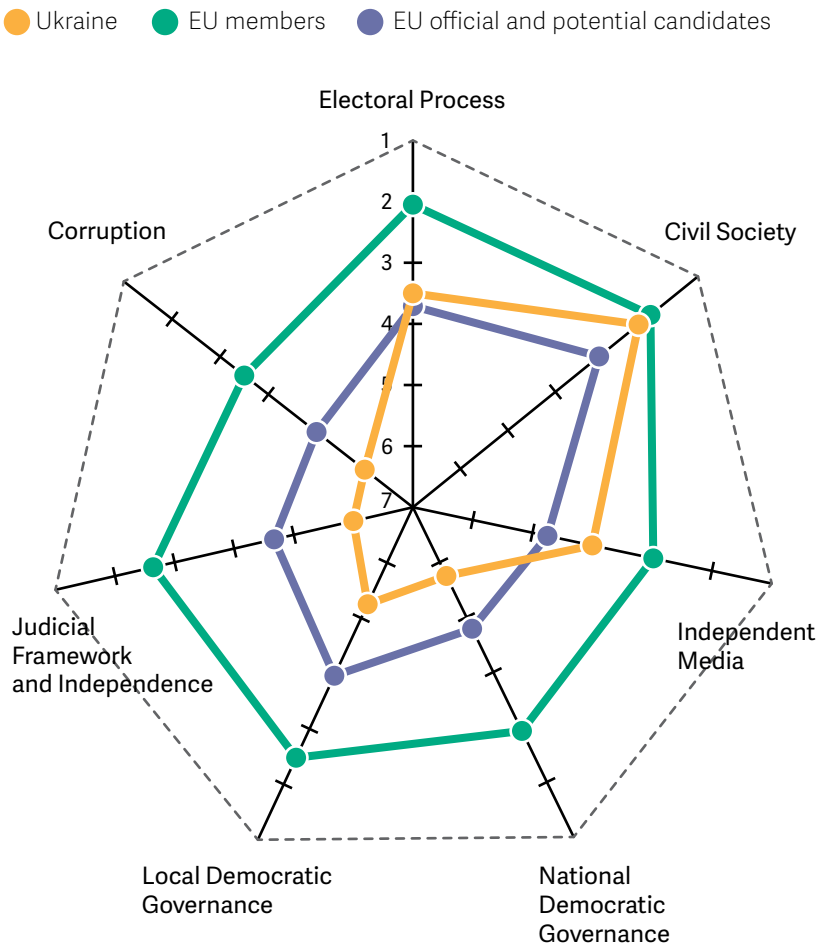
## Ukraine's Pivotal Year

The 2013–14 “Euromaidan Revolution” began when the president at the time, Viktor Yanukovich, rejected an association agreement with the European Union. All of the subsequent reforms under the new administration have been predicated on steering the country toward Europe. Although EU membership is not on the table at this point, it is worthwhile to examine how Ukraine compares with countries that are already in the official accession process.

While Ukraine falls far short of the performance of EU members covered by *Nations in Transit*, it actually outperforms the average of official and potential candidates in NIT on three out of seven indicators—civil society, electoral process, and independent media. Ukraine scores worse on local democratic governance, corruption, judicial framework and independence, and national democratic governance, with the last of those indicators affected by government instability and the fact that Crimea and the Donbas remain under occupation.

### NATIONS IN TRANSIT 2016: UKRAINE AND THE EU

How Ukraine compares with average country scores in the European Union



Each spoke of the spider graph represents one category of NIT rated from 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The NIT 2016 ratings reflect the period from 1 January through 31 December 2015.

### Corruption and impunity

Ukraine's most urgent tasks for 2016 are addressing corruption and adopting related reforms of the judiciary and prosecutor's office. The political crisis of early 2016, which has left Prime Minister Arseniy Yatsenyuk essentially a lame duck after parliament expressed frustration with the pace of reforms, could still result in more rapid progress. But the president's office and the next prime minister will have to demonstrate the political will to reject old practices if the country is to retain U.S. and European support.

Blueprints for reform of the prosecutor's office, which includes reducing the number of prosecutors by 40 percent, have been signed into law but still need to be implemented. Judicial reform has been delayed by the need for complex constitutional changes to undergird it. These amendments were submitted to the Constitutional Court at the end of 2015 for approval. In addition to their importance for fighting corruption, such reforms are essential for the observance of human rights in the judicial and penal systems, and the proper prosecution of those responsible for violence during the revolution.

The reforms required are substantial and far-reaching. But given time and support, Ukraine certainly has the potential to equal or surpass the democratic performance of official EU candidate countries in the near future. Consistent international conditionality for economic and other aid—as seen in the International Monetary Fund's refusal in early 2016 to provide the next tranche of financial assistance until the government proves that it is serious about uprooting corruption—is the only way to ensure that progress continues.

## The EU's Dilemma in the Balkans

Twenty years after the Dayton Peace Accords and 16 years after the NATO intervention in Kosovo, the European Union's policies in the Western Balkans have the appearance of success. There is no war. Serbia and Montenegro have begun the EU accession process, Albania and Macedonia are official candidates, and Bosnia and Kosovo are potential candidates. But reform in the region has slowed and now retreated, with the region's average Democracy Score back to where it was in 2004.

The EU's core dilemma is how to strike a balance between ensuring short-term stability in the Balkans and pressing for convergence with European norms. Dayton brought an end to the war in Bosnia, but put in place an excruciatingly complex political system that has crippled the Bosnian state and led to the hardening of ethnic divisions. The country operates as a set of ethnic fiefdoms, and one of its entities, the Republika Srpska, squarely rejects the legitimacy of national institutions. The EU's enlargement strategy has put off dealing with these issues in favor of an

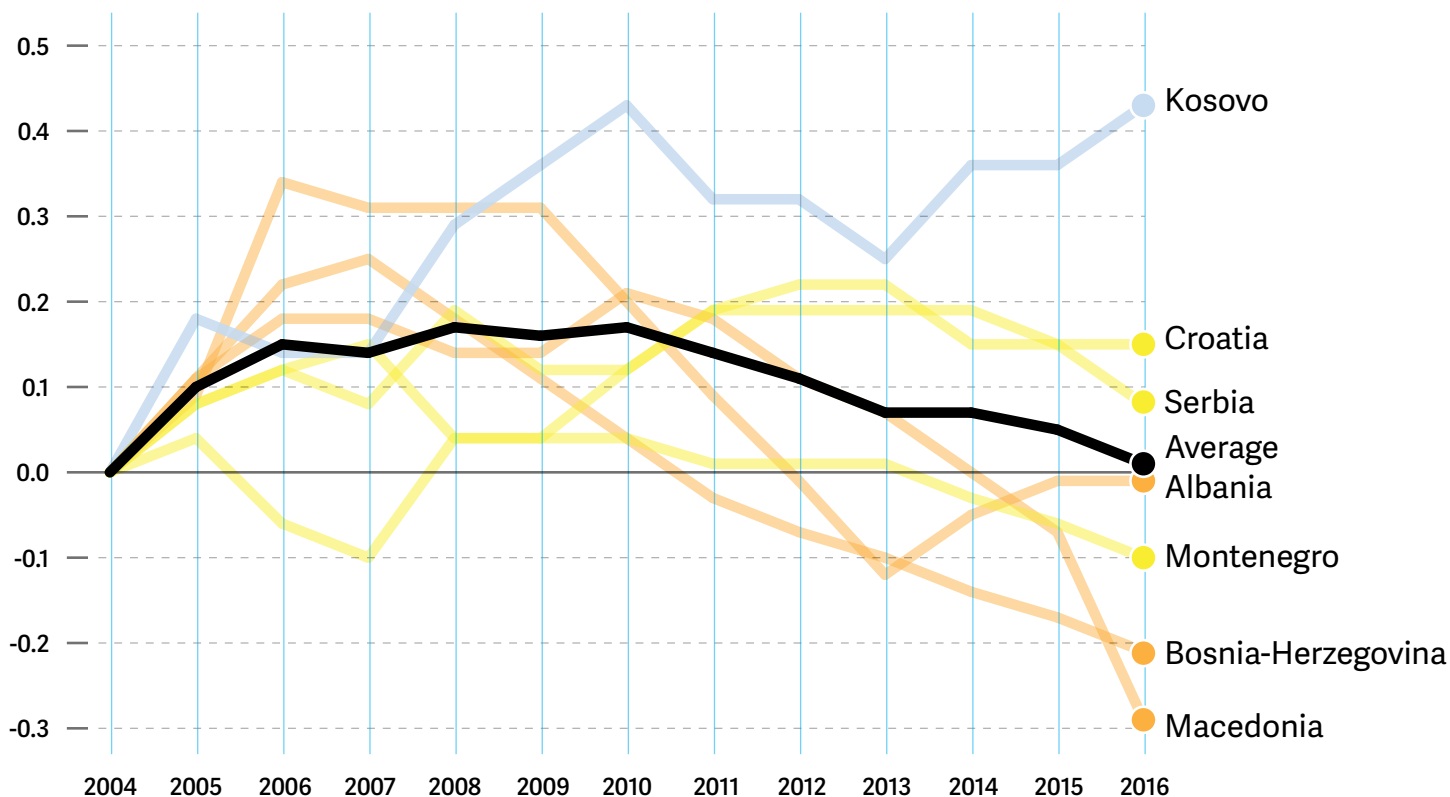
approach focused on socioeconomic reforms, but it is questionable whether progress on these is possible without untangling the system of political patronage that Dayton encourages.

The EU recognizes Kosovo as a potential candidate for membership, but it continues to avoid a final determination about the country's statehood. While the "Brussels dialogue" between Kosovo and Serbia has made some progress, the results are increasingly unpopular inside Kosovo, especially given the negative example of Bosnia after Dayton. The issue is now distracting attention from much-needed reforms, particularly those related to fighting corruption. The stalling of EU visa liberalization for Kosovo, even as countries like Ukraine with equally deep governance problems move ahead, has further soured citizens on the dialogue.

In Macedonia, Montenegro, and Serbia, political strongmen have been pressing the EU to overlook their bad behavior by arguing that there is no better choice.

### NATIONS IN TRANSIT 2016: BACK WHERE WE STARTED IN THE BALKANS

Chart shows Democracy Scores for all Balkan countries normalized so that 2004 scores equal zero



NATIONS IN TRANSIT 2016

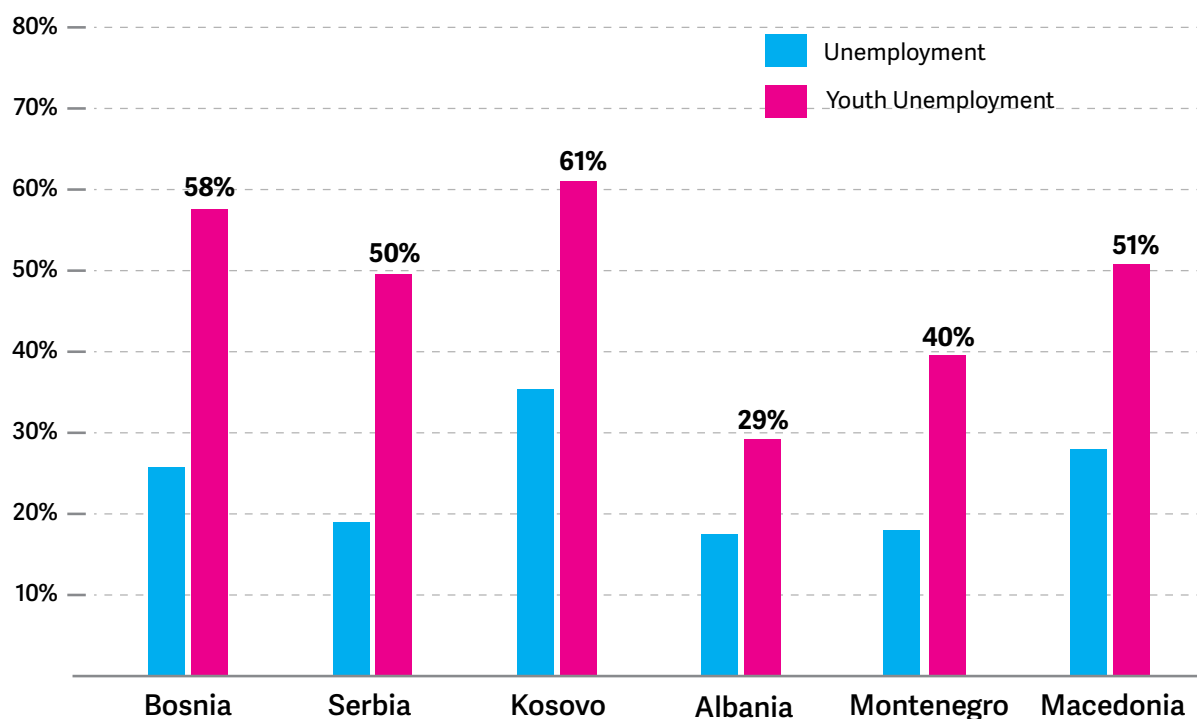


SURVEY FINDINGS

Regime Type	No. of countries							
Consolidated Democracy (CD)								7
Semi-Consolidated Democracy (SCD)								6
Transitional Government or Hybrid Regime (T/H)								6
Semi-Consolidated Authoritarian Regime (SCA)								3
Consolidated Authoritarian Regime (CA)								7
Total								29

The map reflects the findings of Freedom House’s *Nations in Transit* 2016 survey, which assesses the status of democratic development in 29 countries from Central Europe to Central Asia during 2015. Freedom House introduced a Democracy Score—an average of each country’s ratings on all of the indicators covered by *Nations in Transit*—beginning with the 2004 edition. The Democracy Score is designed to simplify analysis of the countries’ overall progress or deterioration from year to year. Based on the Democracy Score and its scale of 1 to 7, Freedom House has defined the following regime types: **consolidated democracy** (1–2), **semi-consolidated democracy** (3), **transitional government/hybrid regime** (4), **semi-consolidated authoritarian regime** (5), and **consolidated authoritarian regime** (6–7).

# **TOTAL & YOUTH UNEMPLOYMENT IN THE WESTERN BALKANS, 2014**



Source: World Bank

The EU expended huge amounts of political capital in 2015 to bring the Macedonian government to the table with the opposition and to broker early elections. After conceding to an agreement in the summer of 2015, the ruling party stalled investigations and reforms that were needed to make the early elections free and fair. EU leverage is weakened by the ongoing name dispute with Greece, which prevents the opening of accession talks.

In relations with Serbia, maintaining the “Brussels dialogue” with Kosovo trumped other considerations throughout 2015. Right-wing prime minister Aleksandar Vučić was able to argue that only he can keep more radical nationalists in check, so the EU was loath to challenge him when he denounced its support for independent media. Cooperation on managing refugee and migrant flows has given Vučić additional negotiating power with the EU.

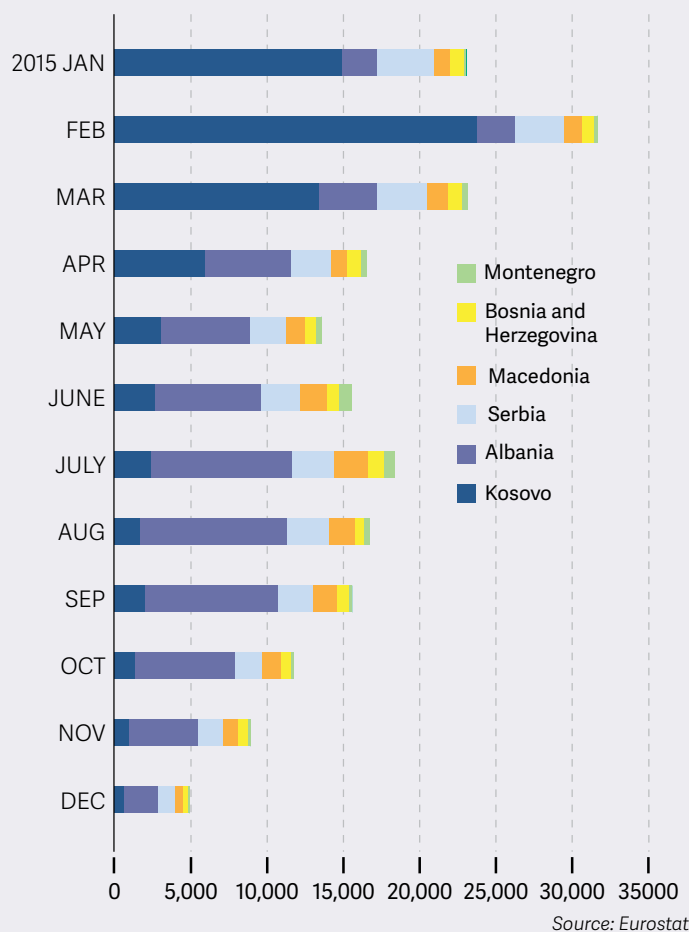
Montenegrin prime minister Milo Đukanović, who has effectively ruled since 1991, brought the country into NATO and continues to open new chapters for accession to the EU, even as the government makes no progress on genuine independence for anticorruption bodies or transparency in public procurement. Opposition forces with a mixture of right-wing and good-government agendas tried to challenge Đukanović through protests in the second half of the year, but they were unsuccessful.

Durable peace in the Balkans is no small achievement. But peace without progress has led to a festering and potentially dangerous stagnation. Crippling unemployment rates, especially for youth, still push tens of thousands of migrants each month to seek work in the EU. A sustainable solution will require the bloc to prioritize media independence, rule of law, and good governance within these countries over any short-term geopolitical objective.

## MIGRATION FROM AND THROUGH THE BALKANS: DOUBLE STRAIN

The movement of Middle Eastern and African refugees and migrants into Europe was the continent's biggest news story in 2015. It is easy to forget, however, that at the beginning of the year it was outward migration from the Balkans, especially from Kosovo, that made the headlines. In the first three months of 2015 alone, more than 50,000 Kosovars sought asylum in the European Union.

**NUMBER OF ASYLUM APPLICATIONS TO EUROPEAN COUNTRIES SUBMITTED BY BALKANS RESIDENTS**

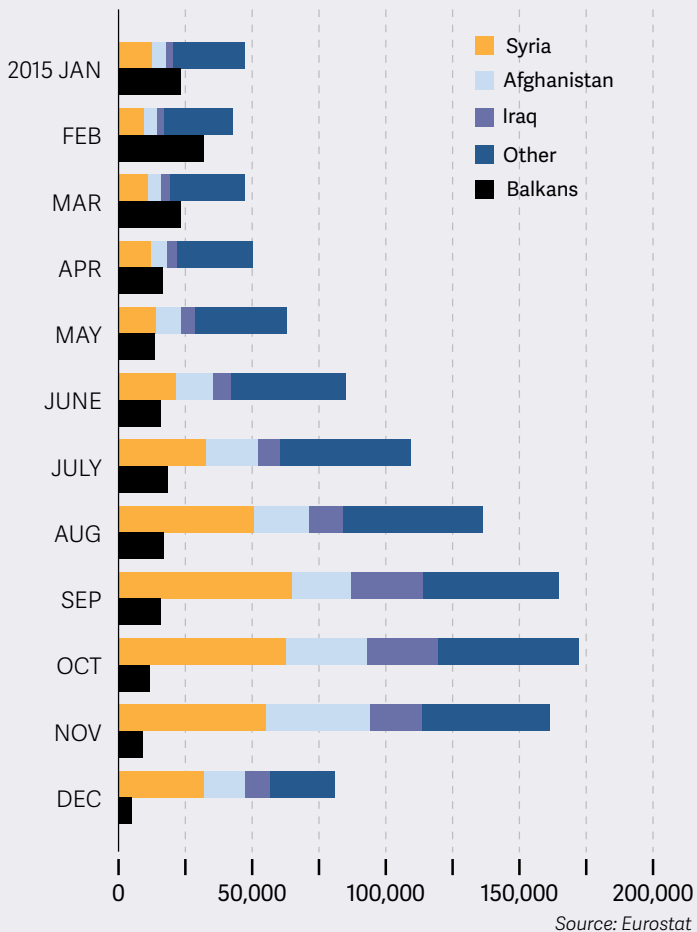


As the number of Balkans applicants tapered off during the spring, the number of Middle Eastern refugees rose. By May, asylum applications from Syrians alone equaled those from all of the Western Balkans. In total, more than 75,000 people filed for asylum that month, with one-third of them coming from Syria, Iraq, and Afghanistan. These numbers more than doubled by the summer, when Germany announced that it would not deport Syrian refugees arriving on its territory.

In early September, the European Commission proposed adding all Balkan countries and Turkey to its list of "safe countries of origin," meaning asylum applicants from those states could be returned automatically. In the next few months, the flow from the Balkans shrunk to a trickle.

By year's end, Hungarian prime minister Viktor Orbán's strategy

**TOTAL NUMBER OF ASYLUM APPLICATIONS TO EUROPEAN COUNTRIES**



of imposing strict national border controls, though initially derided, had become the norm across the EU, as the union failed to develop a shared policy for managing the movement and settlement of refugees. In December, Austria and Slovenia announced the strengthening of border controls and started building their own fences. While the flow slowed somewhat during the winter months, the EU is facing the full consequences of its failure to act in coordination this spring.

Passing the responsibility for managing refugees and protecting EU borders on to the Western Balkans is neither fair nor without its own dangers. The massive outflow of migrants from Balkan countries in the first half of 2015 should stand as a warning about the economic and political fragility of this region, which is increasingly trapped between Greece and the rest of the EU.

## From Dictatorship to Dynasty

Seven of the 15 countries of the former Soviet Union are now consolidated authoritarian regimes at the very bottom of the *Nations in Transit* scale, with Democracy Scores approaching the worst-possible 7.00. Over 224 million people live in these countries, accounting for 77 percent of the total population of the former Soviet Union and 55 percent of the total population of the *Nations in Transit* coverage area. The rulers of the seven countries have enriched themselves and their families—and in some cases may be laying the groundwork for hereditary rule.

### Russia: Vladimir Putin

Born October 7, 1952 (age 63)

**Years in power:** Prime Minister, 1999–2000; President, 2000–2008; Prime Minister, 2008–2012; President, 2012–present

**Family:** According to Reuters, in 2013 Putin's daughter Katerina Tikhonova married Kirill Shamalov, a vice president at the gas and petrochemical processor Sibur and the son of close Putin associate Nikolay Shamalov. In September 2014, Kirill Shamalov acquired an additional 17 percent of Sibur, increasing his total stake to 21.3 percent, worth an estimated \$2.85 billion. Tikhonova holds a high position at Moscow State University and is helping to direct a \$1.7 billion project for the expansion of its campus.



Source: Reuters

### Belarus: Alyaksandr Lukashenka

Born August 30, 1954 (age 61)

**Years in power:** President, 1994–present

**Family:** Lukashenka has two sons with his estranged wife Galina Lukashenka, Viktor and Dmitriy. Viktor is reportedly a national security aide engaged in overseeing Belarus's lucrative fertilizer exports, while Dmitriy is a businessman and head of the Presidential Sports Club. Another son, Nikolay or "Kolya," has been attending political functions with his father since 2008, when he was just four years old. He has attended meetings with former Venezuelan president Hugo Chávez, Armenian leader Serzh Sargsyan, Pope Benedict XVI, current Russian president Vladimir Putin, and then president Dmitriy Medvedev, who gave him a golden pistol.



Sources: Radio Free Europe/Radio Liberty, Belarus in Focus

### Kazakhstan: Nursultan Nazarbayev

Born July 6, 1940 (age 75)

**Years in power:** First Secretary of the Communist Party of Kazakhstan, 1989–91; President of Kazakhstan, 1991–present

**Family:** Daughter Dariga Nazarbayeva has served as a lawmaker and deputy speaker of the parliament's lower house. She became deputy prime minister in September 2015, and is also an amateur opera singer. Dariga's son Nurali Aliyev



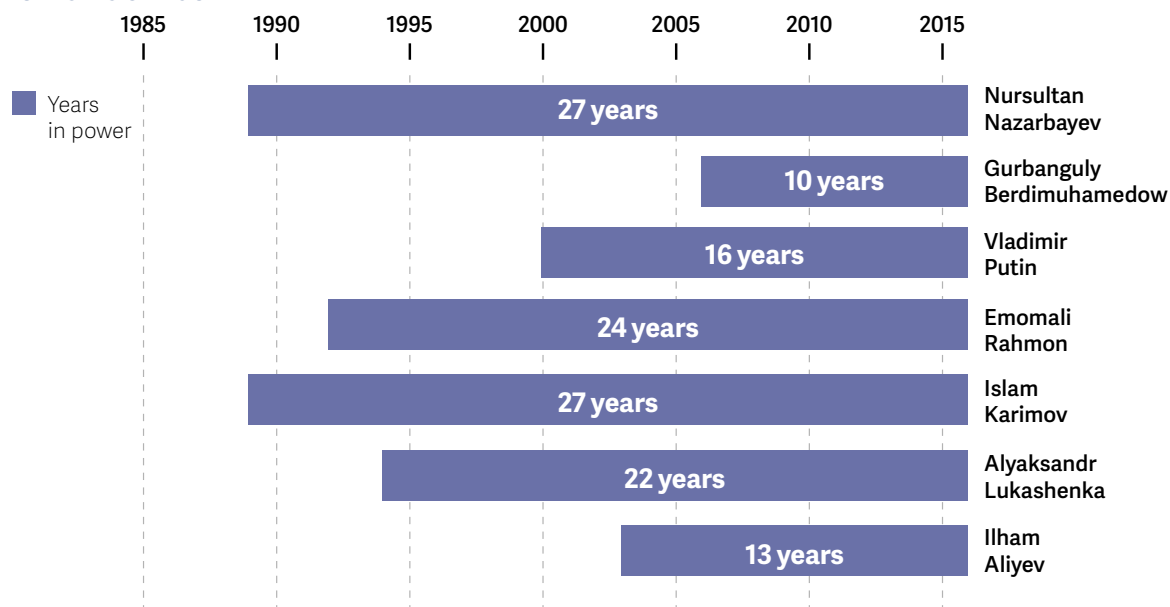
served as deputy mayor of Astana, the capital, before stepping down in March 2016. Her other son, Aisultan Nazarbayev, works in Kazakhstan's Defense Ministry. Kanye West performed at Aisultan's wedding in 2013.

Nazarbayev's second daughter, Dinara, is married to Timur Kulibayev, previously the chairman of the state holding company Samruk-Kazyna. Through the conglomerate Almex they control a majority stake in the country's most profitable bank, Halyk. They are number 2 on the 2016 Forbes Billionaires List for Kazakhstan, with a net worth of \$2.1 billion.

Nazarbayev promoted his nephew Samat Abishov to the position of first deputy chairman of the National Security Committee (KNB) in December 2015.

Sources: Halyk Bank, Forbes, Eurasianet

## EURASIA'S OLD GUARD

**Tajikistan: Emomali Rahmon**

Born October 5, 1952 (age 63)

**Years in power:** head of state, 1992–94; President, 1994–present

**Family:** Rahmon's daughter, Ozoda Emomali, previously first deputy foreign minister, was appointed her father's chief of staff in January 2016. Her husband, Jamoliddin Nuraliev, is first deputy chairman of the National Bank of Tajikistan. Rahmon appointed his 28-year-old son, Rustam Emomali, as head of the state anticorruption agency in 2015. Rustam has also run Tajikistan's Customs Agency and served as a member of the Dushanbe City Council and leader of Tajikistan's Football Federation.



Rahmon's brother-in-law Hasan Asadullozoda owns the country's most important business, the aluminum plant TALCO.

Rahmon's son-in-law Ashraf Gulov is Tajikistan's consul general to the Russian Federation. Another son-in-law is trade representative to Britain. Rahmon's nephew, Sirojiddin Gulmorodov, is chief of the tax service in his native Khatlon Province.

Sources: Eurasianet, National Bank of Tajikistan, Asia Plus

**Uzbekistan: Islam Karimov**

Born January 30, 1938 (age 78)

**Years in power:** First Secretary of the Communist Party of Uzbekistan, 1989–91; President of Uzbekistan, 1991–present

**Family:** Karimov's eldest daughter, Gulnara Karimova, has held several diplomatic positions, including ambassador to the United Nations in Geneva and deputy foreign minister. She was also known as a businesswoman and pop singer. Previously rumored to be a possible successor to her father, Karimova has been under house arrest since February 2014 as part of an embezzlement case in which she is accused of taking more than \$1 billion in bribes for access to Uzbekistan's telecommunications sector.



Karimov's second daughter, Lola Karimova-Tillyaeva, is Uzbekistan's ambassador to UNESCO and the head of several major charities. She and her husband have purchased homes worth tens of millions of dollars in California and Switzerland. In 2011, she sued a French website for libel after it called her a "dictator's daughter." She lost the case.

Sources: Organized Crime and Corruption Reporting Project (OCCRP), New York Times, Daily Mail

Photographs: Putin, iStock. Other leaders, Creative Commons

## Turkmenistan: Gurbanguly Berdimuhamedow

Born June 29, 1957 (age 58)

**Years in power:** President, 2006–present

**Family:** Although Berdimuhamedow's grandson, Kerimguly, has appeared alongside his grandfather on state television several times, there is also speculation that the president is grooming his son, Serdar, to succeed him.



Source: Radio Free Europe/Radio Liberty

## Azerbaijan: Ilham Aliyev

Born December 24, 1961 (age 54)

**Years in power:** President, 2003–present

**Family:** Aliyev has been married to Mehriban Aliyeva since 1983. She has served as the president of the Heydar Aliyev Foundation since its creation in 2004, deputy chairperson of the ruling New Azerbaijan Party since 2013, and a member of parliament since 2005. She is also a longtime member of the Executive Committee of the National Olympic Committee of Azerbaijan and was chairperson of the Organizing Committee for the 2015 European Games in Baku.



The Aliyevs have three children: Leyla, Arzu, and Heydar. According to OCCRP reporting, they own real estate in Dubai worth about \$75 million. Heydar alone bought nine waterfront mansions in Dubai totaling \$44 million in 2010, when he was just 11 years old. OCCRP also found that Leyla and Arzu Aliyeva own or are closely connected to at least six five-star hotels in Baku, as well as two mountain resorts.

The Aliyev family controls assets worth more than \$3 billion in at least eight major Azerbaijani banks, in addition to stakes in the telecommunications, construction, transportation, mining, gas, and oil sectors.

Source: OCCRP

## Elections 2016

April

### Serbia: early parliamentary elections



Prime Minister Aleksandar Vučić has called early elections despite his government having an absolute majority

in parliament. Vučić says the elections are needed to maintain momentum for reforms in line with European Union accession, but they appear to be just another means to keep the opposition on the back foot and further consolidate personal power.

2016

JAN

FEB

MAR

APR

May

### Tajikistan: constitutional referendum



After the eradication of the legal opposition in 2015, citizens are being asked to vote on amendments

that will allow President Emomali Rahmon to remain in office for life, or permit his 29-year-old son Rustam to take office in the next presidential election in 2020. The only uncertainty surrounding the tightly controlled balloting is how close the "yes" vote will come to 100 percent.

June

### Macedonia: early parliamentary elections



The early elections are the result of a June 2015 EU-brokered deal between the ruling VMRO-DPMNE party and the opposition in the

wake of bombshell revelations of widespread government corruption and vote rigging. Originally scheduled for April 24, the elections were delayed after the EU and the United States both said there had been inadequate reforms to ensure free and fair balloting. Polls still show VMRO-DPMNE in the lead, even as a special prosecutor is investigating cases involving the party's officials.

**October****Montenegro: parliamentary elections**

With the exception of two “retirements” in 2006–08 and 2010–12, Prime Minister Milo Đukanović has held the premiership or the presidency since 1991. Late 2015

featured protests by nationalists opposed to membership in NATO and civic activists frustrated with lack of progress in fighting corruption. The ruling Democratic Party of Socialists will likely retain its plurality in the parliament, but there could be pressure on Đukanović to retire for good now that NATO membership has been achieved.

**November****Romania: parliamentary and local elections**

Simultaneous elections will be held nationwide for parliament and local offices. This will mark the first implementation of a

reformed voting system, and the contest comes amid popular frustration with the main parties over corruption and impunity, which drove Prime Minister Victor Ponta out of office in late 2015.

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

**September****Belarus: parliamentary elections**

The year will show whether President Alyaksandr Lukashenka maintains the mild “thaw” of 2015—in

which he mended fences with the EU without threatening his own power—by allowing some competition for seats in the lower house of parliament. Opposition parties currently have no representation in the body.

**October****Georgia: parliamentary elections**

The ruling Georgian Dream (GD) and opposition United National Movement (UNM) have been positioning for

these elections since early 2015. The last parliamentary elections in 2012 toppled the UNM and brought the GD to power. Frustration with both the GD and the UNM could produce gains for pro-Russian parties, despite overall support for Georgia’s long-standing policy orientation toward Europe and the United States.

**September****Russia: parliamentary elections**

The elections will be a test of the popularity of President Vladimir Pu-

tin’s United Russia party, and of its ability to round up votes by any means at a time of economic crisis. Widespread fraud in the December 2011 elections led to huge street protests against the government and a fierce crackdown that continues to this day.

**October****Lithuania: parliamentary elections**

The center-left Lithuanian Social Democratic Party is the favorite to retain its plurality in the parliament

and form a government again, but corruption scandals could increase support for the Liberal Movement and the center-right Homeland Union–Lithuanian Christian Democrats.

## Methodology

*Nations in Transit 2016* measures progress and setbacks for democratization in 29 countries from Central Europe to Central Asia. The 21st edition of this annual study covers events from January 1 through December 31, 2015. In consultation with country report authors, a panel of academic advisers, and a group of regional expert reviewers, Freedom House provides numerical ratings for each country on seven indicators:

- **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.** Focuses on public perceptions of corruption, the business interests of top policymakers, laws on financial disclosure and conflict of interest, and the efficacy of anticorruption mechanisms.

The ratings are based on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress. 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 change by more than a half point in a single year.

A country's Democracy Score is the average of its ratings on all seven indicators covered by *Nations in Transit*. Based on the Democracy Score, Freedom House assigns each country to one of the following regime types:

**Consolidated Democracies (1.00-2.99):** Countries receiving this score embody the best policies and practices of liberal democracy, but may face challenges—often associated with corruption—that contribute to a slightly lower score.

**Semi-Consolidated Democracies (3.00-3.99):** Countries receiving this score are electoral democracies that meet relatively high standards for the selection of national leaders but exhibit weaknesses in their defense of political rights and civil liberties.

**Transitional or Hybrid Regimes (4.00-4.99):** Countries receiving this score are typically electoral democracies where democratic institutions are fragile, and substantial challenges to the protection of political rights and civil liberties exist.

**Semi-Consolidated Authoritarian Regimes (5.00-5.99):** Countries receiving this score attempt to mask authoritarianism or rely on informal power structures with limited respect for the institutions and practices of democracy. They typically fail to meet even the minimum standards of electoral democracy.

**Consolidated Authoritarian Regimes (6.00-7.00):** Countries receiving this score are closed societies in which dictators prevent political competition and pluralism and are responsible for widespread violations of basic political, civil, and human rights.

*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. A more detailed description of the methodology, including complete checklist questions for each democracy indicator, can be found at <https://freedom-house.org/report/nations-transit-2016/methodology>.

## NATIONS IN TRANSIT 2016: CATEGORY AND DEMOCRACY SCORE SUMMARY

Countries are rated on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress. The average of these ratings is each country's Democracy Score **(DS)**.

### Categories

**EP** - Electoral Process  
**CS** - Civil Society  
**IM** - Independent Media

**NDG** - National Democratic Governance  
**LDG** - Local Democratic Governance  
**JFI** - Judicial Framework and Independence  
**CO** - Corruption

Country	CATEGORIES							
	EP	CS	IM	NDG	LDG	JFI	CO	DS
Estonia	1.50	1.75	1.50	2.25	2.50	1.50	2.50	<b>1.93</b>
Slovenia	1.50	2.00	2.50	2.00	1.50	2.00	2.50	<b>2.00</b>
Latvia	1.75	1.75	2.00	2.00	2.25	1.75	3.00	<b>2.07</b>
Czech Republic	1.25	1.75	2.75	2.75	1.75	1.75	3.50	<b>2.21</b>
Lithuania	2.00	1.75	2.25	2.75	2.25	1.75	3.50	<b>2.32</b>
Poland	1.50	1.50	2.75	2.75	1.50	2.75	3.50	<b>2.32</b>
Slovakia	1.50	1.75	3.00	3.00	2.50	2.75	3.75	<b>2.61</b>
Bulgaria	2.25	2.25	4.00	3.50	3.00	3.50	4.25	<b>3.25</b>
Hungary	2.75	2.50	3.75	4.00	3.00	3.00	4.00	<b>3.29</b>
Romania	3.25	2.25	4.25	3.75	3.25	3.75	3.75	<b>3.46</b>
Croatia	3.00	2.75	4.00	3.50	3.75	4.50	4.25	<b>3.68</b>
Serbia	3.25	2.25	4.50	4.00	3.50	4.50	4.25	<b>3.75</b>
Montenegro	3.50	2.75	4.50	4.25	3.50	4.00	5.00	<b>3.93</b>
Albania	3.75	3.00	4.25	4.50	3.50	4.75	5.25	<b>4.14</b>
Macedonia	3.75	3.25	5.25	4.75	4.00	4.50	4.50	<b>4.29</b>
Bosnia-Herzegovina	3.25	3.50	4.75	5.75	4.75	4.50	5.00	<b>4.50</b>
Georgia	4.50	3.75	4.00	5.50	5.25	4.75	4.50	<b>4.61</b>
Ukraine	3.50	2.25	4.00	5.75	5.25	6.00	6.00	<b>4.68</b>
Moldova	4.00	3.25	5.00	5.75	5.50	4.75	6.00	<b>4.89</b>
Kosovo	4.75	3.75	5.25	5.50	4.50	5.75	6.00	<b>5.07</b>
Armenia	5.75	3.75	5.75	5.75	5.75	5.50	5.25	<b>5.36</b>
Kyrgyzstan	5.25	4.75	6.00	6.50	6.25	6.25	6.25	<b>5.89</b>
Russia	6.75	6.25	6.50	6.75	6.25	6.25	6.75	<b>6.50</b>
Tajikistan	6.75	6.50	6.25	7.00	6.00	6.75	6.50	<b>6.54</b>
Kazakhstan	6.75	6.50	6.75	6.75	6.50	6.50	6.50	<b>6.61</b>
Belarus	6.75	6.25	6.75	6.75	6.75	7.00	6.25	<b>6.64</b>
Azerbaijan	7.00	7.00	7.00	6.75	6.50	7.00	6.75	<b>6.86</b>
Turkmenistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	<b>6.93</b>
Uzbekistan	7.00	7.00	7.00	7.00	6.75	7.00	6.75	<b>6.93</b>
<b>Average</b>	3.98	3.61	4.59	4.77	4.29	4.54	4.92	<b>4.39</b>
<b>Median</b>	3.50	3.00	4.50	4.75	4.00	4.50	5.00	<b>4.29</b>

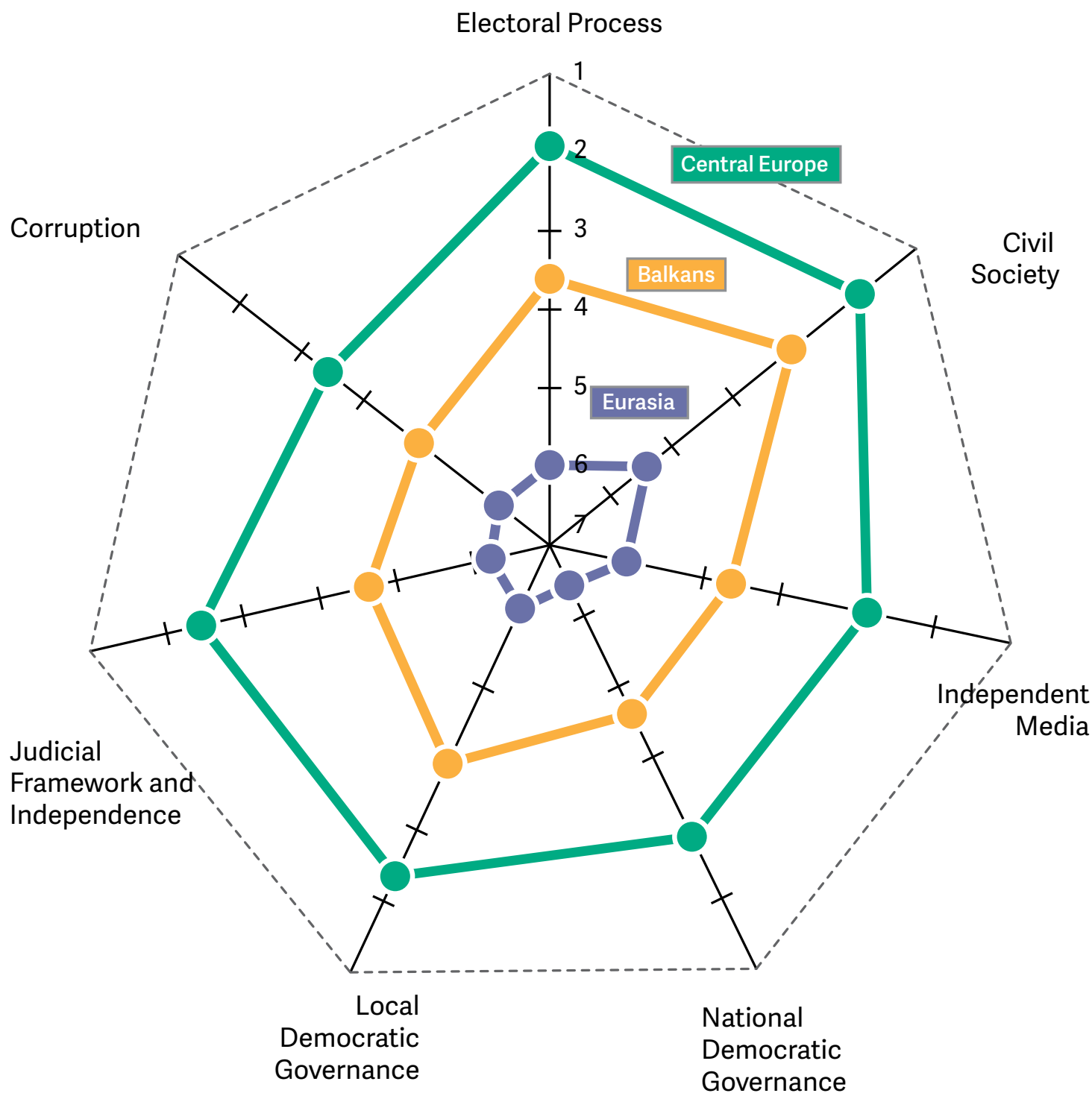
## NATIONS IN TRANSIT 2016: DEMOCRACY SCORE HISTORY BY REGION

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Central Europe</b>										
Bulgaria	2.89	2.86	3.04	3.04	3.07	3.14	3.18	3.25	3.29	3.25 ▲
Czech Republic	2.25	2.14	2.18	2.21	2.18	2.18	2.14	2.25	2.21	2.21
Estonia	1.96	1.93	1.93	1.96	1.93	1.93	1.96	1.96	1.96	1.93
Hungary	2.14	2.14	2.29	2.39	2.61	2.86	2.89	2.96	3.18	3.29 ▼
Latvia	2.07	2.07	2.18	2.18	2.14	2.11	2.07	2.07	2.07	2.07
Lithuania	2.29	2.25	2.29	2.25	2.25	2.29	2.32	2.36	2.36	2.32 ▲
Poland	2.36	2.39	2.25	2.32	2.21	2.14	2.18	2.18	2.21	2.32 ▼
Romania	3.29	3.36	3.36	3.46	3.43	3.43	3.5	3.46	3.46	3.46
Slovakia	2.14	2.29	2.46	2.68	2.54	2.5	2.57	2.61	2.64	2.61 ▲
Slovenia	1.82	1.86	1.93	1.93	1.93	1.89	1.89	1.93	1.93	2.00 ▼
<b>Average</b>	2.32	2.33	2.39	2.44	2.43	2.45	2.47	2.50	2.53	2.55
<b>Median</b>	2.20	2.20	2.27	2.29	2.23	2.24	2.25	2.31	2.29	2.32

<b>Balkans</b>										
Albania	3.82	3.82	3.82	3.93	4.04	4.14	4.25	4.18	4.14	4.14
Bosnia-Herzegovina	4.04	4.11	4.18	4.25	4.32	4.36	4.39	4.43	4.46	4.50 ▼
Croatia	3.75	3.64	3.71	3.71	3.64	3.61	3.61	3.68	3.68	3.68
Kosovo	5.36	5.21	5.14	5.07	5.18	5.18	5.25	5.14	5.14	5.07 ▲
Macedonia	3.82	3.86	3.86	3.79	3.82	3.89	3.93	4	4.07	4.29 ▼
Montenegro	3.93	3.79	3.79	3.79	3.82	3.82	3.82	3.86	3.89	3.93 ▼
Serbia	3.68	3.79	3.79	3.71	3.64	3.64	3.64	3.64	3.68	3.75 ▼
<b>Average</b>	4.06	4.03	4.04	4.04	4.07	4.09	4.13	4.13	4.15	4.19
<b>Median</b>	3.82	3.82	3.82	3.79	3.82	3.89	3.93	4.00	4.07	4.14

<b>Eurasia</b>										
Armenia	5.21	5.21	5.39	5.39	5.43	5.39	5.36	5.36	5.36	5.36
Azerbaijan	6.00	6.00	6.25	6.39	6.46	6.57	6.64	6.68	6.75	6.86 ▼
Belarus	6.68	6.71	6.57	6.5	6.57	6.68	6.71	6.71	6.71	6.64 ▲
Georgia	4.68	4.79	4.93	4.93	4.86	4.82	4.75	4.68	4.64	4.61 ▲
Kazakhstan	6.39	6.39	6.32	6.43	6.43	6.54	6.57	6.61	6.61	6.61
Kyrgyzstan	5.68	5.93	6.04	6.21	6.11	6.00	5.96	5.89	5.93	5.89 ▲
Moldova	4.96	5.00	5.07	5.14	4.96	4.89	4.82	4.86	4.86	4.89 ▼
Russia	5.86	5.96	6.11	6.14	6.18	6.18	6.21	6.29	6.46	6.50 ▼
Tajikistan	5.96	6.07	6.14	6.14	6.14	6.18	6.25	6.32	6.39	6.54 ▼
Turkmenistan	6.96	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93	6.93
Ukraine	4.25	4.25	4.39	4.39	4.61	4.82	4.86	4.93	4.75	4.68 ▲
Uzbekistan	6.82	6.86	6.89	6.93	6.93	6.93	6.93	6.93	6.93	6.93
<b>Average</b>	5.79	5.84	5.92	5.96	5.97	5.99	6.00	6.02	6.03	6.04
<b>Median</b>	5.91	5.98	6.13	6.18	6.16	6.18	6.23	6.31	6.43	6.52

NATIONS IN TRANSIT 2016: AVERAGE REGIONAL CATEGORY SCORES



The NIT ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The NIT 2016 ratings reflect the period from 1 January through 31 December 2015.

## Notes

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Freedom House is a nonprofit, nonpartisan organization that supports democratic change, monitors freedom, and advocates for democracy and human rights.

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