

POLITICAL SITUATION  
AND DEMOCRATIC  
REFORMS IN CENTRAL  
AND EASTERN EUROPE

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## ABSTRACT

As a continuation of previous reports, this chapter aims at presenting the political, social and international situation and the progress in democratic reforms in the 27 post-communist countries of Europe and Asia, divided into sub-regions. The analysis, covering the period from June 2006 to May 2007, deals with the general directions and tendencies of the transformation of systems, with particular consideration given to the progress on the path of the transformation of systems in the political and social context. The authors attempt to determine what is the current progress of the transformation in individual countries and the current successes and failures in the pursuit of democracy and a civil society. To this end, the authors have analyzed changes in the internal political arena and personnel changes in the countries under discussion. This has revealed that the transformation in a few countries has been the result of crises or shocks, while in others the situation in the internal political arena is quite stable and predictable. Particular attention is drawn to the observance of human rights and civil liberties, which helps in identifying if democracy is functioning in reality in a given country, or if it is no more than a passing reference in the Constitution. In order to present the international situation, the authors analyzed the key trends in the foreign policy of the countries under discussion, paying attention to their role in strengthening peace and security in the sub-region. Apart from identifying the primary objective of foreign policy in the countries analyzed, the authors have tried to evaluate the sustainability of this objective; they have also investigated if the countries are involved in unsettled international disputes, and if so, whether they threaten to escalate, or are a potential source of destabilization and conflict in the region.

## 2.1. INTRODUCTION

In the period from June 2006 to May 2007 two opposing tendencies were reinforced in the post-communist countries; while in the states following a pro-western policy the democratic mechanisms were strengthened, many countries in the former Soviet Union remained under authoritarian systems of government. The division line between these groups to some extent followed the eastern border of NATO and the European Union, which was enlarged in 2007 to include Bulgaria and Romania (Map 2.1 and Map 2.2).

A functioning democracy was one of the key conditions required from candidates for EU and NATO membership, as well as for joining the Council of Europe. In May 2007 Montenegro joined the latter of the two organizations (having proclaimed its independence only a year earlier), and the only country in the Old Continent that still maintained its status as a candidate country was Belarus.<sup>1</sup> Membership in organizations that champion democracy did not dispel all the doubts concerning the

<sup>1</sup> Belarus has been a candidate country to the Council of Europe since 1993. [http://www.coe.int/T/E/Com/About\\_Coe/Member\\_states/default.asp](http://www.coe.int/T/E/Com/About_Coe/Member_states/default.asp)

**Map 2.1.** EU after enlargement with CEE countries

- dark grey colour - countries that joined the EU before 2004.
- light grey colour - countries that joined the EU in 2004 or in 2007.



**Map 2.2.** NATO after enlargement with CEE countries

- dark grey colour - countries that joined the EU before 1999.
- light grey colour - countries that joined the EU in 1999 or in 2004.



**Map 2.3.** Level of freedom in 2006 acc. to Freedom House.

Green – free  
 Yellow – partly free  
 Violet – not free

Source: [www.freedomhouse.org/uploads/maps/fiw\\_current.pdf](http://www.freedomhouse.org/uploads/maps/fiw_current.pdf)

political systems in their member states. Doubts arose especially in relation to countries with unstable political systems, where the dominance of the pro-democratic forces was not apparently sustained.

The classification of political systems presents particular difficulties because, although there is a consensus as to certain minimum characteristics of democracy (free elections, political pluralism, free media, observance of human rights), a commonly accepted definition has yet to be agreed. Determination of the level of democracy is therefore an even greater challenge. Still, such attempts are made, even though they have a considerable margin of error because of the specific features of the measured categories and difficulties in identifying certain changeable phenomena with mathematical precision. For example, according to a ranking prepared by the Economist Intelligence Unit only the Czech Republic and Slovenia fall into the category of 'full democracy'. The majority of Central and Eastern European countries (Albania, Bulgaria, Croatia, Montenegro, Lithuania, Latvia, Estonia, Moldova, Poland, Romania, Serbia, Slovakia, Ukraine and Hungary) were ranked by the authors as 'flawed democracies', which in many cases was decided by their low (according to the EIU) level of political culture. Albania, Bosnia and Herzegovina, like Russia, Georgia, Armenia and Kyrgyzstan, were placed by the EIU in the group of 'hybrid regimes', combining elements of various political systems. Meanwhile among the countries identified as authoritarian were Kazakhstan, Belarus, Azerbaijan, Tajikistan, Uzbekistan and Turkmenistan.<sup>2</sup> A similar

<sup>2</sup> For more information about the methodology and definitions used by the EIU, and also the ranking's details, see: Laza Kelic, *The Economist Intelligence Unit's Index of Democracy, 2007*, [www.economist.com/media/pdf/DEMOCRACY\\_INDEX\\_2007\\_v3.pdf](http://www.economist.com/media/pdf/DEMOCRACY_INDEX_2007_v3.pdf)

ranking, compiled by Freedom House, focused on surveying the level of freedom (Map 2.3).<sup>3</sup>

In the period under discussion many countries of Central and Eastern Europe (CEE) experienced political crises, which, however, did not threaten the foundations of democracy (in spite of alarming reports in the media). For example, in the Czech Republic a new government lasted for only a few months after the parliamentary elections; in Hungary protesters tried without success to force the resignation of the discredited prime minister; and in Poland early elections were expected due to friction within the governing coalition. A cause for concern was the electoral successes of political groups that resorted in their campaigns to slogans undermining the rule of democracy (e.g. in Slovakia). Nevertheless, these groupings, which used anti-European, populist or nationalist slogans in their bid to attain power, eventually rejected their more radical policies when they formed a part of the government or parliamentary coalition.

Russia represented a growing challenge to the foreign policy of the CEE countries, by clearly differentiating its relations with individual countries in terms of a 'carrot or stick' strategy. For example, when at the turn of 2006/2007 Hungarian-Russian and Slovakian-Russian relations were improving, the crisis in Warsaw-Moscow relations was becoming more acute. The Kremlin was trying to determine how far, in its policy towards the CEE countries and the EU member states in particular, it could intervene without triggering a negative reaction from the West. It can be recognized as a success for Warsaw that the EU made a clear declaration recognising the Russian embargo on Polish meat as not a bilateral issue (as the Kremlin would have wished), but an issue for the whole

<sup>3</sup> [www.freedomhouse.org](http://www.freedomhouse.org).

EU, according to a statement made in May 2007 by German Chancellor Angela Merkel, who held the EU presidency at the time.<sup>4</sup> The incommensurate reaction of Russia to the removal of the Russian army monument in Estonia was also critically received by the West.<sup>5</sup> In the upcoming months it is to be expected that Russia will conduct further probes into EU solidarity with its member states from the CEE region and exploit any differences in interests among them, a strategy in which, on the issue of the North European Gas Pipeline at least, Moscow can claim some success.

In many of the post-communist European countries, such as Ukraine and Serbia, the leadership of the pro-democratic forces has appeared weak. Efforts aimed at gaining access to the Euro-Atlantic structures were a factor strengthening stability,<sup>6</sup> but while the Western Balkans had real prospects of becoming EU member states, the path has not yet been cleared for Moldova, Ukraine and Belarus.

While the democratic system did not seem under threat in the majority of CEE countries, authoritarian political regimes prevailed in many of the countries that emerged from the collapse of the Soviet Union. This particular model has been adopted, for example, by the authorities in Belarus and Russia. According to Jadwiga Rogoża: "After seven years of Vladimir Putin's presidency the Russian political arena resembles an imitation of political pluralism; pro-Kremlin groups supported by the authorities are dominant; only a 'licensed opposition' is tolerated in the political left and right, while independent parties are persecuted and gradually marginalized. Numerous changes introduced in recent years to the electoral law have strengthened control over the election process by the authorities. Elections in Russia have almost entirely lost any democratic character in these conditions; they have ceased to be a reflection of the voters' wishes and have become only a form of social legitimization of the decisions made earlier by the authorities."<sup>7</sup> In

<sup>4</sup> <http://www.dziennik.pl/Default.aspx?TabId=14&ShowArticleId=45027>

<sup>5</sup> Wojciech Konończuk, *Konflikt estońsko-rosyjski z pomnikiem 'Żołnierza z Brązu' w tle, (Estonian-Russian conflict with the statue of 'Bronze Soldier' in the background)* 'BEST - the Balkans and Central Europe, CES Weekly, 9 V 2007, no. 9, Internet edition: [www.osw.waw.pl/pub/BiuletynOSW/2007/05/070509/best01.htm](http://www.osw.waw.pl/pub/BiuletynOSW/2007/05/070509/best01.htm)

<sup>6</sup> In December 2006, Serbia, Bosnia and Montenegro joined the 'Partnership for Peace' programme, which was recognized as an important step towards membership of NATO, and at the end of May 2007 the EU Commissioner for Enlargement Olli Rehn announced that the new Serbian government will soon be able to resume association talks with the EU provided that it cooperates with the International Criminal Tribunal for the Former Yugoslavia – ICTY.

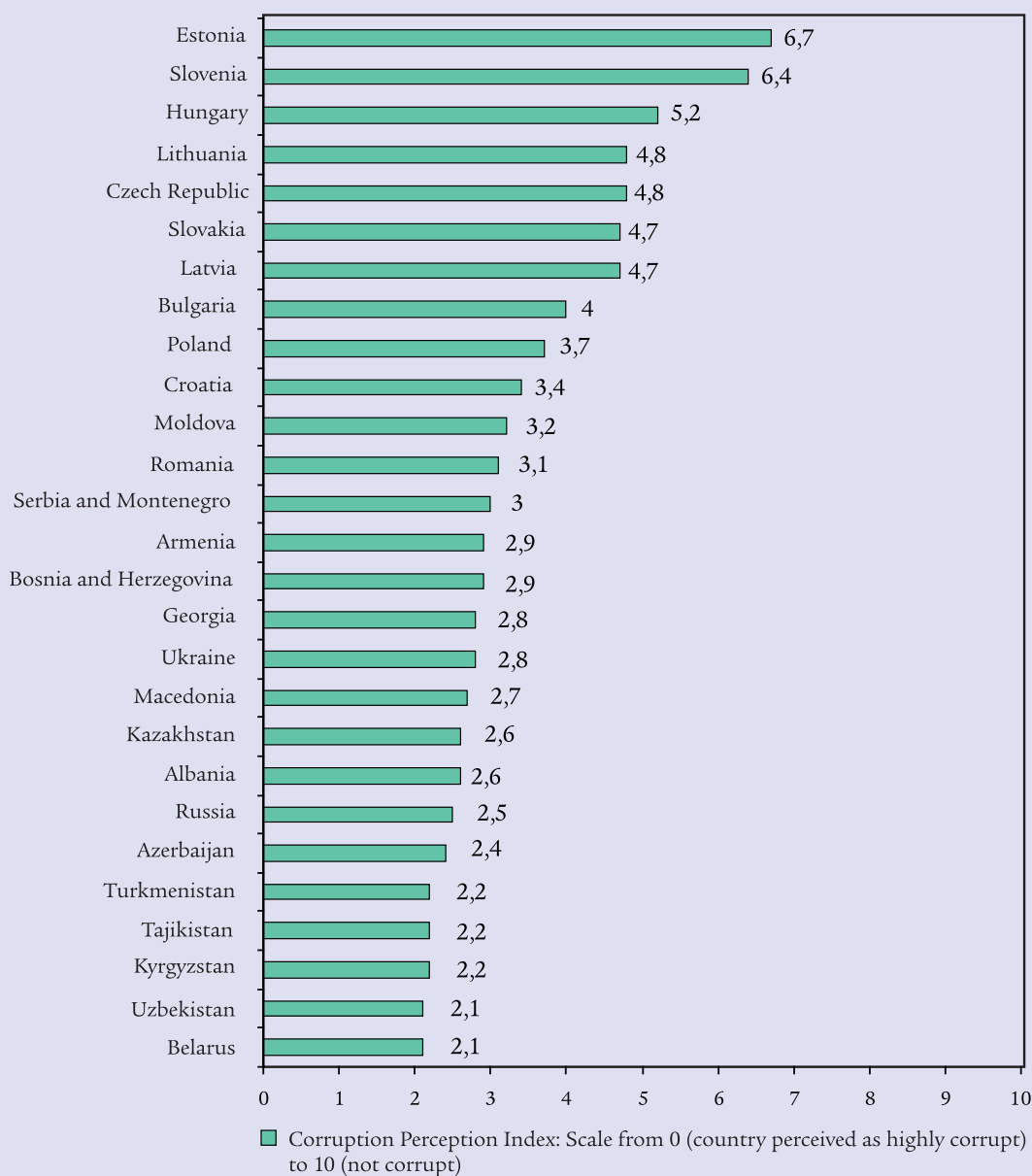
<sup>7</sup> Jadwiga Rogoża, *EastWeek, CES*, 14 March 2007, no. 2, p. 1, Internet edition: <http://www.osw.waw.pl/pub/BiuletynOSW/2007/03/070314/TnW01.htm>. See also: S. Bieliń, *Tożsamość międzynarodowa Federacji Rosyjskiej (International Identity of Russian Federation)*. Publishing House AS PRA-JR, Warsaw 2006.

Turkmenistan, although the democratic system of government is guaranteed by the Constitution, in reality the actual system of government has little in common with democracy. The sudden death of President Turkmenbasha (in 2006) awoke hopes of a change in the political system in the country, which is regarded as one of the most totalitarian regimes in the world, but so far there have been no signs of any real liberalization of the system. In terms of political system transformation in the countries of Central Asia, such as Uzbekistan, Tajikistan and Kazakhstan, one can speak about stagnation or regression, inclining towards the authoritarian model. The situation in Kyrgyzstan, since the time of the 'Tulip Revolution' (also called the 'Almond Revolution') in March 2005, has failed to stabilize, a fact that has been used by the opponents of democracy to discredit the reforms. They argue that Central Asian societies need stability in the first place and are not ready for a pro-western transformation, including the acceptance of western standards of human rights observation.

For the countries of the Southern Caucasus (Armenia, Azerbaijan and Georgia) the period from May 2006 to May 2007 was a time of intensified cooperation with the West, which stimulated the process of transformation. Russia's efforts to strengthen its influence in this region failed, and attempts to put pressure on Georgia by means of sanctions brought the opposite effect. The disproportionate reaction of Moscow to the arrest of four Russian officers suspected of espionage by Georgian special forces (in September 2006), a scenario reminiscent of a previous era (including, *inter alia*, a communication blockade of Georgia, through the suspension of air, rail, road and postal connections,<sup>8</sup> along with the deportation of Georgian citizens from Russia), demonstrated both the limited capabilities and the unpredictability of Russia's counter-measures. Stability in the region of the Southern Caucasus was negatively impacted by the frozen military conflicts in Abkhazia, South Ossetia and Nagorno Karabakh, where military incidents occurred and threats to use force were repeated, causing a real danger of the outbreak of military conflict. The risk was heightened by the unpredictability of Moscow's policy.

Among the issues threatening stability in the CEE were the future of Kosovo and Transdniestier. The growing

<sup>8</sup> Performances by, for example, the Georgian ballet in Moscow were cancelled, and in some regions militia started to hunt for illegal immigrants from Georgia through the schools attended by their children. Problems were not avoided even by known and respected Georgian figures in Russia: the famous sculptor Zurab Cereteli was for example accused of financial embezzlement, and the tax authorities cited grievances against the well-known writer Grigorij Czchartiszwili (publishing under pseudonym Boris Akunin). <http://osw.waw.pl/pub/koment/2006/10/061012b.htm>

**Chart 2.1.** CPI Corruption Perception Index in selected countries, according to Transparency International in 2006.

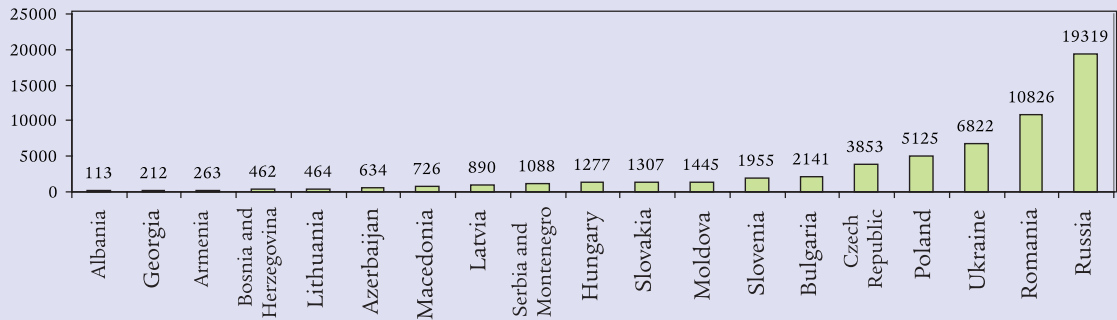
Source: Authors' study based on information from Transparency International, [www.transparency.org](http://www.transparency.org)

possibility of a proclamation of independence by Kosovo threatened to significantly exacerbate Serb nationalism, especially among those appealing for the separation of the Republic of Srpska from Bosnia and Herzegovina. The situation in this country, composed of two entities – the Croatian/Muslim Federation and the Republic of Srpska – remained under the control of international forces. In accordance with the Dayton Accords of 1995 their presence was intended to be an interim solution, but it continues to be necessary for ensuring peace. A potential source of instability, apart from Kosovo, continues to be the problem of Transdniestria, which is a stumbling block

to future cooperation between Moldova and the EU. The extension of the 'frozen conflict' seems to coincide with the interests of Russia, which wants to strengthen its own influence while limiting the influence of the West, especially in the countries recognized by Moscow as its 'proximate foreign countries'.

In conclusion, after more than ten years of transformation it can be concluded that the democratic system does not seem to be under threat in the majority of CEE countries, particularly the member states of the EU and NATO, although a number of phenomena (e.g. corruption) are disrupting its functioning (Chart 2.1). The

**Chart 2.2.** Number of cases pending in the European Court of Human Rights (ECHR) in Strasbourg from selected countries, as of January 1, 2007.



Source: Authors' study based on data from *Survey of Activities, Registry of the European Court of Human Rights Strasbourg*, 2007, [http://www.echr.coe.int/NR/rdonlyres/69564084-9825-430B-9150-A9137DD22737/0/Survey\\_2006.pdf](http://www.echr.coe.int/NR/rdonlyres/69564084-9825-430B-9150-A9137DD22737/0/Survey_2006.pdf), p. 7.

group of countries with the highest levels of corruption includes the post-communist Asian countries. According to a ranking by Transparency International, among the countries under discussion the issue is most thorny in Uzbekistan and Belarus. Estonia, Slovenia and Hungary are the best in handling this issue, while in Poland, the high level of corruption remains alarming.

There is great diversity also in the level of human rights observance in the post-communist countries. According to reports by Amnesty International, the situation gives most cause for concern in, among others, Belarus, Turkmenistan and Uzbekistan.<sup>9</sup> Belarus is the only European country remaining outside the Council of Europe, so its citizens cannot petition the European Court of Human Rights in Strasbourg. On the other hand, this right has been exercised by citizens of the Russian Federation (including Chechnya) and a record-breaking number of complaints about the infringement of human rights lodged with the ECHR originated from this country. In January 2007, 89,900 cases were pending at the ECHR, of which 19,300 (21%) were from Russia.

There are still many challenges to be faced by the countries undergoing transformation. Although democracy in the CEE countries that are members of the EU and NATO does not seem to be under threat, there is a necessity to strengthen democratic standards. Meanwhile, in the majority of post-Soviet countries democracy is nothing more than window dressing, something that suits the local political elite, and the wave of 'coloured revolutions' seems to be in the past. The further direction and pace of the reforms will depend greatly on Russia's position and actions, and also the stance of the West.

A dozen years ago, when the collapse of the communist systems started in the region, scientific

research and political journalism expressed a majority opinion that the process would to some degree lead naturally to the building of democratic systems. Authors writing about 'transitology', in other words topics related to the 'transition to democracy', were inclined to recognize this direction of change as natural and the only one possible, although they did not rule out the possibility of regress in individual countries in the region – something that is confirmed by the analysis in this Report.

Unilateral perceptions of the transformations taking place after the fall of communism were accompanied by a conviction that they were the common and inevitable result of the hard-headedness of the communist system, as was what would follow – the inability to face the contemporary challenges. But these challenges are today considerably less obvious than they seemed at the beginning of the 90s. The conviction that the collapse of the communist systems, which happened in the Soviet Union and Europe, would lead to similar changes in the remaining communist countries, turned out to be illusory. The developments to date have still not confirmed this thesis, which does not mean that the fall of communist systems is excluded only where they are based on coercion (as in North Korea) or on a charismatic leader (as in Cuba). Analysis of the Chinese and Vietnamese policies indicates that the break-up of the system is not the only possible scenario for the future of communist countries. The parties in power in these two countries have launched economic reforms, modernized society and developed their education systems. This has meant changing the social system, although – so far – the political system has not undergone any significant transformation. Yet, the question remains unanswered, of whether the system will disintegrate there or be gradually reformed, or if a second possibility may materialize, as a result of the transformations.

The experience of the states in the region under discussion in the past dozen years leads also to a rejection

<sup>9</sup> <http://web.amnesty.org/report2006/2eu-summary-eng>. See also: Human Rights Watch, <http://www.hrw.org/doc?t=europe&c=turkme>

of the basic assumption of 'transitology', that the transformation process follows only one route, from communism to democracy. Only a few of the former communist countries have transformed themselves into consolidated democracies. Others have moved from dictatorship by the communist party to a form of post-communist authoritarianism. Yet others are still struggling with making their choice for the future. That is why instead of a model of unilateral change one should speak rather about a 'crossroads'. At the same time the question arises, as to what the political development of individual states depends on.

There is a lot to indicate that the direction of this development is strongly influenced by history. What was the mechanism for establishing the communist dictatorship? How long did it last? What was the pre-communist past of individual states and nations; did they have a democratic system earlier and if so, for how long? What was the level of economic and cultural development at the time of the systemic change? What is the ethnic structure of the state? All these questions call for an analysis of the contemporary – and in this sense objective – conditions, in which systems change.

International comparisons not only permit us to confirm what were the objective conditions created by previous development, but also to recognize the presence of differences that cannot be explained by such simple categorisation. Sociologists and political scientists could probably quite easily find *ex post* explanations of the discrepancies between states in the categories of their prevailing characteristics. It is not clear, however, if these characteristics are a good basis for a forecast. Do they permit an alteration in the direction of change, before they happen? How to explain the fact that Mongolia is – at least in the basic dimensions – a democratic state and Kazakhstan and Uzbekistan are not? How to explain that the development courses adopted by Ukraine and Belarus are becoming more and more divergent, and not closer? How did Macedonia manage to avoid a bloody ethnic war, even though its ethnic structure is no less complicated than Serbia's or Croatia's? How to explain the emergence of authoritarian tendencies in Slovakia and not, for example, in Hungary or the Czech Republic?<sup>10</sup>

Such questions multiply. There is no doubt that in order to understand the processes and transformations discussed here, it is necessary to consider not just the

objective, existing conditions, but also the choices made by policy-makers. They were not demiurges of history independent from the historical conditions, and nor were they, as they might have been described by Lev Tolstoy, puppets of history. The combination of what is objective and what results from human choice is precisely that which makes the interpretation of policy intellectually interesting, and politically essential. Since if not everything is determined by the objective conditions, it is worth understanding what actions lead to it being effected, based on accepted values that are considered desirable.

## 2.2. BALTIC STATES (ESTONIA, LATVIA AND LITHUANIA) – INTERNAL STABILITY AND EXTERNAL TENSION

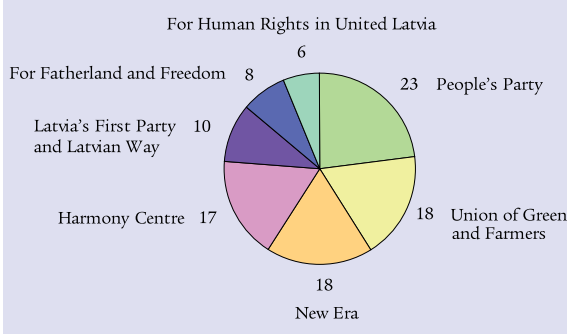
The internal situation in the Baltic States became more stable in the period under discussion. This remark is particularly valid for Lithuania, where for the last couple of years the lack of political stability was particularly obvious. In Latvia and Estonia parliamentary elections were held and in both cases the current prime minister stayed in power – something that is very rarely encountered in the post-communist countries. The international arena witnessed diplomatic clashes – which have not been seen for a long time – primarily between Estonia and Russia.

Lithuania for several years, practically since the beginning of the affair involving former president Rolandas Paksas, has been anxious to achieve political stability. In the spring of 2006, the country was convulsed with scandals involving members of a political party from the governing coalition. As a result, the Labour Party (DP) left the coalition, leading to a minority government. Unable to see a way out of the situation, prime minister Algirdas Brazauskas from the Social Democratic Party of Lithuania (LSDP) submitted his resignation on June 1. Negotiations on the appointment of his successor lasted for several weeks. The first candidate, Zigmantas Balciytis, was rejected by parliament. It wasn't until July 4 that Gediminas Kirkilas (LSDP), a former defence minister, formed a cabinet, which was given a vote of confidence by parliament. The government, whose main force was the LSDP, had a centre-left orientation, but it lacked the support of the DP and so did not have a majority in parliament.

Despite the lack of a parliamentary majority, the Kirkilas government managed to survive for the whole period under discussion and to lead the country to political stability. Kirkilas received widespread support from a society that was longing for peace and tired with incessant in-fighting among political groupings. The

<sup>10</sup> Jerzy J. Wiatr, *Europa pokomunistyczna. Przemiany państw i społeczeństw po 1989 roku (Post-communist Europe. Transformations of states and societies after 1989)*, Publishing House SCHOLAR, Warsaw 2006, p. 368. See also: Wojciech Sokół, Marek Żmigrodzki (ed.), *Systemy polityczne państw Europy Środkowej i Wschodniej (Political system of Central and Eastern European countries)*, Publishing House of Maria Curie-Skłodowska University, Lublin 2005.

**Chart 2.3.** Distribution of seats in the Latvian Parliament (as of 1.06.2007)

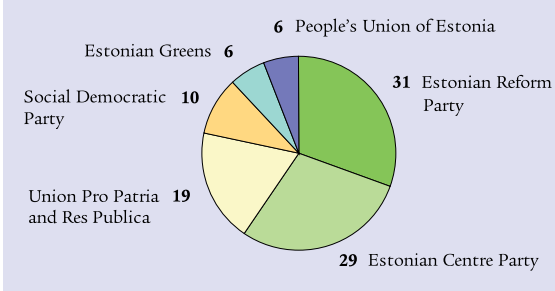


prime minister turned out to be an effective politician, who understood that the further escalation of conflicts could have an extremely adverse impact on the economic and political life in the country.

The situation in Latvia also stabilized, following a series of corruption scandals that erupted in the spring of 2006. President Vaira Vike-Freiberg supported the minority centre-right government of prime minister Aigars Kalvitis from the People's Party (TP). This government lasted until the elections that were held on October 7, 2006. The result of the vote brought victory for the TP. Other centre-right parties also did well, which allowed the formation of a stable coalition led by members of the People's Party. Kalvitis remained as prime minister, the first time a prime minister had retained office since Latvian independence. As a result of the elections, the Kalvitis government was no longer a minority, which was an additional success. Presidential elections were scheduled in Latvia for June 6, 2007.

The internal situation in Estonia was also characterized by stability. Since April 2005 the country has been governed without any great problems by the centre-left coalition led by popular prime minister Andrus Ansip from the Estonian Reform Party (ER). In the second half of 2006 the term of then-president Arnold Ruutel was coming to an end. The most frequently mentioned

**Chart 2.4.** Distribution of seats in the parliament of Estonia (as of 1.06.2007)



potential successors included Toomas Hendrik Ilves, member of the European Parliament from the Social Democratic Party (SDE), and it was he who swore the oath of office on September 9, 2006 before parliament and became president. Ilves, as a politician and diplomat held in high regard in the West who in the 1990s twice served as minister of foreign affairs, is also a popular figure in Estonia. Parliamentary elections held on March 4, 2007 were won by centre-left parties. Ansip himself received the greatest number of votes ever cast for a single candidate since Estonia regained independence. The president entrusted him with forming a new government. Thus Andrus Ansip became prime minister again, although the coalition did move more towards the centre. The fact that the prime minister retained office through elections was, like in neighbouring Lithuania, a sign of stability in the political situation.

The strong position of the president and prime minister did not, however, prevent the commotion that was caused by the decision to move a monument to Russian soldiers from the centre of Tallinn to a military cemetery. On the night of April 26 and 27, 2007 the monument was moved. Street fighting broke out, provoked by opponents of the decision. Several dozen people were injured in the clashes. The street fighting and demonstrations lasted for several more days – involving protesters who were chiefly from Estonia's Russian minority. At the same time, members of Russian nationalist organizations demonstrated in front of the Estonian embassy in Moscow, accompanied by acts of violence. The controversial monument was placed in the military cemetery in Tallinn on May 1. For several days the situation in Estonia had been headline news around the world. The issue gave rise to a diplomatic crisis between Estonia and Russia, worsening the relations between the two countries – relations that were already not the best. The other Baltic States presented a more flexible stance in their relations with Russia. In March 2007 a border treaty between Latvia and Russia was finally signed, after ten years of work.

Among the international initiatives undertaken by the Baltic States, those worthy of special mention include the construction of a joint nuclear power plant in Ignalina in Lithuania, designed to provide energy for Lithuania, Latvia and Estonia. Poland was also invited to participate in the project.

No sudden changes were noted as far as human rights observation and the building of civil societies are concerned. The Baltic States are still leading the way on these issues in the whole post-Soviet area. In surveys by Freedom House all three countries have been considered as 'free' for many years.<sup>11</sup> In the report by the U.S. State

<sup>11</sup> Freedom in the World, [www.freedomhouse.org](http://www.freedomhouse.org)

Department for 2006, Estonia was the subject of no particular reservations, although attention was drawn to the poor conditions in the country's prisons and shortcomings in the fight against human trafficking.<sup>12</sup> In the case of Lithuania and Latvia, similar conclusions were reached by the authors of the report, although they did mention what they considered the unfavourable situation for sexual minorities in Latvia.<sup>13</sup> The same objection was lodged against Latvia in the annual report by Amnesty International.<sup>14</sup> In spite of these remarks, the Baltic States are generally regarded as democratic and free.

Corruption still remains a problem, although not as big as in the post-communist and, in particular, the post-Soviet countries. In the ranking of Transparency International for 2006 Estonia is 24th (as compared with 27th a year earlier.), Lithuania 46th (44th in the preceding year), and Latvia 49th (as compared with 51st in 2005).

### 2.3. CENTRAL EUROPEAN COUNTRIES (THE CZECH REPUBLIC, HUNGARY, POLAND, SLOVAKIA, SLOVENIA)

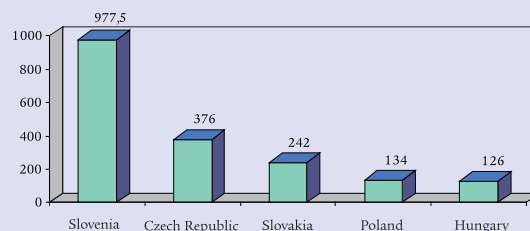
#### 2.3.1. Overall view

The Czech Republic, Poland, Slovenia, Slovakia and Hungary are classified as leaders in the transformation among the post-communist countries, and forecasts for their economic development are favourable. From May 2006 to the middle of 2007 the political situation in Slovenia remained stable, friction within the governing coalition in Poland did not lead to early elections, and a new alignment of political forces appeared in the Czech Republic and Slovakia after parliamentary elections. Hungary was shaken by violent riots, but the demonstrators failed in their attempt to have the discredited prime minister dismissed. Although foreign commentators expressed alarm at the prospects for democracy in Poland (under the rightist government), in Slovakia (with controversial prime minister Robert Fico) and in Hungary (with discredited, but tenacious prime minister Ferenc Gyurcsány), the fact was the transformation on the political scene in these countries did not threaten to seriously destabilize the state or to undermine the foundations of the democratic system. A number of groupings with a populist character, which had used anti-European and nationalist slogans in coming to power and were in government or parliamentary

coalitions, rejected the extremist, most radical platforms that threatened to undermine the democratic system and market economy. This way appeared to be more tempting for the politicians, since the alternative meant condemning themselves to isolation in the international arena.

In the foreign policy of the Czech Republic, Poland, Slovenia, Slovakia and Hungary, the pro-western attitude, based on relations with the EU and NATO, seems to be continuing to prevail. However, visions for the future of these organizations and for the role of the U.S. in the Old Continent differ, and the political elite have been unable to elaborate a common stance on this issue. Serious differences are evident between the countries under discussion in their relations with Russia, which has been intensifying its activities in the CEE region. There is no doubt that, especially now, the West needs strong ties between Europe and the U.S. and a strong European Union. Without a more closely-knit EU, it would not, for example, be possible to implement a joint western policy towards Russia, which is attempting to strengthen its position in Europe and in the world and to impose its own rules of the game on international relations. The West also needs Russia, and the latter should be given the chance of active and comprehensive cooperation with the West. That is why the West today does not need only conciliation between Europe and the U.S.. It is necessary to rebuild a good image of the U.S. in the world in the 'post-Bush era' and for Europe and the U.S. to jointly promote democracy in the world through, for example, the further enlargement of the European Union. The West has made a considerable contribution to today's *status quo* in the world. But its role is not yet ended. It can still establish certain patterns of democracy, tolerance and human rights. The acceptance of these directions by the new world will depend on know-how, modesty and a sense of what others need.

**Chart 2.5.** Number of cases from Slovenia, Slovakia, Hungary, the Czech Republic and Poland, pending in the ECHR per one million citizens. As of January 1, 2007.



Based on: *Survey of activities*, Registry of the European Court of Human Rights Strasbourg, 2007, [http://www.echr.coe.int/NR/rdonlyres/69564084-9825-430B-9150-A9137DD22737/0/Survey\\_2006.pdf](http://www.echr.coe.int/NR/rdonlyres/69564084-9825-430B-9150-A9137DD22737/0/Survey_2006.pdf), p. 52.

<sup>12</sup> 2006 Country Reports on Human Rights Practices, <http://www.state.gov/g/drl/rls/hrrpt/2006/78810.htm>

<sup>13</sup> 2006 Country Reports on Human Rights Practices, <http://www.state.gov/g/drl/rls/hrrpt/2006/78822.htm>

<sup>14</sup> Amnesty International Report 2006, <http://web.amnesty.org/report2006/lva-summary-eng>

Basic human rights are observed in the Czech Republic, Poland, Slovakia, Slovenia and Hungary. The most serious shortcomings raised over the years include: an ineffective judicial system, corruption, the abuse of their powers by the police, and human trafficking. The situation of the gypsies is a reason for concern; this problem has attracted public attention, although only when something dramatic occurs, such as in Slovenia in the autumn of 2006.<sup>15</sup> All countries being discussed have ratified the European Convention on Human Rights and, within this scope, they are under the jurisdiction of the European Court of Human Rights in Strasbourg. In 2006 the ECHR received more than 4,400 new petitions from Poland, 2,800 from the Czech Republic, 1,400 from Slovenia, 540 from Slovakia and 530 from Hungary. But a significant part of these applications were rejected for formal reasons or because they fell outside the Court's competencies. More than 60% of cases from Poland are related to over-long temporary detentions and lengthy court proceedings. By March 2007, the value of compensations paid by Poland as a result of ECHR decisions was PLN 1.4 million.<sup>16</sup> Although some decisions by the ECHR are regarded as controversial, the institution remains a key element in the system of human rights protection.

### 2.3.1. Transformations in internal policy

In the period from June 2006 to May 2007, the internal situation and foreign policy in Poland were determined by the decisions of the rightist coalition government, and *de facto* the stance of the Kaczyński brothers, who in their mistrust of anyone else, individually took the most important decisions on political, social, economic and international matters. In this period, the tendency for heavy-handed, even autocratic, rule was reinforced. Attempts were made to subordinate the legislature and judiciary to the executive power. Attacks on the Constitutional Tribunal and its members became more vigorous and attempts were made to introduce amendments to the Constitution. Concurrently, Polish policy became increasingly less transparent, not just for rank-and-file citizens and foreign analysts, but also for experienced observers. Members of the Law and Justice

party and its coalition partners believe that public life in Poland is governed covertly by an informal 'network', which should be destroyed. A consequence of this logic is mistrust in the civil service's apolitical nature. Officials are at the service of those who appointed them, and therefore – if they were appointed by different political forces – they must be a part of their 'network' or be reliant on them. The same is true of members of the judiciary and even members of the Constitutional Tribunal. The fight against this mythical 'network' has thus become a higher goal for the authorities in their internal policy, instead of solving the specific problems faced by the country (reducing unemployment, modernizing the infrastructure, etc). The fight is aimed at opening the way to the building of a unified Poland, the so-called IV Republic of Poland. In practice, it was a waste of time and effort by the governing Law and Justice party, and brought about a period of growing political and social division in Poland.

In the **Czech Republic** the most important event on the political scene in 2006 and 2007 was the parliamentary elections that were held on June 2 and 3, 2006. The vote created a situation in which two blocs, rightist and leftist, each had 100 representatives in the lower chamber of parliament. This led to a deadlock that lasted many months in the usually calm and quite stable – by Central European standards – Czech political arena.

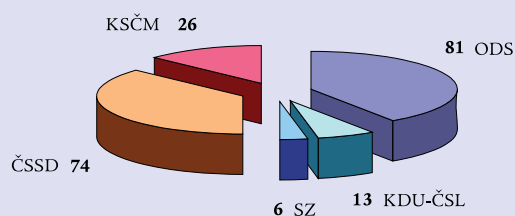
The parliamentary elections eventually ended in victory for the rightist ODS, after gains of just over 3 percentage points gave it seven more seats in parliament than the social democrats. However, in view of the communists' third place, it turned out that the centre-right, even with the support of the Peasant and Green parties, did not have a parliamentary majority. After the elections both blocs received an identical number of votes in parliament and, partly because of the ferocity of the campaign preceding the elections, it became impossible for the groupings from opposite camps to reach any compromise. The events of the election campaign made it impossible to build a 'grand coalition' of the two strongest groupings, or to reach an 'opposition agreement', as practised during the 1998-2002 term (when the successful grouping formed a minority government that was supported by the second strongest party, in exchange for the positions of parliamentary speaker and a say in the most important decisions).

The complexities and length of the legislative process also made it impossible to repeat the vote immediately. Mutual mistrust between the two parties was so serious that parliament could not reconvene for more than two months following the elections, because the parties could not agree on the appointment of a speaker. President Václav Klaus, as soon as he was elected, decided to accept the resignation of the Paroubek government and entrust

<sup>15</sup> The case of gypsy families from Ambrus village (located several kilometres from Ljubljana), forced to leave their homes, which were then demolished because they had been illegally built, caused the concern of the Slovenian Ombudsman Matjaz Hanzek and led to a visit to Slovenia of Thomas Hammarberg, the Council of Europe Commissioner for Human Rights, who acknowledged that it was unacceptable to force a group of people to leave their homes.

<sup>16</sup> The money comes from so-called government reserves, and is paid by Ministry of Foreign Affairs. The highest compensation ever paid to a Polish citizen was PLN 216,000, granted for property seized on the Bug River. *Rzeczpospolita*, 7.05.2007, p. A4.

**Chart 2.6.** Distribution of forces in the Czech parliament after elections in 2006



the formation of a new government to the leader of the victorious grouping – Mirek Topolánek from ODS, who finally won the support of parliament in January 2007. Following more than seven months of wrangling, he managed to form a government based on a coalition between the Conservative-Liberal party and the Peasant and Green parties. However, the government remains weak because it has no parliamentary majority. Continuing political tensions – unless they lead to early elections – are likely to cause many of the scheduled economic reforms (such as the introduction of a flat rate tax, the reconstruction of the pension, health care and social insurance systems) to be unfeasible.

In **Hungary**, the turn of 2006 and 2007 was marked by a political crisis and social protests, and increasing social disparity between the followers of the right and the left. Prime minister Ferenc Gyurcsány, from a position of popular acclaim in May 2006 following parliamentary elections in April in which, for the first time since 1990, a governing party emerged victorious, was within a few months expected to be dismissed. His position was undermined by a recording disclosed in September 2006, in which he admitted, in blunt terms addressed to his partisan colleagues, that the government had lied to the people in a statement on the economy. The content and style of his statement ignited a wave of demonstrations. Violent riots broke out on the streets of Budapest, including clashes with the police, who responded with tear gas, water cannons and rubber bullets. The protests heightened in October on the 50th anniversary of the Hungarian Uprising, and commotions on a smaller scale continued throughout the following months.

The position of the governing socialists was weakened as a result of these events and was further undermined by the results of the local government elections held in October 2006. The rightist party Fidesh party received the majority of votes, although its candidate failed to win the prestigious position of mayor of Budapest. The opposition also failed to force the dismissal of Prime Minister Gyurcsány, who in February 2007 was re-elected leader of the Hungarian

Socialist Party with an 89.15% vote among delegates. Yet, his position remained very difficult, not just because he was discredited among a considerable part of the population, but also because of the country's difficult economic situation and the necessity to introduce unpopular reforms. For example, in February 2007 fees were introduced for every visit to a doctor and for each day of hospital treatment, amounting to 300 forints (PLN 4.5). Although the authorities promised in the election campaign to reduce taxes, a reduction of the budget deficit (up to 10%) became necessary after the elections, which translated into the reduced popularity of the governing coalition. According to estimates, the Hungarian Socialist Party now enjoys only some 17% popular support.

The political situation in **Slovenia** had remained stable until the fundamental transformation of the political scene in 2004. Janez Drnovšek remained the head of state, and the government was in the hands of a coalition made up of the Slovenian Democratic Party (SDS), the Slovenian People's Party (SLS), New Slovenia (NSi) and the Democratic Pensioners' Party (DeSUS). Ministerial changes happened infrequently. For example, in December 2006 the prime minister forced the dismissal of Janez Drobnič, minister of labour, family and social policy.<sup>17</sup> The dismissal of Drobnič, who was supported by Nsi, did not, however, lead to a crisis in the coalition, because he was replaced by Marjeta Cotman from the same party.

The results of local elections held in October 2006 strengthened the SLS, although the SDS retained its leading position. The LDS, which for many years had been the dominant political force, has been in opposition since the elections of 2004 and, according to polls, its position is weakening. The LDS was abandoned by several leading activists, including Janez Drnovšek, a leader of the grouping for many years, who founded a new party, Movement for Justice and Development. The LDS's poor results in the local elections of 2006 exacerbated the internal conflict within the party.

The coming months are likely to see growing tension on the Slovenian political scene on the eve of presidential elections (November 2007) and parliamentary elections (2008).

Early parliamentary elections, held in **Slovakia** in the period under discussion, led to the resignation of Mikulaš Dzurinda, the longest-serving prime minister in the region.

<sup>17</sup> Within the scope of the strategy aimed at improving the demographic situation, Drobnič proposed, *inter alia*, the introduction of compulsory payment of abortion costs by women, from which they would be exempt only in the event that their life was in danger. To date, the costs of abortions has been for years covered by the health care system and the proposal of a change was objected to by some circles.

His centre-right government was replaced by the left-national government of Robert Fico from the Direction Party ('Smer').<sup>18</sup>

The election campaign preceding the elections, which took place on June 17, 2006, was very sluggish, which was perhaps a result of the fact that the most important geopolitical issues in Slovakia, such as membership of the EU and NATO, had already been decided. This led to a low turnout and a clear-cut victory for 'Smer', a populist party with a left-wing orientation, which gained a third of parliamentary seats (50). After it, seats were taken by the SDKÚ, the party of out-going prime minister Dzurinda (31 seats), the Hungarian Coalition Party SMK (20 seats), the nationalist SNS (20), the peasant-populist HZDS party of former prime minister Vladimír Mečiar (15 seats) and the Christian Democratic KDH party (14 seats). Soon after the elections, the president, Ivan Gašparovič, entrusted the formation of a new government to Robert Fico, leader of the winning party. It seemed that as the only representative of the left in parliament, the party might have serious problems with finding partners to share political power; yet a governing coalition was formed with surprising ease. An agreement with Smer was signed by the SNS and HZDS, which came as a surprise to foreign observers (although it was not such a surprise to analysts of the Slovakian political scene). These were parties that appealed more or less overtly to nationalist tendencies and were critical of the free market. Fico, however, insisted on leaving the two highly controversial leaders of his coalition partners, Ján Slota and Vladimír Mečiar, out of his cabinet, a demand that was eventually accepted by both partners. Under the populist coalition, there seems no reason to expect radical changes in current policy or the slowdown of the far-reaching economic reforms announced by Smer in its election campaign, and this has been noticeable in the first period of Fico's government, in which he has made no attempt to tamper with the economic achievements of his predecessors.

The victory of the leftist Smer and the newly formed coalition led to Slovakia attempting to encourage closer relations with Russia at a time when Russia's image in the West was worsening. Political power, which was shared with the author of anti-democratic action in the 90s, Mečiar, along with the nationalist Slota, caused a negative

<sup>18</sup> Early elections were called after the Christian-Democratic KDH left the coalition in February 2006. The reason for leaving the coalition just a few months before the elections was the issue of the 'conscience clause' – a set of regulations allowing an employee to refuse to perform his professional duties in the case that they contradicted his ethical convictions (the most important issue was the right to refuse to conduct an abortion). Prime Minister Dzurinda, although his party also claimed Christian values, decide not to place the issue on the agenda. In this situation the coalition, already only providing minority support for the government, fell apart.

reaction among the country's western partners, which were very sensitive to the development. After signing the coalition agreement with the SNS, Smer was expelled from the Party of European Socialists in the European Parliament.

### 2.3.3. Foreign policy

Pro-western attitudes still prevailed in the foreign policy of the Czech Republic, Poland, Slovakia, Slovenia and Hungary, although after accomplishing the objective of joining the EU and NATO, there appeared to be no common vision for the future of these organizations. Moreover, the positions of the authorities in these countries towards Russia and towards the relations between the U.S. and Europe have become increasingly divergent. The most obvious example of the differing attitudes of individual countries was the response to the U.S. plan to build an anti-missile defence shield (the so-called National Missile Defence).

At the beginning of 2007, the U.S. proposed to the Czech Republic and Poland that it would install on their territories part of the military equipment that comprised this defence system. According to the American plan, radar systems would be installed on Czech territory, while one of three rocket launchers would be sited in Poland. Both countries agreed to open talks concerning the conditions governing the deployment of the system on their territories, while their leaders announced that they did not expect to conduct referenda on the issue. A very sharp response from Russia to the U.S. plan did not discourage the Czech Republic or Poland, and in May 2007 they entered specific talks with the U.S. side. Although prime ministers Topolánek and Kaczyński insisted that no final decision had been taken and everything depended on the quality of the offer, the general climate appeared to favour the project and a positive response from both countries could be expected. In the Czech Republic, apart from the president and prime minister, the project was also backed by their avowed opponent, former president Václav Havel.

The positions of the various Visegrad Group countries towards the plan for the anti-missile defence system were divergent. The prime minister of Slovakia, Robert Fico, clearly stated that the initiative created unnecessary tensions in relations with Russia.<sup>19</sup> A similar position was presented by Hungarian prime minister Gyurcsány, who during a visit to Russia on March 22, 2007 stated that he was "not convinced that building an

<sup>19</sup> Robert Fico in conversation with Andrzej Niewiadomski, "Nie chcemy napięć z Rosją. To dla Słowacji ważny kraj" (We do not want tensions with Russia. It is an important country for Slovakia), *Rzeczpospolita* 11.05.2007, p. A7.

American anti-missile defence system in Poland and the Czech Republic is necessary”, and that there should be a “platform for further talks on the future of the anti-missile system”, in the form of a Joint Council of NATO and Russia, to allow the opinion of the Russian side to be taken into consideration.<sup>20</sup>

While Hungarian-Russian and Slovakian-Russian relations were becoming better and better, the crisis in Warsaw-Moscow relations was being aggravated.

Relations, which had been deteriorating since the 1990s, have now reached a state of a ‘cold war’ – the final factor being Polish support for the ‘Orange Revolution’ in Ukraine. Russian policy, based on the theory of a carrot for the ‘good’ post-communist states (such as Hungary) and a stick for the ‘bad’ ones (such as Poland, Georgia and the Baltic States) was giving rise to growing objections also in the EU. Although the Polish veto of a new commercial agreement between the EU and Russia, cast in response to the Russian embargo on Polish meat products, was only reluctantly supported in the West, it did bring about EU support for Warsaw’s position in its dispute with Moscow. Similarly, in its conflict with Russia, Estonia received the full backing of the Polish president, and the EU also sided with Tallinn. A slow, but decisive change is evident in the attitude of the EU to relations with Moscow, which is undoubtedly influenced by the Polish stance. Difficulties in Poland’s relations with several key western states are creating problems in its contribution to framing the eastern policy of the EU. These differences focus on two points: the goals of the EU’s eastern policy and the methods of attaining them. These differences are not only related to France and Germany, but also to the majority of the states of ‘Old Europe’.

The approach to Russia and issues related to the post-Soviet area remain the most significant bone of contention between Poland and other Western European countries. For western countries, Russia remains both the region’s most important political partner and a continuing source of concern about its stability. This means that other states in the post-Soviet area are often ignored, and the interests of Russia are given priority. This is seen in the case of Ukraine, Belarus and the countries of the Caucasus. The West is interested in ‘tackling’ Russia by creating a network of connections around it. For this reason, western states do not treat growing energy cooperation with Russia as a threat to their security, but as a diversification of their raw materials’ supply sources.

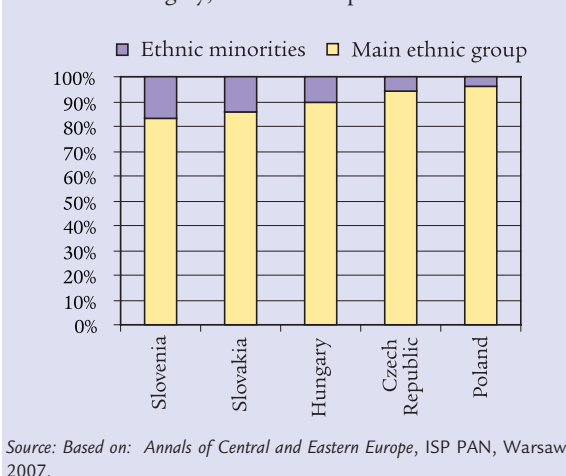
For Poland, by contrast, Russia continues to represent a threat both politically (Russian aspirations to

rebuild an empire) and economically (unilateral reliance on the supply of Russian raw materials).

A new dimension in the eastern direction of Polish security policy became, in 2006-2007, the issue of energy security, which is understood as the provision of a stable supply of crude oil and natural gas and the diversification of suppliers, in order to prevent the creation of an exporter’s monopoly. The majority of fuel and natural resources imported by Poland come from the Russian Federation.

Typical issues in the foreign policy of many CEE countries include that of ethnic minorities, which have come to prominence as a consequence of turbulent times in the region’s past and the numerous border changes (Chart 2.6). In the case of states classified as ethnically uniform (such as Poland) this issue has only minor significance, but the status of the Hungarians in Slovakia, for example, has a distinct impact on Hungarian-Slovakian relations.<sup>21</sup>

**Chart 2.7.** Ethnic diversity in Slovenia, Slovakia, Hungary, the Czech Republic and Poland.



The crisis in Slovakian-Hungarian relations has had a negative influence on the development of cooperation within the Vysegrad Group. This is demonstrated by the fact that during the summit of this organization in the autumn of 2006, Hungarian prime minister Gyurcsány refused to attend a bilateral meeting with his Slovakian counterpart Fico.

<sup>21</sup> A serious crisis occurred against this background in August 2006, after the alleged beating of Hedviga Malinova from Slovakia, a student of Hungarian origin. The chairman of the SMK, Béla Bugár, ascertained that her case was the effect of an ‘anti-Hungarian atmosphere’, while the Hungarian foreign ministry handed a diplomatic note to Jurajov Migašow, Slovakian ambassador in Budapest, requesting him to explain the anti-Hungarian incidents in Slovakia. Even after it turned out that the attack was faked, and Malinová was only frightened about her exams, Slovakian-Hungarian relations remained tense.

<sup>20</sup> Best, CES weekly, March 28, 2007, no. 4 p. 2.

Historical issues have invariably played a significant role in Czech-German and Polish-German relations. Despite the formal closure of the issues related to World War II, this problem is still alive in bilateral relations with the western neighbour. The perceived slow change in German attitudes to history has caused deep anxiety in the Czech Republic, as well as in Poland.

The transformation of the internal political scene in the Czech Republic, which followed the elections of June 2006 and the formation of the Topolánek government, has contributed to the perception of a uniform Czech policy towards Europe. President Václav Klaus, as an opponent of the Constitutional Treaty and of continued European integration, no longer has to cooperate with the 'Euro-enthusiastic' Social Democratic government, but with a government that is almost as sceptical as he is towards the strengthening of relations within Europe. The Czech Republic is perceived as one of the major opponents of reactivating the project of Giscard d'Estaing, and in the period of the German presidency of the EU it was not discouraged from its negative stance on this issue. In May 2007, the Czech government supported the Polish stance regarding a change in the voting system introduced in the 'Euro-constitution'. Meanwhile, the issue of the 'Constitutional Treaty' did not play any significant role in the public debate in other states of Central Europe – the parliaments of Slovakia, Slovenia and Hungary had ratified the document before it was rejected in French and Dutch popular referenda. Therefore, these three countries were not interested in discussing the issue, and in a broader sense they were much less critical of growing integration.

#### 2.4. EASTERN BALKANS – BULGARIA AND ROMANIA

The most important event for Romania and Bulgaria in the period under discussion was their accession to the European Union. It happened on January 1, 2007, although statements by senior EU representatives and political commentators, repeated on many occasions, had questioned their readiness for integration. The decision on the accession of Romania and Bulgaria to the EU was aimed at accelerating the reform process and bringing an end to the uncertainty of the period in which they were preparing for integration.

The governing coalitions in both countries were far from stable; the main unifying factor in both cases was the necessity to bring in the reforms that were necessary for joining the EU on January 1, 2007. Apparently less stable was the Bulgarian government – a coalition built from parties that had fought against one another in the past

and in which, moreover, interpersonal tensions had a significant impact. The Romanian coalition seemed stronger, in spite of the growing conflict between the president and prime minister. The government was formed of parties whose leaders had in the past mentioned the possibility of uniting to form a single political force.

Despite their declared common goals, both coalitions experienced furious in-fighting between parties and various factions, although the leaders tried to conceal these conflicts from the public, confining themselves merely to expressing mutual malice. After a time, the conflicts in the Bulgarian centre-left coalition started to diminish (all parties arrived at the conclusion that it was better for them to stay in the government and benefit from it, rather than take the risk associated with escalating the conflict); however, the conflicts tearing apart the Romanian centre-right started to intensify. The continuing tension, which was present between the small coalition partner the Conservative Party (PC) and the two pillars of the governing coalition, i.e. the National-Liberal Party (PNL) and the Democratic Party (PD), did not, however, lead to the break-up of the coalition in the long term, nor did it even reduce the government's effectiveness. Much more serious were the conflicts between the president, Traian Basescu representing the PD, and the prime minister, Calin Popescu-Tariceanu representing the PNL. The main bone of contention was the scope of competencies of the Cotroceni Palace (seat of the president) and the Victoriei Palace (seat of the prime minister), and within the government formed of the two parties, the PC and the Democratic Union of Hungarians in Romania (UDMR). By the time of the country's accession to the EU, the conflicts in the Romanian coalition were no longer threatening its survival.

During the night of December 31, 2006 and January 1, 2007 ceremonies associated with the accession of the two countries were held in Bucharest and Sofia. However, in the Romanian capital, the prime minister and president celebrated separately, which was a clear sign of the escalating conflict between these two centres of power. On March 12, 2007, the prime minister dismissed the minister of foreign affairs, Mihai Razvan Ungureanu, who was linked to the presidential camp (on the pretext of the failed surveillance mission in Iraq) and for some time personally took over his duties, since Basescu refused to accept his candidate – Adrian Cioroianu. The latter filled the ministerial position only at the beginning of April, against an entirely different political background. On April 1, the prime minister, Tariceanu, informed the PD leadership that the cabinet would be reconstituted and members of their party would not be offered any positions in the government,<sup>22</sup> and

<sup>22</sup> HotNews.ro, April 1, 2007.

the following day he formed a minority government composed of the representative of just two parties – the PNL and the UDMR. This meant the end of the coalition that had assumed power on a tide of great social enthusiasm and which had, in spite of everything, been very successful in reforming the country.

The new government received a vote of confidence in the form of support from the post-communist Social Democratic Party (PSD), which at the end of 2004 had handed over power to the coalition of the PNL, PD, UDMR and Humanistic Party of Romania, which later changed its name to the Conservative Party. In this way the centre-right PNL became something of a hostage of the post-communists, which in turn became a guarantor of the continuance of the Calin Popescu-Tariceanu government. After this sudden rise in importance, they decided to take the offensive and started campaigning against President Basescu, accusing him of abuse of power and infringing on the Constitution. On April 19, the president was temporarily suspended from office by parliament. On the same day, Basescu's supporters took to the streets to demonstrate in his defence. During the following weeks, manifestations in support of the president were held across the country. Demonstrations also took place abroad, where they brought together Romanian emigrants. In response, the post-communists organized rallies against Basescu, but with fewer people attending. Initially, Basescu considered submitting his resignation, but he decided against doing so, and finally on May 19, parliament voted to hold a referendum on dismissing the president. The referendum ended with a crushing victory for Traian Basescu, with three quarters of citizens voting against his dismissal.

Against the background of these stormy events in Romania, political life in the neighbouring Bulgaria was relatively quiet. After the negative experiences associated with the appointment of the government in 2005 (negotiations lasted too long and were detrimental to all the parties concerned), internal frictions were overcome by the coalition composed of the post-communist Bulgarian Socialist Party (BSP), the National Movement Simeon II (NDSW) and the party of the Turkish minority, Movement for Rights and Freedoms (DPS). The government survived until January 1, 2007, and succeeded in adapting the new situation brought about by the accession of Bulgaria to the EU. Prime minister Sergey Stanishev, together with the president, Georgy Pырванов (both from the BSP), managed to maintain control over the government and coalition, thanks to the weakness of the rightist opposition and threats from the ultra-nationalists, whose spectacular political manoeuvring and radical views cast the post-communists in the role of defenders of democracy. This was facilitated by the fact

that the BSP emphasized its image and reformulated its policies to bring them further into line with those of the western social democrats. Anyhow, the unity of the coalition and its survival after Bulgaria's accession to the European Union should be recognized as a major achievement by the government, which was able to forget about any disputes in order to focus on reforming the country and administering the payments received as a result of EU membership.

The international relations of Romania and Bulgaria in the period under discussion were subordinated to a higher goal, i.e. accession to the European Union according to schedule. Bucharest and Sofia avoided any conflicts that might have jeopardized this priority and tried to continue on friendly terms with their neighbours and other countries. A very important issue for Bulgaria was the long trial of the Bulgarian nurses sentenced to death in Libya. Bulgaria attempted to secure international support for its stance in the resultant dispute, but these efforts bore little fruit. At the time when Romania and Bulgaria joined the European Union, their observers at the European Parliament automatically became members of the body.

Both countries achieved progress as regards human rights observation and the building of a civil society. The tough in-fighting between the coalition partners in Romania did not mean an attack on democracy, but merely the use of democratic procedures for competitive purposes. For many commentators, the mass gatherings in support of the suspended president were a sign of the development of a civil society in Romania. For many years, reports by Freedom House recognized both countries as free.<sup>23</sup> A report by the U.S. State Department did not lodge any serious objections to Bulgaria, although attention was drawn, *inter alia*, to instances of police brutality and cases of discrimination against ethnic minorities, especially the gypsies.<sup>24</sup> Romania, although praised for its efforts to improve the situation, was criticized, *inter alia*, for 'widespread corruption', the abuse of the right to apply physical coercion by the police, and discrimination against the gypsy minority and homosexuals.<sup>25</sup> In the case of Bulgaria, the annual report by Amnesty International for 2006 pointed to the growth of nationalist attitudes, the abuse of power by the police and prison management, discrimination against the gypsy minority, and the poor conditions for the mentally ill.<sup>26</sup>

<sup>23</sup> Freedom in the World, [www.freedomhouse.org](http://www.freedomhouse.org)

<sup>24</sup> 2006 Country Reports on Human Rights Practices, <http://www.state.gov/g/drl/rls/hrrpt/2006/78805.htm>

<sup>25</sup> 2006 Country Reports on Human Rights Practices, <http://www.state.gov/g/drl/rls/hrrpt/2006/78834.htm>

<sup>26</sup> Amnesty International Report 2006, <http://web.amnesty.org/report2006/bgr-summary-eng>

The authors of the report also criticized Romania for discriminating against its gypsy minority, the unfavourable conditions for the mentally ill, police brutality against juveniles, and discrimination against homosexuals.<sup>27</sup> In spite of these critical remarks, both countries are commonly regarded as free and democratic, which was confirmed by the approval for them to join the European Union.

Corruption remains one of the major problems in Romania. In the Transparency International ranking for 2006, the country occupied 84th place, in comparison to 85th place in 2005 – therefore no essential improvement was seen in this regard, even though politicians had spoken out loudly, promising to curb corruptive practices. In the same report Bulgaria ranked 57th, in comparison to 55th place a year earlier – also no dramatic change.<sup>28</sup>

## 2.5. WESTERN BALKANS (ALBANIA, BOSNIA AND HERZEGOVINA, CROATIA, SERBIA AND MONTENEGRO, MACEDONIA)

### 2.5.1. Montenegro and Serbia after the referendum – final break-up of Yugoslavia

The association of Serbia and Montenegro (SiCz) broke up into two independent republics as a result of a referendum conducted on May 21, 2006 in Montenegro, in which 55.5% of the public opted for independence. On June 3, 2006, the parliament of Montenegro proclaimed independence.<sup>29</sup> The international community has recognized the lawfulness of this decision and the president of Serbia, Boris Tadić, congratulated the prime minister of Montenegro, Milo Djukanovic, on gaining sovereignty. The government of Serbia recognized the independence of Montenegro and announced its intention to cultivate friendly neighbourly relations. Yet the Serbs living in Montenegro refuse to accept these developments and continue to support the confederation of Serbia and Montenegro. Their voice is strong, since they constitute 25% of the total population of Montenegro.<sup>30</sup>

The end of the joint statehood of Serbia and Montenegro will have a bearing on the situation in the

Balkans and the world as a whole, as well as on the outcome of the integration of these countries with the European Union. The referendum in Montenegro sparked a degree of separatism among the citizens of certain parts of the former Soviet Union – South Ossetia, Abkhazia, Transdniestria – and raised concerns also in Spain (Basque Country and Catalonia, which sent observers to the referendum), and even in Belgium. Contrary to the earlier intentions of the EU, the break-up of Serbia and Montenegro has already become a fact. The association of these states was established with active mediation by the EU.<sup>31</sup> The proposition by the EU for the association of these states to attempt integration with the Union was also significant. Opponents of the separation of the republics warned against the negative effects of such a decision, claiming that after the break-up talks would have to start afresh, which would delay integration. The EU was opposed to the aspirations of Montenegro for secession. Its stance was expressed, *inter alia*, in the conditions that had to be fulfilled by the referendum. The turnout had to be at least 50%, and at least 55% of the voters had to opt for the break-up. But all the diplomatic efforts of the EU could not halt the separatist aspirations of the Montenegro citizens and, after three years of joint statehood, the two republics began to function separately. A year has passed since the referendum and the fears of the opponents of the break-up of Serbia and Montenegro have not yet materialized (at the time, it was predicted that Bosnia and Herzegovina would follow suit). The political situation has stabilised in Montenegro, where the first parliamentary elections since the regaining of independence were held on September 10, 2006. They were won by a coalition of two post-communist parties, the DPS and SDP, which gained 41 seats in the 80-seat parliament.<sup>32</sup> The elections also brought about a split among the formerly-cooperating opposition parties. Poor results were achieved by a grouping of the Serbian minority – the SNP. The turnout in the elections was 70.3%. According to the OSCE, there was no disruption in the election process or in the campaigning.

In the case of Montenegro, the decision to hold separate negotiations with the EU seems to have brought forward the date of its integration. On March 15, 2007,

<sup>27</sup> Amnesty International Report 2006, <http://web.amnesty.org/report2006/rom-summary-eng>

<sup>28</sup> Transparency International, Corruption Perceptions Index 2006, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2006](http://www.transparency.org/policy_research/surveys_indices/cpi/2006)

<sup>29</sup> *The chronicle of international affairs*. International Affairs, 2006, no. 3, p. 172.

<sup>30</sup> *Wpływ planu dla Kosowa na sytuację w Czarnogórze (The influence of the plan for Kosovo on the situation in Montenegro)*. EastWeek (Centre for Eastern Studies), no. 8 (472) as of 22.02.200; The Country Reports on Human Rights Practices. Released by the Bureau of Democracy, Human Rights, and Labour, March 6, 2007. The U.S. Department of State, <http://www.state.gov/g/drl/rls/hrprt/2006/81373.htm>

<sup>31</sup> Javier Solana, as High Representative for Common Foreign and Security Policy of the EU, participated in negotiations between these republics, which ended in the signing of an agreement in Belgrade on March 14, 2002, on the grounds of which Serbia and Montenegro was established in the place of the Federal Republic of Yugoslavia. The compromise thus reached was regarded as the first success of EU diplomacy in this region. According to the agreement, the association of both republics was interim, and after three years the citizens were to decide its future.

<sup>32</sup> Wojciech Stanisławski, *Czarnogóra po wyborach parlamentarnych (Montenegro after parliamentary elections)* EastWeek (CES), no. 30 (451) as of 14.09.2006

the president of Montenegro and the EU Commissioner signed the Stabilisation and Association Agreement, or SAA.<sup>33</sup> This represented a major step forward in the integration process, which put the country considerably ahead of Serbia. Montenegro's reforms aimed at bringing the country closer to European standards are proceeding much faster than in Serbia, because the links with Serbia had been slowing down its integration. Systemic transformation in Montenegro is already well advanced. The country has achieved considerable success in the areas of political, social and economic reform. Nevertheless, it is necessary to step up the efforts to adapt the country to the requirements of membership in the Union. The country still has to tackle the politicized state administrative and judicial structures.<sup>34</sup> It is necessary to increase effectiveness in combating corruption and organized crime.<sup>35</sup> The authorities in Montenegro also face several difficult economic issues – among them low economic growth and 30% unemployment.<sup>36</sup>

Prior to the referendum in Montenegro, international opinion was warning that the break-up of SiCz would lead to the rebirth of nationalism in Serbia. After a year of separate statehood for the two countries it turns out that the fears related to the activities of Serbian nationalist groups and their growing influence were justified.<sup>37</sup> The nationalist Serbian Radical Party (SRS) won the parliamentary elections held in Serbia on January 21, 2007 with 28% of the vote, which translated into 81 out of 250 seats in parliament. The political agenda of this party allows, for example, the termination of cooperation with the International Criminal Tribunal for the Former Yugoslavia – ICTY – and an inflexible position with regard to the status of Kosovo. The majority of seats (as many as 64) in the democratic camp were won by the Democratic Party (DS) led by President Boris Tadić.<sup>38</sup> This Party has called for a radical improvement in cooperation with the International Criminal Tribunal for the Former Yugoslavia

(ICTY) and membership in the Partnership for Peace programme, which is viewed with scepticism by the nationalist groupings (during the NATO summit in Riga on November 29, 2006 Montenegro, Serbia and Bosnia and Herzegovina were invited to join the PfP programme). Vojislav Kostunica distances himself from these opinions as the leader of the Democratic Party of Serbia (DSS) – the second largest democratic group in parliament. Although the democratic and pro-EU groupings obtained more than 150 seats, four months after the elections Tomislav Nikolic, a leader of the nationalist Serbian Radical Party (SRS), was elected as speaker of the Serbian parliament.<sup>39</sup> This appointment soon created instability on the Serbian political scene, which could have ended with early elections, since politicians from the DS and DSS quarrelled about the coalition agreement in view of, *inter alia*, the positions of ministers of defence and internal affairs. As a result, the SRS had to assume power, because this party was receiving increasing social support in connection with increased tensions surrounding Kosovo.<sup>40</sup> The situation was normalized when the democratic parties concluded an agreement and withdrew their support for Tomislav Nikolic, who resigned from office. Finally, the crisis was ended when, on May 15, the Serbian parliament appointed a government under prime minister Vojislav Kostunica. The opposition almost until the last moment, blocked the swearing-in of the government, which was eventually held half an hour before midnight, i.e. just before the elapse of the prescribed time as established under the Constitution. If no government had been formed, the president would have had to call early elections. Finally, members of the DS were appointed to head the majority of ministries in the Kostunica government.<sup>41</sup>

If Serbia cannot defend itself against the growing nationalism, there will be a negative impact on its talks with the European Union. The more so, because Serbia has failed to fulfil its obligations resulting from cooperation with the International Criminal Tribunal for the Former Yugoslavia, leading in May 2006 to the suspension of association talks. The internal situation in Serbia is damaging its chances of achieving EU membership. But there's no reason to expect the accession of either of the two countries (Serbia or Montenegro) to the EU to happen soon, although it is

<sup>33</sup> *Prezydent Czarnogóry podpisał Układ o stabilizacji i stowarzyszeniu.* (President of Montenegro signed Stabilization and Association Agreement) CES Bulletin, no. 3 as of 21 -28.03.2007, s.15.

<sup>34</sup> Freedom in the World, 2007. Selected Data from Freedom House's Annual Global Survey of Political Rights and Civil Liberties. Freedom House, [http://www.freedomhouse.org/uploads/press\\_release/fiw07\\_charts.pdf](http://www.freedomhouse.org/uploads/press_release/fiw07_charts.pdf).

<sup>35</sup> Transparency International, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2006](http://www.transparency.org/policy_research/surveys_indices/cpi/2006).

<sup>36</sup> Agata Kołakowska, *Unia Europejska wobec niepodległości Czarnogóry.* (The European Union towards the independence of Montenegro) The Polish Institute of Foreign Affairs, Bulletin, no. 34 (374) as of 01.06.06, p. 2.

<sup>37</sup> The Country Reports on Human Rights Practices. Released by the Bureau of Democracy, Human Rights, and Labour, March 6, 2007. The U.S. Department of State, <http://www.state.gov/g/drl/rls/hrrpt/2006/78837.htm>.

<sup>38</sup> Wojciech Stanisławski, *Serbia po wyborach: prezydent Taić tworzy rząd.* (Serbia after elections: Taić forms government) EastWeek (CES), no. 5 (469) as of 01.02.2007

<sup>39</sup> *Serbia: Nowa Koalicja czy przedterminowe wybory* (Serbia. A new coalition or early elections). CES Bulletin, no. 9 as of 10-17.05.2007, p. 14.

<sup>40</sup> Human Rights Watch World Report, 2007, <http://hrw.org/englishwr2k7/docs/2007/01/11/serbia14776.htm>

<sup>41</sup> *Serbia: nowy rząd, dotychczasowy premier* (Serbia: new government, former prime minister). CES Bulletin, no. 10 as of 16.05 -23.05.2007, s.15.

very important for the EU to prove, through success in the Balkans, that its foreign policy is effective.<sup>42</sup>

Integration with the European Union will to a lesser degree depend on compliance with the terms and conditions imposed on these countries, and to a greater one on the strategic decisions made by the EU itself concerning the future of the enlargement process. The strategy, approved by the EU in 2005 and designed to ensure that the accession of new member states does not detract from the effectiveness of the Union as a whole, permits Brussels to delay the accession process. Therefore, it is estimated that Montenegro is likely to become a full member of the EU only in ten years or so, and Serbia even later.<sup>43</sup>

### 2.5.2. Situation in Bosnia and Herzegovina – reduced EUFOR missions

The security level in Bosnia and Herzegovina has improved to such an extent that the European Union on February 27, 2007 decided on a gradual reduction of its forces participating in EUFOR operations under the codename 'Althea'. Such a decision was possible, because Bosnia and Herzegovina is no longer threatened with military conflict. By the end of this year, it is planned for the forces to be scaled back from 6,000 to 2,500 soldiers. Even so, the EUFOR mission in the country will not have ended, and the EU will for six months maintain its capacity to restore the forces and deploy them in the event of a possible security threat. It is anticipated that peace in Bosnia and Herzegovina may be disturbed by riots started by Serbian extremists in response to the possible independence of Kosovo.<sup>44</sup> However, it seems that if any trouble breaks out, the forces stationed there will be able to control the situation. Apart from the EUFOR forces there are contingents from 33 countries in Bosnia and Herzegovina, including 11 from outside the Union.<sup>45</sup> Following the withdrawal of 3,500 European troops from Bosnia and Herzegovina, only a mobile battalion is planned to stay in Sarajevo. The duties of the rest of the EUFOR forces will be limited to observer and liaison missions. They will also serve in a policing capacity, including conducting the search for war criminals.<sup>46</sup> Currently, the EUFOR forces are combating organized

crime, and especially closing down the routes for smuggling weapons.<sup>47</sup> The fight against crime is currently one of the most important challenges in Bosnia and Herzegovina, because the country is criss-crossed by routes for smuggling weapons, drugs and human beings. The duties of the soldiers include mine-sweeping operations and providing humanitarian aid. The Integrated Police Unit, a part of EUFOR, supports the police and border guards in Bosnia and Herzegovina in the performance of their duties.

The EU's decision to withdraw part of its military force was influenced by a reform of the military forces in Bosnia and Herzegovina. The country (together with Montenegro and Serbia) was invited to join the Partnership for Peace programme during a summit of NATO's member states in Riga on November 29, 2006.<sup>48</sup> Since December 2006, a contingent from this country has been participating in the mission in Iraq as a part of the multinational Division Centre – South.

But Bosnia and Herzegovina has been unable to resolve the problems that are preventing it from signing the Stabilisation and Association Agreement with the EU. This is a result of the attitude adopted by the authorities in the Republic of Srpska (the second entity in Bosnia and Herzegovina after the Muslim/Croat Federation) towards the introduction of political, social and economic reforms. The unresolved issues include the completion of police reforms. An agreement on this issue was signed in 2005, but the Republic of Srpska has consistently blocked the implementation of what was decided on. This includes delegating the powers of the police forces to a central body. The Republic of Srpska in Bosnia and Herzegovina regards its own police force as a guarantor of autonomy.<sup>49</sup> Currently, both entities have separate police forces, which can act only within certain defined territorial limits. The weak central body, which can be strengthened only with support from the authorities in Banja Luka and Sarajevo, is failing to back any reforms. A change of the Constitution is required, but it depends on the approval of both entities. A similar situation is evident in the case of decisions supporting economic growth. As a result, Bosnia and Herzegovina remains one of the countries with the highest level of unemployment – above 44%.<sup>50</sup>

<sup>42</sup> Serbia. Country Profile, 2006. The Economist Intelligence Unit. London 2006.

<sup>43</sup> Montenegro. Country Profile, 2006. The Economist Intelligence Unit. London 2006.

<sup>44</sup> Human Rights Watch World Report, 2007, <http://hrw.org/englishwr2k7/docs/2007/01/11/bosher14773.htm>.

<sup>45</sup> Beata Górka-Winter, *Przyszłość operacji Unii Europejskiej 'Althea' w Bośni i Hercegowinie – (The future of EU operation 'Althea' in Bosnia and Herzegovina)*. Polish Institute of Foreign Affairs, Bulletin, no. 12 (426) as of 08.03.07, p. 1.

<sup>46</sup> *Sily Zachodu nadal obecne w Bośni (Forces of the West still present in Bosnia)*. CES Bulletin, no. 1 as of 07.03 - 14.03.2007, p. 12.

<sup>47</sup> The Country Reports on Human Rights Practices. Released by the Bureau of Democracy, Human Rights, and Labour, March 6, 2007. The U.S. Department of State, <http://www.state.gov/g/drl/rls/hrrpt/2006/78804.htm>

<sup>48</sup> The Chronicle of International Affairs. International Affairs, 2007, no. 1, p. 163.

<sup>49</sup> *Porażka rozmów o unifikacji policji zablokuje proces stowarzyszeniowy Bośni. (Failure of talks on unification of the police will block Bosnia's association process)* CES Bulletin, no. 9 (473) as of 01.03.2007

<sup>50</sup> Bosnia and Herzegovina. Country Profile, 2006. The Economist Intelligence Unit. London 2006.

Parliamentary and presidential elections were held in Bosnia and Herzegovina on October 1, 2006. The turnout was 57%.<sup>51</sup> Forty-two members of the lower chamber of parliament, included in the overall Bosnian parliament, were elected - 28 from the Muslim/Croat Federation and 14 from the Republic of Srpska. The Muslim Party of Democratic Action (SDA) won nine seats, the Party for Bosnia and Herzegovina (SB&H) - eight seats, and the Party of Independent Social Democrats (SNSD) - seven seats.<sup>52</sup> In both of the entities comprising Bosnia and Herzegovina the winners were two parties with extremely divergent views. The Party of Independent Social Democrats won in the Republic of Srpska, by taking 41 seats in parliament. This party favours complete autonomy and even independence for Srpska. In the elections to the parliament of the Muslim/Croat Federation the winners were the Muslim Party of Democratic Action (SDA) with 28 seats and the Muslim Party for Bosnia and Herzegovina (Szb&H) with 24 seats.<sup>53</sup> The latter supports the complete unification of Bosnia and Herzegovina. Since 1995, when the Dayton Treaties were signed, the internal political situation in Bosnia has never been under such a threat of destabilization.<sup>54</sup>

Unlike the EU assessment of the security level, the Euro-Atlantic community is sceptical in its evaluation of the political situation in Bosnia and Herzegovina. That is why the Peace Implementation Council decided to prolong for a further year the mission of the UN High Commissioner in Bosnia and Herzegovina. He is entitled to intervene in the political situation in the country; for example, he is authorized to dismiss politicians and officials.<sup>55</sup> The central government of Bosnia and Herzegovina, appointed in February 2007 under a prime minister, Nikola Špirić, from the Serbian Party of Independent Social Democrats, became the main focus of conflict concerning the Constitution. Ministers from the Republic of Srpska want to preserve the current Constitution, known as the Dayton Constitution. Ministers from the Muslim/Croat Federation, on the other hand, want to amend it. Any changes are expected to lead to increased powers for the central government at the

expense of the two entities comprising Bosnia and Herzegovina. This situation may lead to a new government crisis, exacerbating the lack of political stability in the country.<sup>56</sup>

### 2.5.3. Still uncertain future of Kosovo

In 2007, international observers in the Western Balkans focused their attention on the settlement of Kosovo-Serbian negotiations and the decisions of the UN Security Council regarding the future of Kosovo. Kosovo, under United Nations administration, remains a part of Serbia. The stability of the whole Western Balkans may depend on developments in the situation in this province.

The majority of European countries, the U.S. and the EU are in favour of granting sovereignty to Kosovo. But many guarantees are associated with this position, because international opinion is that an independent Kosovo could lead to the rebirth of separatism in other Western Balkan countries. According to statements made by some representatives of radical Serbian organizations in Bosnia and Herzegovina, if Kosovo receives its independence, this will lead to the secession of the Republic of Srpska, with a referendum organized to this end.<sup>57</sup>

A complex programme designed to solve the problem of Kosovo was presented on February 2, 2007 by Martti Ahtisaari, a special envoy of the UN Secretary General.<sup>58</sup> The plan can be described as a series of stages that should be passed by Kosovo on its way to 'limited independence', under the supervision of the international community. The independence of Kosovo is not directly mentioned in the programme. To maintain a balance, the plan also does not refer to the maintenance of Serbian sovereignty over Kosovo. According to the guidelines contained in the plan, Kosovo would receive the attributes of statehood, but without any formal recognition of its independence. Kosovo would have its own Constitution, anthem, flag, intelligence service and a 3,000-strong army equipped with light weapons.<sup>59</sup> It would become an entity with the power to conclude international treaties. The intention of the plan's author was to provide security for the Serbian minority and the Orthodox community. The ethnic

<sup>51</sup> Wojciech Stanisławski, *Bośnia po wyborach: nowi liderzy, większe sprzeczności (Bosnia after elections. New leaders, greater discrepancies)* EastWeek (CES), no.33 (454) as of 05.10.2006

<sup>52</sup> *Official results of elections in Bosnia and Herzegovina*, PAP Service as of 18.10.2006, <http://serwis.pap.pl>

<sup>53</sup> *Official results of elections in Bosnia and Herzegovina*. Serwis PAP as of 18.10.2006, <http://serwis.pap.pl>

<sup>54</sup> Comp.: Freedom in the World, 2007. Selected Data from Freedom House's Annual Global Survey of Political Rights and Civil Liberties. Freedom House, [http://www.freedomhouse.org/uploads/press\\_release/fiw07\\_charts.pdf](http://www.freedomhouse.org/uploads/press_release/fiw07_charts.pdf)

<sup>55</sup> *Sily Zachodu nadal obecne w Bośni (Western Forces still present in Bosnia)*. CES Bulletin, no. 1 as of 07-14.03.2007, p. 12.

<sup>56</sup> *Wpływ planu dla Kosowa na sytuację w Czarnogórze (The influence of the plan for Kosovo on the situation in Montenegro)*. EastWeek (CES), no. 7 (471) as of 15.02.2007

<sup>57</sup> The Country Reports on Human Rights Practices. Released by the Bureau of Democracy, Human Rights, and Labour, March 6, 2007. The U.S. Department of State, <http://www.state.gov/g/drl/rls/hrrpt/2006/78837.htm>

<sup>58</sup> Emil Pietras, *Unia Europejska wobec niepodległości Kosowa (The EU towards the independence of Kosovo)*. Polish Institute of Foreign Affairs, Bulletin, no. 11(425) as of 01.03.07, p. 2.

<sup>59</sup> *Kosowo: fiasko pierwszej rundy konsultacji między Prisztiną i Belgradem (Fiasco of the first round of consultations between Prishtina and Belgrade)*. CES Bulletin, no. 1 as of 07.03 -14.03.2007, p. 12.

minorities would have a guarantee of cultural and political autonomy. Serbia would finance communes inhabited by the Serbian minority. Kosovo Serbs currently constitute 7% of the population of the region.<sup>60</sup> The arbiter in possible conflicts within the province would be the European Union. The protectorate of the EU, instead of the United Nations, would support actions aimed at establishing the administration of justice, including the police and customs services. The Ahtisaari Plan anticipates that the task of NATO would be to command an international contingent ensuring security in Kosovo.<sup>61</sup>

The Serbs are against the Ahtisaari Plan, as they stated during the Serbian-Kosovo negotiations, which ended in March this year in Vienna. A month earlier, the plan had been rejected by an overwhelming majority of votes by the Serbian members of parliament during a parliamentary session in Belgrade.<sup>62</sup> Serbian politicians cannot accept the existence of an independent state in the territory of Serbia. It violates, in their opinion, the rule of the inviolability of state borders, one of the provisions of the Serbian Constitution, under which Kosovo is recognized as a part of the country. The Serbs are convinced that in the future they will be able to foil the separatist aspirations of Kosovans. Belgrade is only permitting discussions on autonomy for Kosovo within Serbia, which is in turn objected to by the authorities in Prishtina. The resolution adopted on this issue by the Serbian parliament contained a very important declaration aimed at safeguarding the region's stability, according to which in the case of the independence of Kosovo being imposed on Serbia, the Serbian party would restrict its response to diplomatic action.

The negative attitude of Serbia on the issue of Kosovo is reducing the chances for a Serbian-Kosovan compromise. That is why the prospects for the Ahtisaari Plan and the future of Kosovo will be decided by the UN Security Council. The principles of the project have been approved by the U.S. and the member states of the EU – France, Germany, the United Kingdom and Italy. China and Russia, permanent members of the Security Council, are against the Ahtisaari Plan. Both have the right of veto in the UN Security Council, and China has already postponed the date for approving a resolution on the matter. In accordance with a Russian proposal, a

delegation was sent to Serbia and Kosovo in April 2007, comprising 15 ambassadors from the member states of the UN Security Council.<sup>63</sup> The Commission is expected to prepare a joint report, but the difference of views concerning the status of Kosovo indicates that the elaboration of a joint position will be very difficult. According to Russia, Kosovo is not yet ready to regulate its final status. However, Johan Verbeke, ambassador of Belgium and the chairman of the delegation, is in favour of implementing the Ahtisaari Plan, although he understands that a lot of effort is still required to establish a multi-ethnic society in Kosovo.<sup>64</sup>

The dissention in the international community concerning the future of Kosovo is not a simple division: Russia with Serbia against the rest of the world. Discrepancies regarding this issue could be identified in April this year between certain countries, the EU and the U.S.. Daniel Fried, the US deputy secretary of state, publicly stated that Kosovo would be independent regardless of any resolution by the UN Security Council. In response to this statement, the foreign ministers of Sweden and Belgium accused the U.S. of 'playing with fire' – and not only regarding Balkan affairs, but also concerning further cooperation between the U.S. and the EU.<sup>65</sup> Reluctant to accept the independence of Kosovo are also Cyprus, Greece, Romania and Slovakia. The stance of the authorities in these countries results from their very good relations with Serbia, based on historical and cultural ties.<sup>66</sup>

The Serbs have been unwilling to hold talks on the independence of Kosovo even when encouraged to do so by the European Union. Reaching a compromise involving both parties to the conflict on the future of this province is important for the EU. It is trying to appease the highly emotional position of the Serbs, by proposing a return to the negotiations on the Stabilization and Association Agreement, which were brought to a standstill in May last year because the Serbian side had failed to acquit itself of its duties related to the prosecution of war criminals. For the Serbs, Kosovo represents the area from which they derive their Serbian national identity and which marks the beginning of Serbian statehood. These circumstances suggest that for the Serbian elite, Kosovo may appear more important than closer relations with the EU.<sup>67</sup>

<sup>60</sup> Adam Balcer, Marcin Karczmarski, *Specjalny wysłannik ONZ proponuje przyznanie Kosowu atrybutów niepodległego państwa* (Special UN envoy proposes granting Kosovo attributes of the independent state) EastWeek (CES), no. 6 (470) as of 8.02.2007; Human Rights Watch World Report, 2007, <http://hrw.org/englishwr2k7/docs/2007/01/11/serbia14776.htm>

<sup>61</sup> *Kosovo – specjalny wysłannik ONZ proponuje nadzorowaną niepodległość*. (Kosovo – special UN envoy proposes 'supervised independence'. CES Bulletin, no. 4 as of 28.03-04.04.2007, p. 13.

<sup>62</sup> *Serbski parlament odrzuca plan Ahtisaarięgo* (Serbian Parliament rejects the Ahtisaari plan). EastWeek (CES), no. 7 (471), as of 15.02.2007

<sup>63</sup> *Wizyta delegacji Rady Bezpieczeństwa w ONZ w Kosowie i Serbii* (A visit of UN Security Council's Delegation in Kosovo and Serbia) CES Bulletin, no. 9 as of 10-17.05.2007, p. 14.

<sup>64</sup> Nikolas K. Gvosdev, *Kosovo and Its Discontents*. Foreign Affairs, January/February 2006.

<sup>65</sup> *Podziały w ramach Zachodu w sprawie Kosowa?* (Divisions in the West as regards Kosovo?) CES Bulletin, no. 9 as of 10-17.05.2007, p. 15.

<sup>66</sup> *Kosovo - warunkowe poparcie dla EU dla planu Ahtisaarięgo* (Kosovo – conditional support for the EU for Ahtisaari plan). CES Bulletin, no. 5 as of 04-12.04.2007, p. 19.

<sup>67</sup> Marek Antoni Nowicki, *Kosowskie pro memoria* (Kosovo pro memoria). Polish Diplomatic Review, 2006, no. 3 (31), pp. 71-91.

Kosovo's status also has implications for the internal policy of Serbia. Politicians from this country are aware that any party that supported the Ahtisaari Plan or another solution that removed Serbia's sovereignty over Kosovo, would lose public backing.

#### 2.5.4. Importance of the Balkans to energy security in Europe

The Balkan region has experienced a race between the European Union and Russia for regional dominance in the energy field. The energy security of the EU may depend on the outcome of this manoeuvring. Moscow's energy policy aims at increasing the importance of Russia and strengthening its position in the transfer of oil and gas via the Balkans to the countries of the European Union. The Balkan States are a prime area of Russian expansion in the field of gas transfers. It is important for Russia to strengthen its dominant position in the transfer of oil and gas before competition for its Caspian Sea resources enters the market.<sup>68</sup>

The increased activity of the Russian Federation in the Balkans is associated with the attempts of the European Union to formulate an energy policy, one of the aims of which is the planned diversification of its oil and gas supply sources. The European Union aims at obtaining Azerbaijani and Iranian gas, in addition to its energy sources in Russia, Algeria and Norway. To this end, the European countries need new routes for the transfer of Caspian Sea resources, which would pass through the Turkish straits. A natural transit route for Caspian Sea energy resources would be via the Balkans.<sup>69</sup>

#### Box 2.1. New oil and gas pipelines in the Balkans

On March 15 2007, Russia concluded with Bulgaria and Greece an agreement on the construction of the Burgas-Aleksandroupolis oil pipeline, called the 'Orthodox' pipeline.<sup>70</sup> But the launch of this project may impede other projects. The European Union supports the plans for building the Balkan gas route known as Nabucco. This would be a gas pipeline going from Turkey via the Balkans to Austria. In the future it could carry gas pumped from Turkmenistan. For the EU, this is a priority investment, supported by European financial institutions. Russia has presented several counter-proposals in order to limit the quantities of gas available for Nabucco in the future.

<sup>68</sup> Dmitri Trenin, *Russia Leaves the West*. Foreign Affairs, July/August 2006.

<sup>69</sup> Ernest Wyciszkievicz, *Perspektywy wspólnej polityki bezpieczeństwa energetycznego Unii Europejskiej (Perspectives of the common energy security policy of the European Union)*. Polish Diplomatic Review, 2006, no. 1 (29), pp. 49-70; Filip Kazin, *Globalna strategia Gazpromu a narodowe interesy Rosji (Global strategy of Gazprom and national interests of Russia)*. Polish Diplomatic Review, 2006, no. 1 (29), pp. 85-104.

<sup>70</sup> Ernest Wyciszkievicz, *Zaangażowanie energetyczne Rosji na Bałkanach – implikacje dla Polski (Russian involvement in Balkan energy – implications for Poland)*. Polish Institute of Foreign Affairs, Bulletin, no. 34 (374) as of 01.06.06, p. 2.

Subsequently, Russia has pursued, through Gazprom, a more active energy policy in the Balkans. Representatives of the consortium have organized intense pro-Russian lobbying among the Balkan States, including Serbia and Romania. The local political elite there seems to be in a large part favourably disposed towards the Russian plans.

In response to the Russian initiative of building the Burgas-Aleksandroupolis oil pipeline, five Balkan states (Croatia, Serbia, Romania, Italy and Slovenia) signed in April 2007 a joint declaration on building a Pan-European pipeline. Its task will be to bypass the Turkish straits and transport oil from Constanta to Trieste. This oil pipeline is designed to have twice the capacity of any pipeline currently being planned, and it will also be safer for the natural environment, because the use of oil tankers will not be required in the Adriatic.<sup>71</sup> This project could, after its implementation, provide energy security for Central Europe. A connection with the TAL oil pipeline, supplying oil to Austria, Germany, the Czech Republic and Italy, is planned in Trieste.

Another project designed to compete with the Burgas-Aleksandroupolis pipeline is the AMBO pipeline from Burgas to the Albanian port of Vlore. Albania, Bulgaria and Macedonia signed, on January 31, 2007, an agreement for implementing this project, which is expected to be completed in 2011.<sup>72</sup> This project is supported by the U.S. government and American financial institutions. The initiative is not new, however. The first such proposal was made more than 10 years ago, and in view of this, further delays can be expected in its implementation.<sup>73</sup>

Serbia remains Russia's main economic partner in the Western Balkans, while Gazprom is its main supplier of gas. Moscow is expected to invest €70-80 million in building a system of strategic gas reserve tanks in Serbia. These tanks would be designed to store 800 million cubic metres of gas, as much as 30% of the annual demand on the Serbian market.<sup>74</sup> This investment was concluded without being submitted for tender. The reason is that, for more than a year, Gazprom has owned a 75% stake in JugoRosGas (the majority shareholder in Srbijagazu), which is licensed to service imports of Russian gas.<sup>75</sup> Construction of the tanks would further strengthen the already strong position of Russia on the Serbian gas market. Russia's economic engagement in Kosovo is much smaller. Still, Moscow does not rule out entering the electric power market there and mining Kosovo's coal. The Serbian attitude towards Russia in respect of economic relations can be seen as the product of a desire to win Russian backing in Kosovo-related matters.

<sup>71</sup> *Podpisanie deklaracji w kwestii projektu rurociągu Konstanca-Triest (Signature of declaration on the project of Constance-Trieste pipeline)*. CES Bulletin, no. 5 as of 04-12.04.2007, p. 18.

<sup>72</sup> *Porozumienie w sprawie projektu AMBO (Agreement on AMBO project)*. EastWeek (CES), no. 6 (470) as of 08.02.2007

<sup>73</sup> *Porozumienie w sprawie projektu AMBO (Agreement on AMBO project)*. EastWeek (CES), no. 6 (470) as of 08.02.2007

<sup>74</sup> *Rosjanie inwestują w strategiczne rezerwy gazu w Serbii (Russians invest in strategic gas reserves in Serbia)*. EastWeek (CES), no. 3 (467) as of 18.02.2007

<sup>75</sup> *Rosjanie inwestują w strategiczne rezerwy gazu w Serbii (Russians invest in strategic gas reserves in Serbia)*. EastWeek (CES), no. 3 (467) as of 18.02.2007

The Balkan transmission networks delivering energy resources to Europe and the increased quantities of Caspian oil and gas in the energy balance can be seen as an opportunity for the EU to reduce its reliance on Russian energy. Moscow, aware of this, is pursuing a more and more active energy policy, which aims at gaining acceptance of its initiatives by the Balkan countries. The outcome of this game may decide for a long time to come who will hold the upper hand in terms of energy supply in this region. It's a game in which the Balkan countries can only win, because no matter which option is adopted, they will profit from their location on the transit route.<sup>76</sup>

**Box 2.2.** Increase of Islamic radicalism in the Western Balkans

Heightened Islamic radicalism has been evident in certain countries of the Western Balkan. The Sandžak region, which is divided between Serbia and Montenegro, is a prime trouble spot. The police are investigating a growing number of incidents of activity by radical Islamist groups. In areas inhabited by Bosnian Muslims, Islamist radicals have, in the past six months, attempted to take over mosques by force, attacked the police and established schools for studying the Koran. In January this year, a court in Sarajevo sentenced three Muslim activists to prison terms for preparing a terrorist attack. The men sentenced were Al-Qaeda sympathizers and were intending to bring about the withdrawal of Bosnian forces from the NATO contingents in Afghanistan and Iraq. Activities by such groups, composed of followers of Wahhabism, were also observed in Montenegro, Kosovo and the former Yugoslav Republic of Macedonia.<sup>77</sup>

Wahhabism, as an extreme conservative interpretation of Muslim teaching, is attracting increasing numbers of adherents in the Balkans. Official surveys indicate that it is supported by 4% of Bosnian Muslims, but the actual support is much greater, since the majority of radicals keep their views secret.<sup>78</sup> Evidence of this is provided by the growing scale of their activities, which have led to the break-up of traditional Islamic communities and the weakening of the position of existing leaders and Muslim clerics. The followers of Wahhabism are also not afraid to attack fellow believers with more liberal views, in an attempt to intimidate them into working together. The strengthening of these radical tendencies is likely to lead to conflict with state structures and attacks on Orthodox communities. The mobilization of radical Islamic groups may in the future lead to their greater involvement in terrorist groups around the world. It is particularly worrying that the Balkan Islamists are attracting the interest of international Islamic terrorist groups, which hope to use their connections with Bosnian emigrants in Western Europe to organize attacks there.<sup>79</sup>

<sup>76</sup> Comp.: Eurostat and International Energy Outlook 2007. Washington, April 2007.

<sup>77</sup> The Country Reports on Human Rights Practices. Released by the Bureau of Democracy, Human Rights, and Labor, March 6, 2007. The U.S. Department of State, <http://www.state.gov/g/drl/rls/hrrpt/2006>

<sup>78</sup> Wojciech Stanisławski, *Aktywizacja radykalnych ekstremistów na Bałkanach Zachodnich (Activisation of radical extremists in Western Balkans)*. CES Bulletin, no. 8 as of 25.04 -10.05.2007, pp. 6-7.

<sup>79</sup> Bruce Riedel, *Al Qaeda Strikes Back*. Foreign Affairs, May/June 2007.

The Bosnian authorities are attempting to counteract this threat by depriving of their citizenship Muslims from the Middle East who settled in Bosnia after the war (1992-95). In 2006 and in the first months of 2007, 880 immigrants from Arab countries were deprived of citizenship.<sup>80</sup> In addition, seven humanitarian organizations that had originated from the Arabian Peninsula were closed down. The growing influence of Wahhabism in the country has forced the authorities in Sarajevo to take decisive action and not, as was the case earlier, talk down the scale of the threat. Disregarding the scale of this problem was a result of opposing views among the Bosnian Serbs who, for propaganda purposes, exaggerated the threat from Wahhabism.

### 2.5.5. Western Balkans – integration with the EU and NATO

NATO has been attempting to integrate the states of this region into the Euro-Atlantic structures in order to enhance stability and security there. In recent years, NATO has actively participated in dialogue with Bosnia and Herzegovina, and Serbia and Montenegro, aimed at bringing these countries into the Partnership for Peace (PfP) programme. During a summit of NATO member states in Riga (November 29, 2006) these countries were invited to join the PfP programme.<sup>81</sup> Other countries aspiring for membership of NATO, such as Albania, Croatia and the former Yugoslav Republic of Macedonia, are part of an individual programme called the Membership Action Plan (MAP), which is designed to prepare them for accession to the Alliance.<sup>82</sup> A key part of this programme is the reform of their defence systems. These countries have gradually been integrated within NATO and have sent contingents to Afghanistan within the framework of the NATO-commanded International Security Assistance Force (ISAF). Nevertheless Croatia, Macedonia and Albania, signatories of the Adriatic Charter, failed to receive during the NATO summit in Riga invitations to join the Alliance. For these three Adriatic states, the prospect of NATO membership is a source of motivation, as it serves the role of guaranteeing stability and security in the region. Reforms in the military area are now so advanced there that they meet NATO requirements.<sup>83</sup> However, the state of human rights observance, level of corruption, politicization of the administration of justice and weak border controls remain

<sup>80</sup> *Władze Bośni zaniepokojone działalnością radykalnych islamistów (Bosnian authorities concerned with activity of radical Islamists)*. EastWeek (CES), no. 3 (467) as of 18.02.2007

<sup>81</sup> *The Chronicle of International Affairs*. International Affairs, 2007, no. 1, p. 163.

<sup>82</sup> Henryk J. Sokalski, *Odrobina prewencji. Dorobek dyplomacji prewencyjnej ONZ w Macedonii (A little prevention. The heritage of UN prevention diplomacy in Macedonia)*. Polish Institute of Foreign Affairs. Warsaw 2007, pp. 65-68.

<sup>83</sup> Gabriele Cascone, Joaquin Molina, *Utrzymanie pokoju (Peace-keeping)* <http://www.nato.int/docu/review/2006/issue/polish/art3.html>

causes of concern.<sup>84</sup> The chances of Albania, Croatia and the former Yugoslav Republic of Macedonia gaining NATO membership were raised significantly when, on April 10, 2007, US president George W. Bush approved a Congressional bill supporting their membership. Backing for these countries from the U.S. increases their chances of NATO membership – a decision on which may be taken during a summit of the Alliance in 2008.<sup>85</sup>

In parallel with their activities aimed at closer relations with NATO, Albania, Croatia and the former Yugoslav Republic of Macedonia have put themselves forward for membership of the European Union. Croatia has been working consistently towards integration with both the EU and NATO. On April 25, 2007, the European Parliament adopted a resolution on the progress of Croatia in the accession process. Hannes Svoboda, rapporteur for Croatia, in his report indicated that a possible date for the country's accession to the Community was 2009.<sup>86</sup> This date should be approached with scepticism, though, and the real accession date is likely to be 2010 or even later. Croatia has not yet fulfilled all the EU requirements; negotiations have not been concluded; and talks on the content of the accession treaty will take a long time. In an opinion expressed by the European Commission in November 2006, there is still a need to solve the problems of corruption, crime, an ineffective judiciary, discrimination against ethnic minorities and infringements on the freedom of the media.<sup>87</sup> The authorities in Zagreb still have to conduct thorough-going reform of the state administration, including the judiciary and police.<sup>88</sup> In 2006, Croatia launched a three-year anti-corruption programme. The prime minister, Ivo Sanader, announced a major reform of the judiciary earlier this year. Cooperation by Croatia with the International Criminal Tribunal for the Former Yugoslavia (ICTY) has improved. However, doubts are raised because the Croatian authorities have given help to

people tried by the Tribunal, e.g. General Ante Gotovina. Before the end of the accession process, Croatia must also regulate its borders with Slovenia and Bosnia and Herzegovina.

The European Commission has already expressed concerns about the situation in the former Yugoslav Republic of Macedonia. A serious political crisis was sparked within six months of the parliamentary elections held in the country in July last year. The biggest Albanian grouping in Macedonia – the Democratic Union for Integration (BDI) – decided to boycott parliament. The party accused the government of violating the rights of the Albanian minority, which constitutes a quarter of the population. A coalition of the BDI and the Party for Democratic Prosperity won 60% of the vote among the Albanian electorate in the parliamentary elections.<sup>89</sup> But it did not form a part of the government because rightist groupings created a coalition without the BDI. It was in response to this outcome that the Albanian grouping announced its boycott of parliament. The situation was so serious that it had international repercussions. The European Commission called both parties to the conflict to talks. The absence of compromise between the governing party and the opposition could have a negative impact on the introduction of reforms, which are vital for Macedonia's negotiations with the EU.<sup>90</sup>

Local elections held in Albania in February this year resulted in a disappointing outcome for the right. In the biggest cities, inhabited by a quarter of the country's population, the mayors all represented leftist political parties. Although the elections did not meet all democratic standards, they were regarded as the most positive since the fall of communism.<sup>91</sup> The assessment of the elections was influenced by the fact that parliament was unable to pass amendments to the electoral regulations. A conflict between the governing coalition and the opposition led to a change in the election schedule. International negotiators had to intervene in the conflict. Such an image of Albania does not help it in its efforts to obtain the status of candidate country for membership of the European Union.<sup>92</sup> The lack of support for the coalition, which centred on the Democratic Party of the Albanians (PDSH), was a statement by Albanian society of its dissatisfaction with its 18 months in power, during which time neither the economic nor the political situation in the country had improved. In view of the diminishing support for the

<sup>84</sup> Freedom in the World, 2007. Selected Data from Freedom House's Annual Global Survey of Political Rights and Civil Liberties. Freedom House, [http://www.freedomhouse.org/uploads/press\\_release/fiw07\\_charts.pdf](http://www.freedomhouse.org/uploads/press_release/fiw07_charts.pdf); Transparency International, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2006](http://www.transparency.org/policy_research/surveys_indices/cpi/2006); The Country Reports on Human Rights Practices. Released by the Bureau of Democracy, Human Rights, and Labour, March 6, 2007. The U.S. Department of State, <http://www.state.gov/g/drl/rls/hrrpt/2006>

<sup>85</sup> USA za rozszerzeniem NATO o kraje Europy Południowo-Wschodniej (*The USA for NATO enlargement with countries from South-Eastern Europe*). CES Bulletin, no. 7 as of 18-25.04.2007, p. 13.

<sup>86</sup> *Perspektywa członkostwa Chorwacji w UE (Perspectives of Croatian membership in the EU)*. CES Bulletin, no. 9 as of 10-17.05.2007, p. 13.

<sup>87</sup> Human Rights Watch World Report, 2007, <http://hrw.org/englishwr2k7/docs/2007/01/11/croati14774.htm>

<sup>88</sup> *Croatia*. Country Profile, 2006. The Economist Intelligence Unit. London 2006.

<sup>89</sup> *Macedonia: Największa partia albańska wychodzi z parlamentu (Macedonia. The biggest Albanian party leaves the Parliament)*. EastWeek (CES), no. 5 (469) as of 01.02.2007

<sup>90</sup> *Macedonia*. Country Profile, 2006. The Economist Intelligence Unit. London 2006.

<sup>91</sup> *Zwycięstwo lewicy w wyborach lokalnych Albanii (Victory of the Left in local elections in Albania)*. EastWeek (CES), no. 8 (472) as of 22.02.2007

<sup>92</sup> *Albania*. Country Profile, 2006. The Economist Intelligence Unit. London 2006.

governing party, the prime minister, Sali Berisha, reshuffled his government.<sup>93</sup> Four new ministers were appointed, who can be recognized as third or even fourth class party activists. In response, the leaders of the PDSH contested the prime minister's decision. If support for the Albanian right continues to decline, the consolidation of internal opposition to the prime minister, Sali Berisha, can be expected, which will further destabilize the Albanian political scene.

## 2.6. RUSSIAN FEDERATION

The world after the end of World War II was divided into two opposing blocs. Competition between the two superpowers, the USSR and the USA, was evident not just in the arms race but also in their efforts to maintain influence in their satellite countries. The spectacular competition for supremacy in conquering space motivated both countries to maintain high levels of education, technology and inventiveness. For many years the two countries allocated huge parts of their budgets to preventing their opponent from gaining an advantage in any field of competition.

Today, it is clear that the victor was the state with the stronger economy, which allowed it to compensate for the vast expense of the arms race. The Soviet Union paid in addition a high cost in maintaining its artificial economic ties with the eastern bloc countries. The Soviet Union collapsed in the 90s, when the shortcomings of the socialist economy started to become a topic of open debate, and when the eastern bloc societies decided to follow the path of democracy. The former bipolar system was replaced with a unipolar one, with the USA as the only superpower.

Russian policy today demonstrates a desire by the country to restore its superpower status. Although Russia is not a political or economic superpower, many countries, especially in Europe, still treat it as such. There are many key factors for this, among which mineral fuel resources are playing an increasingly important role.

Russia is exceptionally rich in natural raw materials. Their value is estimated at 30 billion USD, in comparison to the U.S., for example, where the raw materials' value is estimated at 8 billion USD. After privatizing the enterprises involved in minerals extraction, the proportion of raw materials in Russia's exports by value has been growing consistently. Energy raw materials now take the biggest share in exports (more than 50%).<sup>94</sup>

<sup>93</sup> *Rekonstrukcja rządu w Albanii (Reconstruction of the government in Albania)*. CES Bulletin, no. 3 as of 21-28.03.2007, s.16.

<sup>94</sup> A. Łabuszawska, J. Winiecki, *Strefa gazu (Gas zone)*, at: Polityka, no. 4, 27.1.2007.

Clearly, its energy resources, especially its crude oil and natural gas, continue to be an important tool of state policy in the Russian Federation, and in its international relations in particular, just as much as they were for the Soviet Union. There is no doubt that for contemporary Russia, oil and gas as resources are strategically important, and Russia's governing elite, led by the president, Vladimir Putin, are consciously using the country's energy potential to increase its influence in the international arena.<sup>95</sup> The great reliance of the European economies on supplies of Russian oil and gas (more than 40%) and difficulties with provisions from alternative sources (uncertain situation in the Arab countries) mean that European countries are inclined to tolerate Putin's sometimes controversial internal and international policies.

Oil and gas figure very highly in the structure of Russia's strategic potential. It could even be claimed that they occupy a position comparable only with nuclear weapons and long-range rockets. The critical importance of Russia's oil and gas originates not only from the significant proportion of global energy resources that is located on Russian territory and their considerable importance in generating national income and exports, but also from the high level of reliance on them by other countries, especially the post-Soviet states, the countries of Central and Eastern Europe, and Western Europe.

Strategic control over the country's energy resources is facilitated by the dominant position in this sector enjoyed by a few companies, led by Gazprom<sup>96</sup> and the high level of state ownership and the politically regulated privatization process. In view of these factors, any potential penetration of this sector of the Russian economy by western competitors is extremely limited.

The importance of Russia's oil and gas resources increased, along with the decline in the importance of its other strategic potential. This state of affairs was brought about by, among other things, the collapse of the Soviet Union and the years of chaos in the transformation of the Russian economy under the leadership of president Boris Yeltsin, who died in the spring of 2007. The reduced military potential, the collapse of numerous sectors of the economy, the declining importance of education and technology, and a profound demographic and social crisis meant that oil and gas started to occupy a pivotal and

<sup>95</sup> S. Gardocki, *Ropa naftowa i gaz ziemny jako środki strategii politycznej Rosji (Oil and gas as measures of Russia's strategic policy)*, at: Eastern Policy, no. 1-2, pp. 50-51.

<sup>96</sup> Gazprom, after Microsoft and Exxon Mobil, is the third largest company in the world. The revenues of this concern, which employs 250,000 people, reached in 2006 nearly USD 50 billion, which translated into 15 billion in taxes paid by this company, whose net profits exceeded USD 7.5 billion. Comp. A. Łabuszawska, J. Winiecki, *Strefa gazu. (Gas zone...)*, p. 46.

growing role in the arsenal of Russian strategic measures. The smaller the success in the reconstruction of Russia as a superpower in the non-energy sector, the greater role will be served by oil and gas in planning the country's strategy.

The situation in Russia is a classic example of what was described by Thomas L. Friedman as 'the first law of petro-politics'. According to it, oil prices and the increase of freedom are inversely proportional in countries with oil deposits – countries with poor institutions and a national product that is strongly dependent on oil receipts.<sup>97</sup> A fall in oil prices is accompanied by an increase in the rate of growth of freedom. On the other hand, when oil prices rise, the progress of freedom is halted. Today, the Russian authorities, administering enormous revenues from oil and gas, are restricting the opposition, renationalizing the big energy enterprises and expelling western human rights groups.

Until not so long ago, Putin's doctrine of 'controlled democracy' was quite moderate and, at the same time, cunning. Television is entirely under Kremlin control, but small opposition newspapers have been allowed to operate – provided that they have few readers. Small opposition parties have also been allowed to function, but they do not receive any broadcasting time on TV. Recently, however, even this carefully controlled tolerance of an undoubtedly weak political opposition has been reduced. Independent groups – defenders of the natural environment and human rights, and even international organizations – can be legally registered only with increasing difficulty. The rules of the game changed particularly in the aftermath of the overt and brutal murders of two well-known figures – Anna Politkovska and Aleksander Litvinienko.<sup>98</sup>

The language used to describe the opponents of President Putin has also started to change in Russia. One of the leaders of the democratic opposition, Garry Kasparov, was called on the web portal of *Pravda*, "A political pawn, who sold his soul to traitors, plotting Russia's collapse", and "A wild-eyed Azerbaijani follower of Bieriezovski, living according to western fashion in his apartment worth millions." In the same article new dissident organizations were described as a "Patchy bunch of perverts, criminals, under age politicians, fraudsters and gangsters on the margins of Russian society."<sup>99</sup>

<sup>97</sup> Thomas L. Friedman, *Rosja wróciła (Russia is back)*, at: New York Times, 2.XI.2006.

<sup>98</sup> The journalist was shot during the day in her block of flats. The assassin was so confident that he left his weapon at the crime scene. Litvinienko was poisoned with a radioactive substance in central London. The murders were clearly not committed by people who wanted to prevent bad press or who cared what the rest of the world would think of Russia (The Spectator, 21.IV.2007).

<sup>99</sup> Ibid.

The United States and the United Kingdom have already been openly criticized. The new Russian political class, in the main with former links to the KGB or other intelligence forces, has slowly been introducing not just new rhetoric, but also the violence of a bygone age. For example, on April 14, 2007 around 2,000 opposition followers, including Kasjanov, Kasparov and Limonov, organized a march in Moscow. They were confronted with 9,000 armed police functionaries. Approximately 170 people were arrested, including Kasparov, who was accused of, "Shouting anti-government slogans in the presence of a large group of people."<sup>100</sup> According to Kasparov, the new tactics prove that Putin's regime is scared. Others suspect that the Kremlin is afraid of a repeat of Ukraine's Orange Revolution, in which street protests eventually led to the overthrow of the government. This new course in Russia's internal and foreign policy shows that the Kremlin is so confident now that it no longer feels any need to appear politically correct for the benefit of western public opinion.

There may be many reasons for this. One is the 80% support for the authorities, and the second, and even more important, is the high prices of oil and gas. Rising oil and gas prices have changed Russia from the sick man of Europe into a commanding figure. "Pipelines are giving Russia greater influence in Western Europe than the long-range rockets capable of carrying nuclear warheads ever gave it", said German expert Josef Joffe, the author of a fascinating book called *Überpower. The Imperial Temptation of America*. "Ten years ago we thought that Russia was conquered", writes Joffe. "We knew that it would return some time. And suddenly, like a bolt from the blue, rising oil prices have pushed it back on to the stage. In our memory Russia is associated with a rusted fleet in Murmansk, but power has different faces. Today, its most popular form is oil and gas."<sup>101</sup>

The Kremlin's consistent determination to rebuild Russia's position as a world power, lost after the collapse of the Soviet Union, can be called the realization of the 'Putin Doctrine'. This is not only an active fight for the lost influence in the post-Soviet region, but also the use of oil and gas resources to strengthen Russia's position in international policy. The Kremlin has also abandoned democratization, which had been following the Western European and U.S. models, and is trying to return to the game in the Middle East and Latin America, where it

<sup>100</sup> *Novyje Izvestia*, 15.IV.2007.

<sup>101</sup> The BBC reported a very tense summit, which was held on October 20, 2006 in the Finnish city of Lahti. EU leaders are said to have pleaded with Putin to honour contracts signed with western energy companies, to ease the crackdown on freedom of the press and on human rights activists, and to start an investigation into the murder of a Russian journalist who had embarrassed the authorities (Gazeta Wyborcza 4-5.XI.2006).

would like to counterbalance or weaken the influence of the U.S. and its European allies. For many months Moscow has acted as a spokesman for Teheran at the UN, where it defended the country against accusations that it was seeking to produce nuclear weapons. It received the leaders of Hamas, an organisation boycotted by the West, and is still on good terms with Syria, which is believed indirectly to harbour fighters and terrorists fighting against the American forces in Iraq. The 'Putin Doctrine', in its anti-American diplomacy, permits the signing of weapons supply contracts with countries that object to U.S. influence, for example the contract signed in July 2006 worth 3 billion USD with Venezuela, led by the populist president, Hugo Chavez.

In response to the 'Putin Doctrine', the United States has moved from criticizing Moscow to penalizing it – according to Russian commentators.<sup>102</sup> The pro-Kremlin *Izvestia* has warned that deteriorating relations with the Americans might lead to a new arms race, since any renewal of the START1 agreement on the reduction of nuclear arsenals, which expires in 2009, appears unlikely. The same has also been said by President Putin, who accuses Washington of attempting to build a unipolar world. He stated as much in his speech in Munich in February this year at a conference devoted to international security, and then again on April 26, 2007, as well as in his annual address to the nation and the world.<sup>103</sup> According to Putin, Russia resembles nowadays a 'besieged fortress', threatened by an enemy within and without that is receiving 'floods of money' from abroad from an anti-state opposition, while foreign forces, i.e. the West, assemble close to Russia's borders, while planning to locate in Europe elements of its anti-missile defence system. President Putin has threatened the West with a new cold war and has warned the U.S. that if work on building the anti-missile defence system is continued, Russian rockets will again be targeted at American cities and "new targets in Europe", for example, cities in Poland.

### Box 2.3. 'Enemies of Russia': Public opinion survey

Poland is ranked 7<sup>th</sup> on a list of Russia's enemies prepared by the Moscow sociological think-tank Levada-Centre. As long as a year ago only 7% of Russians perceived Poland as a hostile country while, according to the latest survey published in May 2007, the proportion of negative answers reached as much as 20%. What is the reason for such a sudden increase in negative opinions concerning Poland? It proves how fluid is public opinion, which reacts instantly to news in the media, where in recent months frequent mention has been made of the plans to remove Russian monuments in Poland, of the disagreement over an exhibition in Auschwitz, and of the dispute over meat imports. However, the

<sup>102</sup> Gazeta Wyborcza 8.VIII.2006.

<sup>103</sup> *Izvestia* 27.IV.2007.

leading position on the Russian black list is this year occupied by the Estonians (60%), who took over from the Latvians. Thanks to them, for the first time in the history of these public opinion polls, more than half of Russians expressed a common opinion regarding the common enemy. Second on the list was Georgia (46%), third Latvia (36%), which is ahead of the U.S. (35%) and Lithuania (32%), Ukraine (23%) and Poland.<sup>104</sup> "Cooperation between Russia and Poland is far from the high level of mutual trust and respect that prevails in Russia's relations not just with a majority of Western European countries, but also with Eastern Europe", says Sergey Prichodzko, advisor to the president of Russia for international affairs. Prichodzko acknowledged in a conversation with the Polish Press Agency (PAP) that the atmosphere is spoiled by "Continuously recalled third-rate historical events."<sup>105</sup>

Estonia jumped to first place due to the commotion about the removal of a monument to Russian soldiers from the centre of Tallinn to a military cemetery, and Lithuania and Latvia also occupy leading positions thanks, *inter alia*, to their demands for an apology for the Ribbentrop-Molotov Pact. Meanwhile, Kazakhstan (30%), Belarus (38%) and Germany (24%) are at the top of the list of Russia's friends.

Using the positive situation on the world oil and gas market, the Putin administration has managed to rebuild the Russian economy to a large extent, and improve living standards. In a move that has provoked considerable criticism (also outside Russia's borders) it took on the oligarchs, accusing several of them of embezzlement and forcing them to flee the country or appear in court. These moves, although they prove the subordination of the system of justice to the presidential administration, seem to be widely supported. The Putin government is neither a dictatorship nor a classic presidential system. It differs from a dictatorship thanks to the presence of opposition parties capable of competing, elections that are held regularly and seem to be fair, and freedom of speech – although this is associated with dominance of the media by the authorities, television in particular. Putin's government is differentiated from a classic presidential system first of all by the lack of actual delegation of power and the president's domination of not just the executive, but also legislative and judicial power. Even before the Russian system of government was shaped, Guillermo O'Donnell, based primarily on the Latin-American experience, referred to such a system of government as a "delegated democracy."<sup>106</sup> Its main feature is a combination of the strong and uncontrolled authority of the head of state with a plebiscite-like method of drawing social support – above the institutions of representative democracy.

<sup>104</sup> Gazeta Wyborcza 1.VI.2007.

<sup>105</sup> Gazeta Wyborcza 13.IX.2006.

<sup>106</sup> G. O'Donnell, *Delegative Democracy*, Chicago 1991, pp. 121–126. Comp. also: J.J. Wiatr, *Europa pokomunistyczna. Przemiany państw i społeczeństw po 1989 roku (Post-communist Europe. Transformations of states and societies after 1989)*, Publishing House SCHOLAR, Warsaw 2006, pp. 146–147.

The Putin presidency reveals the flaws of a presidential system more clearly than in the case of his predecessor. Putin is a much better president than Yeltsin and that is why observing his presidency, one can notice the basic flaw in the system introduced in Russia. The system impedes the development of democratic institutions and deprives Russian society of its will to take individual action. This is, though, “Justified in Russian tradition, which has always perceived the greatness of Russia in strong central power.”<sup>107</sup>

Under the rule of Putin, the Russian state has consolidated; the scope of control of the executive power has increased in all spheres of public life. This president of Russia may yet go down in history as the man who returned order, stability and economic growth after years of chaos. Belief in the omnipotence of the state, the conviction that improving its effectiveness as a wise plenipotentiary in the whole community is both purposeful and necessary – this is the core of the current presidential doctrine. The elite prioritizes economic growth and civilizational advancement, while democracy and the institutions of a civil society are considered less important.<sup>108</sup>

Popular disappointment with the results of earlier systemic changes is a source of support for the current president. Frustrated Russian citizens hope that a strong president, whom they trust, will improve their fortunes. Two thirds of Russians are still ready to entrust the country’s future to a strong leader, while only 28% think that Russia should be governed by democratic institutions. Half of Russians support Putin because there is no other choice – thinking that there is currently no other politician in Russia who would stand a chance to gain power and at the same time govern in the Kremlin better than the current president. Among their major problems Russians mention, firstly – as is the case in other countries – high prices, fear of unemployment, poor health care and a high crime rate. The citizens of Russia, which is held up to international criticism due to restrictions on the freedom of speech, the manipulation of voters and the lack of an independent judiciary, are in fact not concerned about these issues at all. Just 2% of respondents mention them as serious problems. Russians are much more concerned about corruption (25%), demoralization (24%), xenophobia (10%) and illegal immigration (10%).<sup>109</sup>

It is worth mentioning that the idea of amending the Russian Constitution to allow for more than two

presidential terms had, a year ago, only minority popular support. However, the latest poll conducted by Levada-Centre confirms that a servile media, the improvement in the economic situation in Russia fuelled by petrodollars, and the weakness of the opposition have done their job – the idea of three terms for Putin is now backed by 51% of Russians, and 35% would be willing to share the Central Asian model and support the concept of a president for life. Putin has declared on many occasions that he plans to retire from the Kremlin lawfully; this will follow the elections scheduled for March 2008. In spite of this, many politicians still speak out in favour of the president’s policies and call on him to run in the elections again. The necessary amendment to the Constitution has already been officially supported by three local parliaments in Russia.<sup>110</sup>

In the Kremlin, the “party of the third term” has been formed by bureaucrats associated with the military, police and public prosecutor lobby (the so-called silovniks), who are fearful of a post-election battle for influence inside the Kremlin and instability after Putin’s retirement. At the same time, they are not concerned at all with the threat of subsequent worsening of the country’s international image. Putin enjoys record-breaking trust among Russians: as many as 60% of respondents trust him, and his policies are supported by 80%.<sup>111</sup>

Attitudes to President Putin reflect a traditional Russian stereotype of the “good czar” who, alone, cares about the safety and well-being of the homeland.

Meanwhile, the chess genius Garry Kasparov, who threw down the gauntlet to Putin two years ago, in his latest book *How Life imitates Chess*, 2007, explains that his farewell to professional chess and shift to politics was a result of a “Conviction that one should oppose the catastrophic expansion of authoritarian state power.” In the present day Russia, President Vladimir Putin speaks about security, when instead of freedom he imposes control, without safeguarding security, anyway. Without transparency there is no control over state expenditure, and without such control, state authority has no limits whatsoever. Any criticism of the state’s representatives is regarded as “extremism”, which in Putin’s code lies alongside “terrorism.” Although martial law has not been announced in the country, it has been, as a matter of fact, introduced in a limited version.<sup>112</sup>

<sup>107</sup> E. Zieliński, *System konstytucyjny Federacji Rosyjskiej (Constitutional system of Russian Federation)*, Warsaw 2005, p. 98.

<sup>108</sup> S. Bielań, *Tożsamość międzynarodowa Federacji Rosyjskiej (International identity of Russian Federation)*, Publishing House ASPRA-JR, Warsaw 2006, p. 353.

<sup>109</sup> Moskovskije Novosti, 13.V.2007.

<sup>110</sup> P. Bielecki *Putin prezydentem już na zawsze? (Putin – a president forever?)*, at: Gazeta Wyborcza 8.V.2007.

<sup>111</sup> Ibid.

<sup>112</sup> A. Krzemiński, *Szach carowi (Check for car)*, at: Polityka, no. 22, 2.06.2007.

## 2.7. EASTERN EUROPEAN COUNTRIES (BELARUS, MOLDOVA, UKRAINE)

### 2.7.1. General assessment of the situation in the region

The changes that took place in the Eastern European countries between June 2006 and May 2007 represented a continuation of earlier trends and can by no means be considered a breakthrough on the countries' path to integration with Western structures. In the area of economic reform and the strengthening of ties with the European Union and NATO, this period can effectively be considered to have been wasted by Ukraine, where serious political clashes persisted almost without pause, impeding and even paralysing the work of the highest authorities. During the period in power of the government led by Viktor Yanukovich, which was formed after parliamentary elections, Ukraine was transformed into a country with two opposing centres of foreign policy: the pro-European presidential one and the pro-Russian one of the government. In Belarus, the Lukashenko regime survived another year in an unchanged form, although it had to endure humiliating negotiations with Russia over gas and oil prices, the outcome of which may soon lead to severe economic difficulties in Belarus. Meanwhile, Transdnier in Moldova remained the site of a "frozen conflict" in the region, after the holding of an independence referendum, which has not been endorsed by any country in the world.

The situation in Eastern Europe remained diverse as regards democracy and human rights. In its report, the U.S. non-governmental organisation Freedom House once again listed Belarus among the countries where the level of civil freedom is the lowest. The organisation found that the Lukashenko regime was continuing to ignore international standards of democracy and human rights. Aside from the Baltic States, the only post-Soviet state which was considered fully independent was Ukraine. Moldova was classified as a partly independent country.

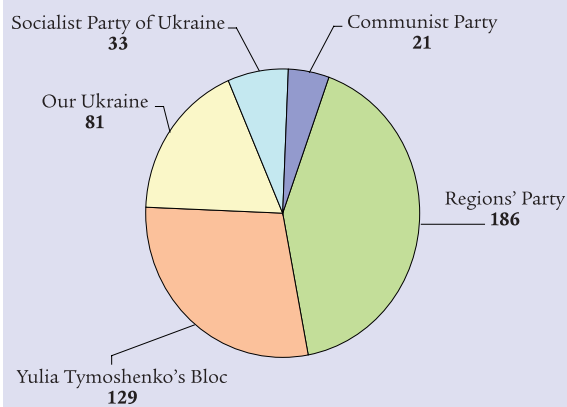
According to other classifications, for example one carried out by the prominent *The Economist* weekly, Ukraine and Moldova are the only member countries of the Commonwealth of Independent States that can be considered faulty democracies, while Belarus was ranked as one of the most authoritarian regimes.<sup>113</sup>

### 2.7.2. Changes in domestic politics

The parliamentary elections that were held in Ukraine in March 2006 led to a political crisis lasting several months. Their outcome, in terms of the political composition of parliament, did not make it possible for any of the parties

<sup>113</sup> RFE/RL Report, *Former Soviet Union Ranks Poorly In 'Democracy Index'*, 21.11.2006.

**Chart 2.8.** Political composition of Ukraine's parliament after the elections of March 2006 (number of seats in the Supreme Council)



to form a majority government. After lengthy talks, which were broken off and resumed a number of times, the representatives of the groupings that had been united by the Orange Revolution, namely Yulia Tymoshenko's Bloc, the Our Ukraine party supported by President Viktor Yushchenko, and the Socialist Party of Ukraine of Oleksandr Moroz, decided to form a coalition government headed by Tymoshenko. However, at the last moment Moroz broke the coalition agreement and struck a deal with Yanukovich's Regions Party, who immediately proposed the creation of an "anti-crisis coalition."<sup>114</sup>

At the beginning of August, following lengthy deliberations and consultations, the president designated Yanukovich to the post of prime minister and Our Ukraine joined the coalition. As a result, Yulia Tymoshenko's Bloc moved into opposition and accused the president of betraying the ideals of the Orange Revolution. Just two months later, conflicts within the coalition led the presidential party to withdraw. At the beginning of 2007 Yushchenko decided that members of the coalition were violating the Constitution by trying to lure Our Ukraine deputies away from the party and into supporting the government, and he dissolved Ukraine's Supreme Council. After an initial boycott of the decision, Ukraine's main political forces reached an agreement on holding early parliamentary elections.

Meanwhile, after presidential elections held in March 2006 that, according to the official results, returned Lukashenko to power, suppression of the opposition continued unabated.<sup>115</sup> The authorities primarily targeted those who had dared to stand for the presidency against Lukashenko. In mid-July, Alexander Kazulin, the opposition

<sup>114</sup> Yanukovich had already held the post of prime minister in the years 2002-2004 during the presidency of Leonid Kuchma.

<sup>115</sup> <http://www.state.gov/g/drl/rls/hrrpt/2006/78802.htm>

candidate, was sentenced to 5 1/2 years in prison for alleged hooliganism and organising illegal demonstrations after the elections, in which he had loudly protested against the falsifying of the election results. During the first months of his stay in prison, Kazulin captured international attention by going on a hunger strike that lasted more than 50 days.

The Lukashenko regime also continued its persecution of opposition leader Alexander Milinkevich, who had come second in the elections.<sup>116</sup> He was called for questioning by the prosecutor's office numerous times, with the prosecutors warning him, among other things, that by granting interviews to foreign media he was passing to other countries information that could discredit Belarus.

At the end of June 2006, the Belarusian authorities launched a crusade lasting several months against the Belarusian office of the Helsinki Committee, which had presented an extensive report following the March presidential elections, highlighting breaches of the election law it had observed. The Committee's activities were suspended and its officials accused of, among other things, tax evasion.

Despite the continuing suppression, the opposition did not halt its efforts to make its presence felt. In March 2007, its representatives organised a Freedom Day march, with 10,000 participants.<sup>117</sup> They were attacked by the militia and *Specnaz* forces. Milinkevich and his wife were among those assaulted.

The Lukashenko regime was also unable to come to terms with the activities of the Union of Poles in Belarus, an organisation that is not recognised by the authorities in Minsk. The members of the Union, together with its president Angelika Borys, were on numerous occasions summoned for interrogation by the militia and prosecutors. They were usually charged with hooliganism, starting fights under the influence of alcohol, or swearing in the street – offences that, under Belarusian law, carry a penalty of a week or two in prison. Among those persecuted were Polish priests and nuns working in the country, whose visas were in some cases not extended by the authorities.

Moldova had to deal with an entirely different set of problems. One of the so-called “frozen conflicts”, which emerged after the break-up of the Soviet empire, specifically that of the status of Transdnister, remained unresolved. In 1991 Transdnister declared its independence, which resulted in a two-month war against Moldova

in 1992. The conflict was not resolved and served as a pretext for Russia to leave more than 1500 troops on the territory of the self-declared republic.<sup>118</sup> Despite the pleas of Moldova's president Vladimir Voronin for the troops to be withdrawn, the Russian authorities announced that in the short term the soldiers would not be leaving Transdnister.<sup>119</sup>

Although no country recognises the independence of Transdnister, its authorities, led by its pro-Russian president Igor Smirnov, nevertheless went ahead with an independence referendum in September, which actually was not the first in the history of the republic.<sup>120</sup> A clear majority of the population, among whom two-thirds are of Russian or Ukrainian nationality, voted in favour of independence, to be followed by becoming a part of the Russian Federation.

### 2.7.3. Foreign and regional policy

One of the most important events in the area of international cooperation in 2006 and 2007 was the GUAM countries' (Georgia, Ukraine, Azerbaijan and Moldova) summit, which took place in Kiev in May 2006. At it, the leaders of the countries decided to transform what had, since its founding in 1997, been a discussion forum into an organisation with its own statute and secretariat. Energy security was declared to be GUAM's main priority. It was also decided to create a free trade zone, as well as to jointly strengthen relations with the EU and NATO. In order to reduce their dependence on Russian oil and gas, Ukraine and Moldova also sought to use this common forum to strengthen their cooperation with Azerbaijan.

The counterweight for the GUAM summit in Kiev was the meeting of prime ministers of countries participating in the Eurasian Economic Association (JewrAzjeS), which also took place in May, in Minsk. Despite the declarations on strengthening cooperation made by representatives of Belarus and Russia, the reality soon proved to be completely different. Soon after the March presidential elections in Belarus, representatives of Gazprom, which is controlled by the Russian authorities, announced an increase in prices charged for gas exported to Belarus from 47 dollars per 1000 cubic metres to as high as 200 dollars. This declaration met with a sharp reaction from

<sup>118</sup> These troops are formally supposed to be supervising Russian bases, but in the eyes of the self-declared authorities of Transdnister, they are the guarantors of its safety. Russia has consistently failed to abide by its declaration on withdrawing its troops and equipment from the republic by 2002.

<sup>119</sup> RFE/RL Report, *Russian Troops to Stay in Transdnister*, 31 III 2006.

<sup>120</sup> This time around, Smirnov set as an example the referendum held in May 2006 in Montenegro, which caused its separation from Serbia.

<sup>116</sup> In October, Milinkevich was awarded the prestigious Andrei Sakharov award by the European Parliament.

<sup>117</sup> Every year, the Belarusian opposition commemorates the anniversary of the proclamation of the Belarusian People's Republic on March 25, 1918.

**Map 2.4.** The “Druzhba” pipeline, the main route for transporting Russian oil to Europe



Source: [http://arch.rzeczpospolita.pl/a/rz/2007/01/20070109/pierwsza\\_strona\\_a\\_1-1.F.jpg](http://arch.rzeczpospolita.pl/a/rz/2007/01/20070109/pierwsza_strona_a_1-1.F.jpg)

the authorities in Minsk. Belarusian prime minister Siarhey Sidorski even threatened that Belarus would withdraw from the Belarus-Russia Union, while president Lukashenko threatened to break off relations with Russia. Gazprom representatives declared that maintaining a low gas price for Belarus would be possible if Gazprom was allowed to buy majority stake in Bieltransgaz, which controls Belarus's pipelines, as well as in the only refinery in Belarus, a proposal which Lukashenko considered as constituting blackmail.<sup>121</sup> After lengthy talks, Belarus agreed to the doubling of the price for Russian gas and to selling half of the shares in its gas pipelines to Gazprom.

At the beginning of 2007, Belarusian-Russian relations became strained again. A dispute over customs duties on oil resulted in a three-day hold up of deliveries via the Druzhba pipeline, which in turn had a negative impact on Poland and Germany. In the end, Minsk had to abandon its plans to introduce a transit fee for Russian oil and with this, the dispute was resolved. Yet again, Russia had shown how effectively she could use her natural resources as a political weapon.

Moldova and Ukraine signed contracts with Gazprom envisaging an increase in gas prices from the beginning of 2007. However, in the case of these countries, no lengthy and fraught negotiations were needed. Nonetheless, both countries encountered obstacles in their trade with Russia in other areas, which had a serious impact on their economies. In March 2006 Russia introduced a ban on imports of Moldovan wine.<sup>122</sup> Although the Moldovan authorities announced at the end of 2006 that Russia had agreed to rescind the ban, it soon turned out that it would be possible no earlier than mid-2007.

<sup>121</sup> Białoruś. *Lukaszewko broni niepodległości*, [Belarus. Lukashenko defending independence], *Gazeta Wyborcza*, 30 IX – 1 X 2006.

<sup>122</sup> Wine exports account for almost 25% of Moldova's GDP, with 80% of export revenues coming from trade with Russia. The losses for the Moldovan economy arising as a result of the Russian ban were estimated at more than 200 million dollars.

**Table 2.1.** Gas prices negotiated with Gazprom in USD per cubic metre.

	Belarus	Moldova	Ukraine
2005	47	80	50
2006	47	160	95
2007	100	170	135

Source: Author's own compilation.

In May 2006, an incident took place in Ukraine that undermined the image of the country as one striving for NATO membership. The supporters of the Regions Party and socialists living in the Crimea attempted to prevent the “Sea Breeze 2006” NATO-Ukrainian military exercises. During the blockade of a port where the U.S. warship “Advantage” was due to sail in, loud protests took place against the presence of NATO troops on Ukrainian territory.<sup>123</sup> These events drew wide comment across Ukraine and, according to some experts, have cast a shadow over its NATO aspirations.

The June protests against the NATO exercises in the Black Sea and weak public support for joining the alliance, along with the political crisis in Ukraine, have led to NATO representatives making very cautious statements about the country's prospects of membership.<sup>124</sup> Furthermore, during a meeting with the NATO secretary-general, Yanukovich himself stated that in view of the political situation, Ukraine was not yet ready to begin the process of application for membership of the alliance. He also remarked that in the future it would be necessary to hold a referendum on the issue in Ukraine.

A major blow for President Yushchenko, who has been promoting integration with the European Union, was the vote of no confidence by parliament in foreign minister Borys Tarasiuk at the beginning of December 2006. For Yushchenko, Tarasiuk was a guarantor of the pro-European direction of the country's foreign policy.

The political crisis in Ukraine coincided with the time when the European Commission was drafting an outline of a new agreement on cooperation and partnership, which was to replace the old agreement signed in 1997. The Commission noted that Kiev should promptly fulfil the conditions for joining the World Trade Organisation, which would not be possible without completing work on

<sup>123</sup> According to a survey conducted by the Democratic Initiatives Foundation based in Kiev, in mid-2006 as many as 64.4% of Ukrainians opposed their country's accession to the alliance. This shows a clear decline in support for NATO, because back in 2000, only 33.5% of those surveyed were against it.

<sup>124</sup> As recently as the beginning of 2006, there were realistic hopes that during the November summit of the alliance, Ukraine would receive the so-called MAP (Membership Action Plan), but the above-mentioned events prevented this happening.

20 key economic bills, held up because of the paralysis of parliament.

In November, the European Commission published a document that constituted in effect a positive proposal for Belarus, drafted in view of the lack of results of the policies pursued thus far by the EU with regard to Minsk.<sup>125</sup> The proposal featured a list of such incentives as: financial assistance, scholarships, easing of visa restrictions, and improved access for Belarusian goods to the EU market, all of which would be made available to the country if it was to make progress in the areas of democracy and human rights protection.

The conflict with Russia brought an evident change in the language used by President Lukashenko himself, when talking about Western Europe. In a public address in mid-April 2007, he declared his willingness to engage in partnership and cooperation with Western Europe and the United States.<sup>126</sup>

In view of the country's continuing isolation from the West and the several months of conflict with Russia, the Belarusian authorities decided to strengthen cooperation with the so-called independent countries that opposed the hegemony of the United States. Belarus hosted, amid great ceremony, representatives of the highest authorities of Venezuela and Iran. President Lukashenko visited Iran and Cuba, where he was the only leader of a European country to participate in the summit of independent countries. All these meetings featured discussions on the prospects for tightening economic cooperation, and on security. The crisis in relations with Russia also led Lukashenko to explore alternative sources of gas and oil. To this end, he went on official visits to Venezuela and Azerbaijan.

Taking into account the events of 2006 and 2007, there is little indication that in the near future Belarus is about to cease being the last dictatorship in Europe and that it will begin to build a democratic system and a civic society and launch its preparations for integration with Western structures. Despite the declarations by President Voronin about the pro-European ambitions of Moldova, the frozen conflict in Transnistria has remained the biggest obstacle on the path to their fulfilment. As neither the European Union nor NATO intends to accept as a member a country that has problems maintaining its territorial integrity, it is considered that the situation in Transnistria is favourable for Russia, which is seeking to maintain at all cost its sphere of influence in the countries created after the break-up of the Soviet Union.

<sup>125</sup> Anna Słojewska, Piotr Kościński, *Pomoc UE w zamian za demokrację*, [EU aid in return for democratisation], *Rzeczpospolita*, September 21, 2006

<sup>126</sup> *Lukashenko – partner Zachodu*, [Lukashenko – a partner of the West] *Rzeczpospolita*, April 25, 2007.

Although domestic political infighting has prevented Ukraine from drawing closer to membership of the EU and NATO, renewed hope for its opening up to the world in the near future was awakened when it, along with Poland, was awarded the right to host the 2012 European football championships. In an interview, President Yushchenko stressed that: "For us the Championships are not only a sports event. For us, this is one of the paths leading to direct integration with European structures. Euro 2012 reinforces our sense of belonging to Europe."<sup>127</sup>

## 2.8. COUNTRIES OF THE SOUTHERN CAUCASUS (ARMENIA, AZERBAIJAN, GEORGIA)

### 2.8.1. General assessment

For the countries of the Southern Caucasus, the past year has been an extremely busy one, in which a great deal of political activity has taken place. In terms of breakthroughs on the domestic scene, Armenia stands out, having changed its Constitution (strengthening the role of parliament and limiting the powers of the president) and conducted elections to parliament, which is already operating under the new rules (May 11, 2007). Far-reaching changes in domestic politics have also been witnessed in Georgia, with the continuation of the reform of the state, accompanied by significant changes in policies towards the separatist, self-declared republics of South Ossetia and Abkhazia. Against this background, Azerbaijan appears to have remained relatively static.

The past year saw the strengthening of the pro-Western orientation of the region (in particular of Georgia and Azerbaijan, but also Armenia) to an extent not seen in previous years. This is primarily due to the development of the infrastructure for the transport of oil (the Baku-Tbilisi-Ceyhan pipeline) and natural gas (Baku-Tbilisi-Erzurum), which aside from giving the region a positive economic impulse has also helped to include it in a network of strategic economic and political ties with Western markets. This process is all the more visible in the light of the considerable weakening of economic ties with the former dominant power – Russia – the result of, on the one hand, the economic blockade imposed in 2006 on Georgia that also had an adverse effect on Armenia and, on the other hand, of Azerbaijan gaining energy independence and the signs of the declining energy dependence of Georgia (alternative contracts with

<sup>127</sup> *Wywiad z prezydentem Ukrainy Wiktorem Juszczenko, Wielu chciałoby widzieć Ukrainę rozdartą*, [Interview with Ukrainian President Viktor Yushchenko, Many would like to see Ukraine torn apart] *Rzeczpospolita*, April 27, 2007.

Azerbaijan) and the growing role of Iran (gas pipeline to Armenia).

What is particularly noteworthy is that the development of economic cooperation is taking place in parallel with the intensification of political cooperation. The adoption of the so-called Action Plans by the three republics of the Southern Caucasus as part of the European Neighbourhood Policy and the increasing involvement of the EU in this project, have been of particular significance. In addition, Georgia has improved its chances of NATO membership. The implementation of these agreements is associated with the need to intensify the process of political and economic reform.

However, the past year was also yet another one in which the negative impact of unresolved military conflicts (Abkhazia, South Ossetia and Nagorno Karabakh) on the reform process was evident. Because of these conflicts, the level of instability in the region remains high by Western standards; they also absorb a considerable amount of effort and resources on the part of the countries seeking to resolve them.

### 2.8.2. Internal situation

Although the Southern Caucasus region is relatively small, it is quite diverse in terms of political practices, the attitude towards reform and the level of democratisation.<sup>128</sup> Azerbaijan is considered to be the country that is the least reform-oriented (it is the only one in the region to be considered “not free” according to the Freedom House classification). In this case, the biggest fears are related to the centralisation of power in the hands of the president, his *de facto* control over formally independent state institutions, the lack of transparency and the corruption in politics and business, as well as the relative backwardness in the sphere of the media and non-governmental organisations. As a consequence, the conduct of elections in the country is also subject to criticism. Unfortunately, the past year has not brought any changes for the better in this regard.

In May of last year, repeated parliamentary elections were held in the ten districts where the election results of 2005 had been disputed, but these did not bring about any change in the composition of the political forces, nor did they dispel the doubts about the credibility of the results. There was also no change in the attitude towards opposition groups, as evidenced by the continuing harassment and the closing down of independent and opposition information agencies (ANS, Turan, Realnyi Azerbaijan and Azerbaijan Daily, Azadlyk and others) in November 2006 – although in

this case pressure from the West has succeeded in having them reopened – or the fact that in the first five months alone, seven journalists were convicted on political charges. However, one cannot overlook the fact that after successive failings in elections and protests against election fixing, with support from the West only coming in a verbal form, the traditional opposition parties (e.g. Musawat, the Azerbaijan National Front) are losing influence in the society, as they become increasingly ineffective. The people appear to be on the one hand disenchanted with politics, and on the other, searching for alternative ideologies and communities. It seems that the failure of the pro-Western democratic parties has strengthened the Islam-oriented organisations and movements – an extreme sign of this has been the arrest of people accused of terrorism (e.g. 13 people detained in January 2007).

However, the strongest impulse for change in the country is the rapid economic growth brought about by the radical increase in oil exports. In 2006 Azerbaijan set the world record for GDP growth (31% according to the IMF). At present, the country is not accepting any external investment, in view of the size of the capital remaining at the authorities’ disposal – although the authorities are undertaking measures aimed at protecting the country from a serious market imbalance, inflation, etc. Meanwhile, it is not entirely clear to what extent the revenues from energy resources will impact the situation in the country as a whole and among the population – reasons for concern include the high level of corruption and the concentration of income in the hands of a relatively narrow Baku elite. Without a doubt, the extremely well supplied military is benefiting from the windfalls (modernisation of the army, salary increases, etc.) that are an element of the pressure exerted on Armenia, with the aim of recovering Nagorno Karabakh and the surrounding areas.

In contrast to Azerbaijan, the past year has been an extremely active one for Armenia. The year was marked by preparations for parliamentary elections (May 11, 2007), which concluded the process of internal change following the amendment of the Constitution in 2005. As a result of this change the president, who had previously held a dominant position on the political scene, ceded some of his control over the government and the judiciary to parliament. From a formal point of view, these changes are a significant step towards the democratisation of the state. However, Armenia’s political practice indicates that the letter of the law may be less important than the informal ties within a relatively narrow elite (business and political) often associated with the so-called Karabakh clan and President Robert Kocharian and his long-time defence minister and more recently prime minister, Serzh

<sup>128</sup> See: ‘U.S. Department of State; 2006 Country Reports on Human Rights Practices’; <http://www.state.gov/g/drl/rls/hrrpt/2006/>

Sargsyan.<sup>129</sup> Their long-time cooperation has given them a dominant position in the country's political life, but personal tensions and the rivalry between them, which have been growing over the past year, have had a much bigger impact on the course and outcome of the election campaign, than the opposition parties' debate on issues (one of the themes of the campaign, pursued among others by Orinac Yerkir and the Heritage Party, was the strengthening of cooperation with the West). The stakes in this rivalry included both the desire to take a strong position in the reformed parliament, as well as preparations for the presidential succession (Robert Kocharian's final term ends in 2008). The elections divided the ruling camp – Sargsyan seized control of the Republican Party, while Kocharian granted his patronage to the new Blossoming Armenia Party; together, though, they took care to marginalise the opposition during the election campaign, which had anyway failed to present a united front. The campaign itself, as well as the period preceding it, was quite violent (including assaults on politicians and electoral committee members). In the end, Sargsyan's party won the elections comfortably and dominated the parliament in cooperation with the previous ruling party – a process and outcome that were endorsed by Western observers, which was a condition for continued cooperation with Armenia. The composition of the new parliament may be a sign of an unwillingness (or a lack of faith) on the part of the Armenian people to allow radical changes in the country, as well as of a forceful response by society to nationalist ideas and a lack of desire for compromise in the Karabakh conflict (Sargsyan is identified with a determined stance towards Azerbaijan). The election results are a fairly clear sign of the strength of the pro-Russian orientation in Armenia (Sargsyan was also its strongest supporter in the government camp). It may be presumed that a significant factor contributing to such sympathies among Armenians is the growing feeling of the threat of war from Azerbaijan, which has been building up its military strength. As a result, at present the climate in Armenia is not conducive to profound political reform, and there are also no political forces or democratic institutions that could control and correct the policies of the authorities.

Among the countries of the Southern Caucasus, the clear leader in the process of internal reform is – since the Rose Revolution of 2003 – Georgia.<sup>130</sup> A symbolic confirmation of this was the granting of the title “reformer of the year 2006” by the International Monetary Fund and

the highest marks for democracy among the countries of the region. Georgia is also the only country in the region to declare a desire to join NATO and the EU as soon as possible – in this area Tbilisi achieved a highly significant success by initiating the so-called Intensified Dialogue with NATO (September 2006) and the Membership Action Plan (MAP), which is the gateway to membership, and finally gaining the support of the Congress and the President of the United States for membership in the Alliance in 2008 (April 2007). These events constitute an important stimulus for internal reforms in Georgia.

However, a distinct feature of the Georgian reforms is the strong emphasis on building a strong state structure (political, economic, etc.) that would be capable of implementing the ambitious objectives of the authorities. The country's priorities include the reform and modernisation of the armed forces, which is to be facilitated by several increases in defence spending (over the past four years, expenditure has increased thirty-fold) and the introduction of compulsory training for the military reserve. Another area of intense government activity is the privatisation process, which – as regards the transport infrastructure – is intertwined with the search for the means of diversifying the supply of energy and the growing ambitions of producer countries, resulting in the significant participation of Kazakhstan and Azerbaijan in the privatisation of, for example, the Black Sea oil terminals. In such a policy line, democratic reforms are pushed down the list of priorities – major problems include, for example, the persisting obsequiousness of the judiciary with regard to the authorities; also, the manner of the introduction of reforms in sensitive regions inhabited by ethnic minorities (Armenians and Azerbaijanis) remains an open issue.<sup>131</sup> A symbolic recognition of the problem, however, is the amendment to the Constitution, passed in December 2006, which limits the president's control over the Judiciary Council – the main judiciary body (the amendment also included a change of date for the presidential and parliamentary elections, so that they take place simultaneously). A significant challenge for democracy in Georgia remains, however, in the form of the relatively weak opposition, which in the present conditions is unable to noticeably influence the decisions of the authorities or present alternative proposals.

During the past year, there also appears to have been created a basis for serious changes (and their implementation) as regards the conflicts in Abkhazia and

<sup>129</sup> See: U.S. Department of State; ‘2006 Country Reports on Human Rights Practices’; <http://www.state.gov/g/drl/rls/hrrpt/2006/>

<sup>130</sup> Comp.: B. Coppieters, R. Legvold ‘Statehood and Security. Georgia after the Rose Revolution’, Cambridge 2005.

<sup>131</sup> See: International Crisis Group, Georgia's Armenian and Azeri Minorities, Europe Report N°178, 22 November 2006; [http://www.crisisgroup.org/library/documents/europe/caucasus/178\\_georgia\\_s\\_armenian\\_and\\_azeri\\_minorities.pdf](http://www.crisisgroup.org/library/documents/europe/caucasus/178_georgia_s_armenian_and_azeri_minorities.pdf)

South Ossetia. The first step in this direction was the removal of the troops in the Khodor Canyon, a part of Abkhazia, which were under no-one's control, followed by the move there of the exiled Abkhaz government. These actions clearly emphasise the determination of Tbilisi to reintegrate Abkhazia and undermine the monopoly of the Suchumi separatists in representing Abkhazia.

An even more obvious step in this direction was the unofficial support given by Tbilisi to the opposition in South Ossetia, which conducted its own elections in Ossetian villages dominated by Georgians on November 12, 2006. These elections were an alternative to those organised by the Tskhinvali separatists and, like the latter, were not officially recognised. The pro-Georgian government of Dmitri Sanakoyev, which was created after the elections, is currently the main supporter of Georgian proposals to resolve the conflict, which include, among other things, reparations for the war in South Ossetia (a bill from December 2006) and above all, establishing an interim administrative unit in the "Tskhinvali district" (May 2007), headed by Sanakoyev, which is a step towards restoring the region's autonomy.

### 2.8.3. Cooperation with the West

The biggest cause for hope in the stable and balanced development of the region and its transformation is the participation of all three Southern Caucasus countries in the EU's European Neighbourhood Policy (since 2004). In November 2006, another milestone on this path was reached, with the adoption of the so-called Action Plans outlining the cooperation between the EU and the respective countries for the next five years.<sup>132</sup> They cover a whole range of issues, among which some feature in each of the countries' plans, including: strengthening of democracy, human rights, the rule of law, economic reform – fighting poverty, improvement of the investment climate, tax and customs reforms, regional cooperation; international cooperation including on energy issues, security (e.g. the fight against organised crime), supporting citizen-level contacts, as well as joint efforts to resolve military conflicts. Significantly, in December 2006, the European Commission expressed the desire to intensify the EPS programme by, *inter alia*, extending to the countries concerned the prospect of a free trade zone, not excluding the possibility of their future EU membership, and increasing funding for the programme. The development of the EPS programme in the Southern Caucasus is a sign both of the willingness of the countries of the region to adopt EU rules, as well as of the

significant hope that has arisen in the EU as a result of the past two years of EPS experience. It should be emphasised at this point that only Georgia has declared a desire to join the EU; as for Armenia and Azerbaijan, the EPS programme remains a credible and non-binding instrument of state modernisation.

The increased interest of the EU in the region most obviously manifests itself through the growing interest in the energy resources of the Caspian region and its transit potential – this is a recurring topic both in discussions with EU representatives, as well as in the dialogue between European politicians and those from the region, especially the Azerbaijanis. The EU is also becoming increasingly bold in dealing with political and security issues in the region – an example is the support extended to Georgia in its conflict with Russia.

It is particularly noteworthy that the policies of the EU and U.S. are drawing increasingly closer in practice, as seen in their sponsorship of large investments (BTC and BTE), support for reforms (the most spectacular example are the reforms of the Georgian army, indirectly resulting in the planned increase of the Georgian contingent in Iraq to 2400 troops and in Afghanistan to 200), financing of reforms and infrastructure projects (including in part the Millennium Challenge, which since 2006 also covers Armenia), and pressure exerted in cases of blatant breaches of democratic principles.

### 2.8.4. Problems and challenges

Russia remains a constant factor exerting an extremely powerful influence over the Southern Caucasus. She is perceived as a very significant (geo)political pole, a crucial economic partner and a key player in regional security issues. However, over the past year, some serious tensions have emerged at times between the countries of the region and Russia. At the same time, some existing economic ties were severed. The most important axis of conflict is Russia-Georgia relations, which are becoming worse with almost each passing month. Following the introduction of an embargo on Georgian food products in March 2006, at the turn of September and October 2006 (as a result of tensions caused by the much-publicised arrest of some alleged Russian spies) Russia froze its relations with Georgia (recalling its ambassador) and cut off all links to Georgia, effectively imposing an economic blockade on the country. In addition, individuals of Georgian origin were deported from Russia *en masse*. The conflict was eased through Western mediation; however, the trade blockade on Georgia is still in place. The blockade also had a negative impact on Armenia lasting several months. Georgia, which is dependent on Russian gas, was forced to accept another price rise, although at the same time it intensified its search for alternative sources – as a result of

<sup>132</sup> See:

[http://ec.europa.eu/world/enp/partners/enp\\_armenia\\_en.htm](http://ec.europa.eu/world/enp/partners/enp_armenia_en.htm)  
[http://ec.europa.eu/world/enp/partners/enp\\_azerbaijan\\_en.htm](http://ec.europa.eu/world/enp/partners/enp_azerbaijan_en.htm)  
[http://ec.europa.eu/world/enp/partners/enp\\_georgia\\_en.htm](http://ec.europa.eu/world/enp/partners/enp_georgia_en.htm)

which, since January 2007, as much as 20% of gas imported by the country has come from Azerbaijan. An intensive search is also under way for new markets for Georgian wines and mineral waters. The increases in the price of Russian gas were also the reason why Azerbaijan ceased to purchase it (the same applied to electricity) as of January 2007; at the same time Azerbaijan stopped transports of its oil through Russian territory. As a result of Russian actions, the dependence of the Southern Caucasus on Russia has been reduced, while at the same time the self-assurance of the Southern Caucasus has been strengthened and the countries there have become more active in seeking new markets.

The unresolved military conflicts in Abkhazia, South Ossetia<sup>133</sup> and Nagorno Karabakh<sup>134</sup> remain an extremely serious problem for the region.

The drawn-out state of suspension is leading to mounting irritation. In the case of Georgia, there is growing criticism of Russia, which is formally a mediator, but is considered by Tbilisi to be taking sides in the conflict. Georgia is persistently questioning the adopted model for regulating conflicts and the role played by Russia (a broad diplomatic campaign, including in the UN forum – President's Saakashvili's speeches in September 2006). Georgia is also taking measures to weaken the separatists and single-handedly alter the situation in the conflict region (this has included the appointment of alternative authorities in South Ossetia and the installation of an exiled Abkhaz government in Kodori, as well as the modernisation of the army). Military incidents are regularly taking place in the conflict region and these threaten to get out of control. In Karabakh, despite OSCE sponsorship of an agreement that seems to be within reach, the situation is very far from being resolved.<sup>135</sup> Azerbaijan is becoming increasingly explicit in its threats to use force, while on the other hand, the Armenians are not ready to compromise – a vote took place in Nagorno Karabakh on a Constitution, which establishes Karabakh's independence in an unambiguous manner, contradicting the basic principles of the peace plan, according to which its status was to be determined in several years' time through a referendum; the course and outcome of elections in Armenia also do not give hope for that country's willingness to make concessions to Azerbaijan.

<sup>133</sup> See: W. Bartuzi, *Gruziński kocioł. Między Abchazją, Osetią Południową i Adzarią 1991-2006* [The Georgian boiling pot: Between Abkhazia, South Ossetia and Adzaria] [at:] *Konflikty kolonialne i postkolonialne w Afryce i Azji* (Colonial and post-colonial conflicts in Africa and Asia) 1896-2006, ed. by Piotr Ostaszewski, Warsaw 2006.

<sup>134</sup> Thomas de Waal, *Black Garden. Armenia and Azerbaijan through peace and war*, New York 2005.

<sup>135</sup> See: 'K voprosu o mehanizmah uregulirovaniya konflikta mezhdru NKR i Azerbeijanom', *Spectrum*. In depth analysis, 2(12) April 2006, Erevan.

The tense situation in the conflict area is quite clearly a factor that negatively impacts the normalisation of the situation in the region and its transformation. Despite peaceful declarations (as well as some actions – the dismissal of Georgia's combative defence minister, Irakli Okruashvili in November 2006, being a clear example), all countries are effectively participating in an arms race (led by Azerbaijan – 1040 million USD<sup>136</sup> in the 2007 budget, followed by Georgia's 567 million USD and Armenia with 180 million USD).

The fears may be offset to a small extent by Georgia's legislative preparations for the reintegration of the separatist regions in accordance with EU norms.

### 2.8.5. Forecast

It seems unlikely that the pace of change will slow in the coming year, especially in Georgia and Azerbaijan. The main factors driving the change will be the benefits from opening new transport routes for oil and natural gas and, in the case of Azerbaijan, also the further increase in profits from their sale. With the development of new routes, the accompanying infrastructure is also being built – further investment may be expected in Georgia. In such a situation, further strengthening can be expected of the cooperation with the West – which is the key investor, political sponsor and recipient of Caspian resources.

In the case of Georgia, a key issue is the continuation of the reforms and the hope for quantifiable results from them, as well as the maintenance of internal stability (political and economic) in the situation of tense relations with Russia and new prospects for cooperation with the West. At present, there are no signs within Georgia that might indicate that the pace of change is about to slow.

Among the countries of the region, the coming year is shaping up to be the calmest for Armenia. The country is on the sidelines of most of the dynamic processes taking place in the region. At the same time – as the elections have shown – it appears to be favouring a careful and conservative policy.

The growing involvement of the EU in the region should not be subject to change, with Georgia appearing to be the country most open to broad cooperation.

The biggest threats to the region are still military conflicts (especially in Georgia) and the tightening by Russia of its policies towards the region (especially Georgia, but also more broadly, in response to the weakening geopolitical position). In view of the fast pace of events in the conflict areas (especially South Ossetia), it is impossible to exclude the possibility of either military conflict with dramatic consequences, or the reintegration of South Ossetia into Georgia.

<sup>136</sup> See: *Azerbaijan: Oil-Weapons-War?*, *Spectrum*. In Depth Analysis 6(16), February 2007, Erevan.

**Table 2.2.** Freedom Indicators: Southern Caucasus

	Political rights	Civil liberties	Assessment
Armenia	5	4	Partly Free
Azerbaijan	6	5	Not Free
Georgia*	3	3	Partly Free

Legend  
Scale of 1-7, with 1 representing the highest level of freedoms and 7 – the lowest  
\*(Georgia) country distinguished as an elected democracy  
Indicators for the period: December 1, 2005 – December 31, 2006  
Source: Freedom House: Freedom in the World 2007, pp. 6-11  
[http://www.freedomhouse.org/uploads/press\\_release/fiw07\\_charts.pdf](http://www.freedomhouse.org/uploads/press_release/fiw07_charts.pdf)

**Table 2.3.** Assessment of Democracy 1999-2006\*

	1999-2000	2001	2002	2003	2004	2005	2006
Armenia	4.79	4.83	4.83	4.92	5.00	5.18	5.14
Azerbaijan	5.58	5.63	5.54	5.46	5.63	5.86	5.93
Georgia	4.17	4.33	4.58	4.83	4.83	4.96	4.86

\*de facto until the end of 2005

Legend

Scale of 1-7, with 1 representing the highest level of freedoms and 7 – the lowest

Source: Freedom House: Regional Democracy Scores 2006; 2006 Edition  
<http://www.freedomhouse.org/template.cfm?page=262&year=2006>**Table 2.4.** SOUTHER CAUCASUS – Selected economic indicators

GDP Growth (%)	2002	2006	2007*
Armenia	13.2	13.4	9.0
Azerbaijan	8.1	31	29.2
Georgia	5.5	9.0	7.5

\*Forecast

Source: IMF.

GDP-PPP (USD billion)	2002	2006*	2007**
Armenia	9 649	16 502	17 850
Azerbaijan	24,722	52,349	67,515
Georgia	10 166	15 648	17 005

\*Estimate

\*\*Forecast

Source: IMF.

GDP-per capita PPP	2002	2006*	2007**
Armenia	3 005,566	4 494,257	5 143,018
Azerbaijan	3 013,812	6 171,011	7 895,725
Georgia	2 325,448	3 555,300	3 890,890

\*Estimate

\*\*Forecast

Source: IMF.

Inflation (%)	2002	2006	2007*
Armenia	1.1	2.9	4.0
Azerbaijan	2.8	8.4	21.1
Georgia	5.6	9.2	6.3

\*Forecast

Source: IMF.

**Tabela 2.4.**

Current account balance (% of GDP)	2002	2006*	2007**
Armenia	-6.2	-5.0	-5.5
Azerbaijan	-12.3	15.7	27.4
Georgia	-5.9	-9.5	-15.2

\*Estimate

\*\*Forecast

Source: IMF.

## 2.9. COUNTRIES OF CENTRAL ASIA (KYRGYZSTAN, UZBEKISTAN, TURKMENISTAN, TAJIKISTAN, KAZAKHSTAN)

### 2.9.1. Aversion to reforms and change

Since the 1990s, an authoritarian model of power has taken root in the countries of Central Asia. While the degree and methods of state control over the society are quite diverse, and while the general classification does not include Kyrgyzstan, which is considered a parliamentary democracy and the only country in the group to be “partly free” (according to *Freedom House*, see Table 2.5 below), some general tendencies can be distinguished, which have yet again been confirmed by the events of the past year.<sup>137</sup>

Though they maintain the façade of democratic systems, the countries of the region (with the exception of Kyrgyzstan) remain under strict presidential control. The directions of the countries’ policies, the activities of the key institutions of state, as well as appointments to the most important positions, are subject to the individual presidents’ decisions. The institutions nominally responsible for controlling the executive (e.g. parliament, the judiciary) are not fulfilling their role, while general elections do not offer a chance to change this situation. The dynamics and direction of political life are dictated by the authorities and subject to the goal of preserving the current system and protecting it from shocks, all of which constitutes a fundamental obstacle to profound transformation and democratisation.<sup>138</sup> As regards the conservation of the existing model and the avoidance of change that could constitute a shock, Uzbekistan was clearly the leader in the past year.

An example of the durability of the established models is paradoxically to be found in the elections – in the case of the past year, presidential ones. In Tajikistan,

<sup>137</sup> See U.S. Department of State; 2006, ‘Country Reports on Human Rights Practices’; <http://www.state.gov/g/drl/rls/hrrpt/2006/> See: ‘Strany Centralnoy Azii na rubezhe XX i XXI vv. Stanovlenye natsionalnykh gosudarstv’, Moscow 2005.

<sup>138</sup> See: Na przykladzie Kazachstanu: Piotr GrochmalSKI Kazachstan. Studium politologiczne, [The example of Kazakhstan. An applied political study], Toruń 2006.

these were held on November 6, 2006 – but the process of the election campaign and of the actual vote raised many reservations among the OSCE observers; even the procedures for nominating candidates for the post were questioned. The incumbent president, Emomali Rachmon (formerly Rachmonov), won the elections – which was no surprise – winning 70% of the vote with a 91% voter turnout. There were even more reservations with regard to the democratic nature of the presidential elections in Turkmenistan (February 11, 2007), which were won without any problem by the interim president Kurbangula Bedy Muhammedov (see below). However, an extreme example – according to the country's opposition – was the case of Uzbekistan, where according to the Constitution, the final 7-year term of President Islam Karimov ended in January of last year, and yet elections are not expected to take place there until December 2007.

Changes in the highest positions of state take place within a narrow elite and among the closest aides to the presidents, and often operate on the principle of the exchange of posts between the same people. Such changes on the one hand serve to provide a quick fix for improving the management of the state, and on the other hand, maintain a balance between various interest groups. This was the nature of the changes that took place in the government of Tajikistan (December 2006) and Kazakhstan – the appointment of the government of the prime minister, Karim Masimov, the appointment of Kasimjomart Tokayev as head of the senate in January 2007 and, above all, the further strengthening of the position of the president's son-in-law, Timur Kulibayev, who is in charge of the strategic energy sector and is considered the most powerful person in the country after the president. Decisions on the merger of presidential parties were also made at the top in a centralised manner – the merger of the Otan and Asar parties in July 2006, followed by the annexation of the Civic and Agrarian parties to them, as part of the transformation into the Nur-Otan party (December 2006). The amendments to the Constitution, signed by the president on May 22, 2007, are not likely to change the situation significantly. These amendments formally increase the role of parliament (increase in the number of deputies, more control over the government, change in electoral rules, shortening of the presidential term from 7 to 5 years and limiting the number of terms to two – which would not apply to the current president).

One tendency that appears to lead to the preservation of the *status quo* and practically rules out any hope for deep-going democratisation in the region, is the continuing deterioration of the environment for opposition parties (forced division, as in the Democratic Party in Tajikistan; refusal of registration, as with the Alga

party in Kazakhstan), the media and NGOs to function. This tendency has been further exacerbated by, *inter alia*, the tightening of legislation on the media in Kazakhstan (June 2006) and Uzbekistan (January 2007), as well as a crusade to close down NGOs and remove those media organisations that are independent or associated with the West, which has been particularly evident in Uzbekistan. There were also cases recorded in Uzbekistan and Turkmenistan of the physical persecution of journalists and political activists.

### 2.9.2. Kyrgyzstan and Turkmenistan – enforced changes

In the past year, Kyrgyzstan and Turkmenistan diverged from the main political trends in the region. In the former – which unquestionably embodies the highest degree of pluralism and democracy in the region – the past year has been a period of fierce confrontation between the president, Kurmanbek Bakiyev, his erstwhile ally and later opponent Felix Kulov, and the parliamentary opposition.<sup>139</sup> This period was an extension of the chaos in which Kyrgyzstan found itself after the new authorities' first failures to rebuild the country after President Askar Akayev was brought down (2005).<sup>140</sup> The direct source of the conflict was the dispute on the extent of presidential and parliamentary powers (two Constitutions were adopted in Kyrgyzstan over a period of three months – the most recent one, dated December 30, 2006, is more favourable for the president), which was reflected in protests and clashes on the streets (including the seizing of a government building on June 2, 2006). However, a more profound dimension of the crisis lies in the poor economic and social situation (including the growing divide between the north and south of the country), which the authorities are unable to address.

There are fears that at present the state is not fully capable of implementing the democratic rule of law and, with the political elite of the country still being immature, democratic institutions and freedoms are used instrumentally for the purposes of political in-fighting. The international environment for Kyrgyzstan is also clearly not conducive to normalisation – the neighbouring countries have been observing with concern the so-called Tulip Revolution, the downfall of President Akayev and the persisting political chaos in the country. They are also reluctant to promote democracy and grassroots political activity.

However, the most serious political shock in the region was the death of the president of Turkmenistan,

<sup>139</sup> See: International Crisis Group, *Kyrgyzstan on the Edge*, Asia Briefing N° 55 9 November 2006, [http://www.crisisgroup.org/library/documents/asia/central\\_asia/b55\\_kyrgyzstan\\_on\\_the\\_edge.pdf](http://www.crisisgroup.org/library/documents/asia/central_asia/b55_kyrgyzstan_on_the_edge.pdf)

<sup>140</sup> See: 'Kirgizskiy perezvorot mart'-April 2005, Moscow 2005.

Saparmurat Niyazov-Turkmenbashi (December 21, 2006).<sup>141</sup> He had ruled his country in a totalitarian manner for more than 20 years.<sup>142</sup> Although in the long-term perspective his death will inevitably lead to deeper changes in the state, in the short-term a smooth succession process was conducted among a narrow elite (overlooking the legislation in force in Turkmenistan), resulting in the election of Kurbangula Berdimuhamedov as president. General elections with the participation of several candidates were only a symbolic step towards democracy, as the nature of the elections was in no way democratic. The assurances of greater liberalisation of the political system given by the new president are also a matter of propaganda, although they have been received with hope in the West.

### 2.9.3. The West and democracy as a threat

At present there is little hope for speeding up the process of adopting Western-style democracy in the region. The leaders of the Central Asian countries have made it clear that they consider the models developed in the west as appropriate to themselves, since they reflect the local environment, and there is no need to follow Western examples (e.g. the speech made by President Nazarbayev on November 10, commenting on attacks made by Western media after the introduction of amendments to the Constitution in May 2007). Uzbekistan is taking a firm stance against “interference” in its internal affairs, as evidenced, for example, by the refusal to conduct an independent investigation into the massacre in Andijan (2005), which is an obstacle preventing the removal of EU sanctions; and by preventing discussion of the observance of human rights in Uzbekistan at the forum of the UN Human Rights Committee (November 2006). At the same time, accusations are constantly being made against the West with regard to supporting rebellious movements in the region: Kyrgyzstan has expelled two American diplomats, citing such allegation (July 2006), while Turkmenistan – when Niyazov was still alive – accused French and OSCE diplomats of participating in an anti-state plot, which led to a wave of arrests in the country (June 2006).

Regarding the issue of internal change, there is also an evident and increasing orientation of the Central Asian countries towards Russia and China, from which they receive ideological support. This included the symbolic declaration issued at the summit of the

Shanghai Cooperation Organisation in June 2006, which, *inter alia*, opposed the “export of (Western) social paradigms”; support from Russia and the Central Asian countries for Uzbekistan in its conflict with the UN Human Rights Committee (see above); and finally, the symbolic meeting of the presidents of Russia and Uzbekistan on the anniversary of the Andijan massacre. The anti-West tendencies and its political marginalisation (aside from energy issues) were also indirectly evidenced by the lack of any visits by the region’s leaders (with the exception of President Nazarbayev) to the West, as they were focusing on Russia, China, the other countries of the region, as well as the Middle East, Pakistan and India.

The determination of the West – thus far ineffective – to pressure for democratisation in the region, is also declining. This was evidenced by, among other things, the visits of officials from the U.S. state department to Uzbekistan (August 2006 and March 2007), which sought to normalise relations despite the existing problems, and the efforts made by the EU (especially Germany) to end the ineffective sanctions against Uzbekistan (the EU decided in May 2007 to maintain them, due to the absence of even symbolic concessions on the part of Tashkent).

An extremely interesting issue – one that goes against the anti-Western tendencies in Central Asia and raises hopes for the preservation of the limited achievements in the transformation process for the long term – is Kazakhstan’s efforts to secure leadership of the OSCE in 2009. Kazakhstan has been actively pursuing this goal for four years, but has not succeeded (at the organisation’s December 4, 2006 meeting, the decision was postponed for another year), due to the persisting deficiencies in the country’s democratisation, although in acknowledgement of the achievements made so far in building stability and economic development, as well as the positive example Kazakhstan is giving to other countries in the region, leadership was not ruled out all together.

### 2.9.4. “The Big Game”

Aside from the logic of the internal processes in the Central Asian countries and the deteriorating climate for the liberalisation of the political system, an extremely significant process that is impacting the situation in the region and its prospects for development, is the intensification of the so-called Big Game, mainly in the Caspian part of the region. Its most apparent manifestation is the rivalry among Russia, China, the U.S. and the EU, as well as the regional powers (India, Pakistan and Iran), over access to the region’s energy resources.<sup>143</sup>

<sup>141</sup> See: International Crisis Group, Turkmenistan after Niyazov, Asia Briefing N°60, 12 February 2007 [http://www.crisisgroup.org/library/documents/asia/central\\_asia/b60\\_turkmenistan\\_after\\_niyazov.pdf](http://www.crisisgroup.org/library/documents/asia/central_asia/b60_turkmenistan_after_niyazov.pdf)

<sup>142</sup> See M.S. Demidov, Postsovetskiy Turkmenistan, Moskva 2002.

<sup>143</sup> See ‘Centralnaya Aziya w sovremennom mire’, Moscow 2007.

Several factors have contributed to the intensification of this geo-political contest: the growing demand for long-term guarantees of energy supplies (especially in China and the EU); fear of the loss of influence (Russia); the real possibility of the development of transit routes alternative to those currently in use, which is associated with the development in the Caucasus of the Baku-Tbilisi-Ceyhan oil pipeline (2006) and the Baku-Tbilisi-Erzurum gas pipeline (2007); and, finally, the death of Turkmenbashi and the hope that Turkmenistan would open to the outside world. In this domain, the dominant position of Kazakhstan, the main addressee of the proposals for cooperation, is also visible, as is the attractiveness of Turkmenistan. All of the parties involved have sought to establish good relations with Kazakhstan, which has been reflected in the long-unseen intensity of diplomatic contacts (including visits by the Kazakh president to Washington, Brussels, London, Moscow, Beijing and other capitals; visits by high representatives of the European Commission, the EU and the U.S., including vice-president Dick Cheney, the president of Poland and, of course, President Putin), and a number of high-level declarations (including those on strategic energy partnership). The death of Turkmenbashi has also led to unprecedented diplomatic activity by Russian, as well as Chinese and Western, politicians seeking to confirm existing agreements (Russia and China) and include Turkmenistan in new projects (e.g. the Trans-Caspian and Nabucco gas pipelines promoted by the West). The much-publicised visit of President Putin to Kazakhstan and Turkmenistan in May 2007 was the crowning of the intensive efforts aimed at Turkmenistan and, although it did not yield much beyond what had already been agreed earlier (although the results of the meetings were skilfully presented as a breakthrough), it was a sign of the magnitude of the stakes and Russia's determination to defend its positions.

While the resolution of the Big Game remains only a distant prospect and is, in the short term, pushing aside the issues of systemic and social transformation in favour of economic interests, in the longer term it does entail some cause for hope. The increased significance of the region and its respective countries is already clear, as is their growing self-assurance in international relations; also evident are limited but nonetheless clear opportunities for the modernisation of the economy (especially in Kazakhstan), for opening up to the world (the need to educate the labour force and accept foreign investment – the first signs of this are already visible in Turkmenistan) and for striking deeper roots in the international community.

### 2.9.5. The unresolved problem of fundamentalism

Security issues, especially in the crucial area of the Fergan Valley, remain unresolved and are even showing signs of exacerbation. The roots of these problems lie deep in a social-economic crisis and the lack of prospects for its resolution (the problem is particularly visible in Uzbekistan, which is hostile to any reforms, and also in the areas outside the Fergan Valley, as reflected, for example, in the protests in Karakalpakstan), the weakness of government structures (especially in Kyrgyzstan), unresolved ethnic problems, the lack of readiness on the part of the authorities to engage in social dialogue (the stalling of the previously-observed tendency to foster political pluralism in Tajikistan is particularly noticeable), and the instrumental treatment of threats in day-to-day political disputes in the respective countries and international relations. This situation is reflected particularly in the threat from Islamic fundamentalism and the progressing radicalisation of the fight against this problem, particularly since the Andijan massacre (2005). It should be noted here that in the circumstances prevailing in the region, Islamic fundamentalism brings together a whole spectrum of different forms of opposition to the existing socio-political order, and for the authorities in the respective countries it is a convenient excuse to impose measures that increase their control over the society.

Since May 2006, and especially in July and August, a wave of arrests took place following armed clashes in the Kyrgyz and Tajik parts of the valley between alleged terrorists and the security forces. The most serious incident was the killing of the immensely popular imam Rafiq Qori Kamaluddin in the Kyrgyz Kara Sua on August 6, which led to public protests on an unprecedented scale. It is, however, difficult to determine to what extent these events are associated with the increased activities of "terrorists" and to what degree the problem is created by the authorities being overly sensitive in this regard. Nonetheless, after years of silence, the Islamic Movement of Uzbekistan has become active again (it made unsuccessful attempts to start an uprising in the valley in 1999 and 2000) and is organising anti-government protests, as well as, since March 2007, fighting bloody clashes on the border with Afghanistan and Pakistan. The prospect of the return of the IMU to the Fergan Valley, together with the deteriorating situation in Afghanistan, which historically has always had a major impact on Central Asia, may constitute a serious threat to the region's stability. It is significant, therefore, that the issue of security in the region led the then U.S. defence secretary Donald Rumsfeld to visit Tajikistan (July 2006), while the president of Uzbekistan, despite limiting his international activities, visited Pakistan (April 2006).

**Table 2.5.** Freedom Indicators: Central Asia

	Political rights	Civil liberties	Assessment
Kazakhstan	6	5	Not free
Kyrgyzstan	5	4	Partly free (deterioration*)
Tajikistan	6	5	Not free
Turkmenistan	7	7	Not free
Uzbekistan	7	7	Not free

Legend

Scale of 1-7, with 1 representing the highest level of freedoms and 7 – the lowest

\*deterioration associated with the limiting of religious freedom and cases of the use of force in the south of the country

Source: Freedom House: Freedom in the World 2007, ss. 6-11

[http://www.freedomhouse.org/uploads/press\\_release/fiw07\\_charts.pdf](http://www.freedomhouse.org/uploads/press_release/fiw07_charts.pdf)**Table 2.6.** Central Asia – Assessment of Democracy in the 1999-2006\* period

	1999-2000	2001	2002	2003	2004	2005	2006
Kazakhstan	5.50	5.71	5.96	6.17	6.25	6.29	6.39
Kyrgyzstan	5.08	5.29	5.46	5.67	5.67	5.64	5.64
Tajikistan	5.75	5.58	5.63	5.63	5.71	5.79	5.93
Turkmenistan	6.75	6.83	6.83	6.83	6.88	6.93	6.96
Uzbekistan	6.38	6.42	6.46	6.46	6.46	6.43	6.82

\*de facto until the end of 2005.

Legend

Scale of 1-7, with 1 representing the highest level of freedoms and 7 – the lowest

Source: Freedom House: Regional Democracy Scores 2006; 2006 Edition

<http://www.freedomhouse.org/template.cfm?page=262&year=2006>**Table 2.7.** Central Asia – Selected Economic Indicators.

GDP growth (%)	2002	2006	2007*
Kazakhstan	9,8	10,6	9,0
Kyrgyzstan	0	2,7	6,5
Tajikistan	9,1	7,0	7,5
Turkmenistan	15,8	9,0	10,0
Uzbekistan	4,0	7,2	7,7

\*Forecast

Source: IMF.

GDP-PPP (USD billion)	2002	2006*	2007**
Kazakhstan	88 797	140 379	154 276
Kyrgyzstan	8 408	11 194	12 048
Tajikistan	6 124	9 580	10 362
Turkmenistan	24 416	43 632	48 531
Uzbekistan	42 321	60 680	66 254

\*Estimates

\*\*Forecast

Source: IMF

GDP-per capita PPP	2002	2006*	2007**
Kazakhstan	5 972,832	9 293,535	10 203,391
Kyrgyzstan	1 683,910	2 150,106	2 289,943
Tajikistan	983 534	1 501 304	1 614,204
Turkmenistan	5 092,999	8 548,006	9 357,925
Uzbekistan	1 676,513	2 282,737	2 460,437

\*Estimates \*\*Forecast

Source: IMF

**Table 2.7.**

Inflation (%)	2002	2006	2007*
Kazakhstan	5,9	8,6	8,8
Kyrgyzstan	2,1	5,6	5,0
Tajikistan	12,2	10,1	11,4
Turkmenistan	8,8	8,2	6,5
Uzbekistan	44,3	19,5	10,4

\*Forecast

Source: IMF.

Current Account Balance (% of GDP)	2002	2006*	2007**
Kazakhstan	-4,2	-1,4	-0,9
Kyrgyzstan	-5,1	-16,8	-12,6
Tajikistan	-3,5	-2,5	-15,2
Turkmenistan	6,7	15,3	11,7
Uzbekistan	1,2	19,4	19,7

\*Estimates

\*\*Forecast

Source: IMF

## 2.10. CONCLUSIONS

The countries of the region remain divided into two major groups – on the one hand there are the countries of Central and Eastern Europe that have chosen the pro-Western way, entailing the adoption of democratic principles and respect for human rights, while on the other hand there are a number of countries created after the break-up of the Soviet Union whose political systems remain authoritarian. The authorities in these countries are continuing to control the election process, with a “licensed opposition” that maintains a semblance of political pluralism, and parliamentary elections that retain barely any democratic features; they are no longer a reflection of the will of the voters, but are becoming only a form of social legitimisation of the decisions taken by the authorities.<sup>144</sup> The differences between the two groups of countries are deepening, but the location of the border between them is not determined yet, as for example Ukraine and Moldova have been balancing between pro-Western and pro-Eastern policies for some years. The situation in Russia is unique, with its so-called managed democracy and the increasingly authoritarian rule of President Putin. While the Russian authorities give the impression of eschewing their Communist heritage, they have decided to create their own rules of play, in both domestic and international policy. This is a source of numerous conflicts in various sub-regions.

<sup>144</sup> Jadwiga Rogoża, Tydzień na Wschodzie, [A week in the East] OSW, March 14, 2007, no 2, s. 1, internet version: <http://www.osw.waw.pl/pub/BiuletynOSW/2007/03/070314/TnW01.htm>

## ANNEX

## Ethnic structure

Country	Major ethnic groups
Albania	Albanian 95%, Greek 3%, Macedonian 0.2%, Roma, Serbian, Bulgarian 1.8%
Armenia	Armenian 97.9%, Kurdish (Yezid) 1.3%, Russian 0.5%
Azerbaijan	Azerbaijani 90.6%, Dagestan (mainly Lezгинi) 2.2%, Russian 1.8%, Armenian 1.5% (Nagorno Karabakh)
Belarus	Belarusian 81.2%, Russian 11.4%, Polish 3.9%, Ukrainian 2.4%
Bosnia and Herzegovina	Serbian 37.2%, Bosnian 48%, Croatian 14.3%
Bulgaria	Bulgarian 83.6%, Turkish 9.5%, Roma 4.6%
Croatia	Croatian 89.63%, Serbian 4.54%
Czech Republic	Czech 94.2%, Slovak 1.9%
Estonia	Estonian 69%, Russian 25.6%, Ukrainian 2.1%, Belarusian 1.3%
Georgia	Georgian 83.8%, Azerbaijani 6.5%, Armenian 5.7%, Russian 1.5%
Kazakhstan	Kazakh 53.4%, Russian 30%, Ukrainian 3.7%, Uzbek 2.5%, German 2.4%, Tatar 1.7%, Uigur 1.4%
Kyrgyzstan	Kyrgyz 64.9%, Uzbek 13.8%, Russian 12.5%, Dungan 1.1%, Uigur 1%, Ukrainian 1%
Lithuania	Lithuanian 83.4%, Polish 6.7%, Russian 6.1%, Belarusian 1.2%
Latvia	Latvian 58.8%, Russian 28.6%, Belarusian 3.8%, Ukrainian 2.6%, Polish 2.5%
Macedonia	Macedonian 64.2%, Albanian 25.2%, Turkish, 3.9%, Roma 2.7%, Serbian 1.8%
Moldova	Moldovan/Romanian 78.2%, Ukrainian 8.4%, Russian 5.8%, Gagauz 4.4%, Bulgarian 1.9%
Poland	Polish 96.4%, Belarusian 1.5%, German 1%
Romania	Romanian 89.5%, Hungarian 6.6%, Roma 2.5%
Serbia	Serbian, Albanian, Hungarian
Montenegro	Montenegrin 43%, Serbian 32%, Bosnian 8%, Albanian 5%
Slovakia	Slovak 85.8%, Hungarian 9.7%, Roma 1.7%
Slovenia	Slovenian 83.06%; Serbian 1.98%; Croatian 1.81%; Montenegrin 1.14%; Bosnian 1.1%
Tajikistan	Tajik 79.9%, Uzbek 15.3%, Kyrgyz 1.1%, Russian 1.1%
Turkmenistan	Turkmen 85%, Uzbek 5%, Russian 4%
Ukraine	Ukrainian 77.8%, Russian 17.3%, Belarusian 0.6%, Moldovan 0.5%, Crimean Tatar 0.5%, Bulgarian 0.4%, Hungarian 0.3%, Romanian 0.3%, Polish 0.3%, Jewish 0.2%
Uzbekistan	Uzbek 80%, Russian 5.5%, Tajik 5%, Kazakh 3%, Karakalpak 2.5%, Tatar 1.5%
Hungary	Hungarian 89.9%, Roma 5%, German 2.5%, Slovak 1%

Source: Based on "Europa Środkowo-Wschodnia", [Central and Eastern Europe] Yearly ISP PAN, Warszawa, "CIA World Factbook 2007", [www.cia.gov/library/publications/the-world-factbook/](http://www.cia.gov/library/publications/the-world-factbook/)

## Religious structure

Country	Main religions
Albania	Muslim 70%, Orthodox 20%, Catholic 10%
Armenia	Armenian Apostles' Church 94.7%, other Christian denominations 4%, Yezid 1.3%
Azerbaijan	Muslim 93.4%, Orthodox 2.5%, Armenian Apostles' Church 2.3%
Belarus	Orthodox 80%
Bosnia and Herzegovina	Muslim 40%, Orthodox 31%, Catholic 15%, Protestant 4%
Bulgaria	Orthodox 83.5%, Muslim 13%, Catholic 1.5%
Croatia	Catholic 87.83%; Orthodox 4.42%; Muslim 1.28%
Czech Republic	Agnostic 58.3%, Catholic 26.3%, Evangelical Church of Czech Brothers 1.33%
Estonia	Agnostic 55%, Augsburg Evangelical (152,000), Orthodox (143,500), Baptist (6,000), Catholic (c 5,700)
Georgia	Orthodox 83.9%, Muslim 9.9%, Armenian Apostles' Church 3.9%, Catholic 0.8%
Kazakhstan	Muslim 47%, Orthodox 44%, Protestant 2%
Kyrgyzstan	Muslim 75%, Orthodox 20%
Lithuania	Catholic 79%, Orthodox 4.1%, Agnostic 15%
Latvia	Augsburg Evangelical 35%, Catholic 25%, Orthodox 30%
Macedonia	Macedonian Orthodox Church 67%, Muslim 30%
Moldova	Orthodox 98%, Jewish 1.5%
Poland	Catholic 93.5%, Orthodox 1.5%
Romania	Romanian Orthodox Church 86.7%, Catholic 4.7%, Protestant 3.5%
Serbia	Orthodox, Muslim, Catholic, Protestant
Montenegro	Orthodox, Muslim, Catholic
Slovakia	Catholic 69%, Agnostic 13%, Augsburg Evangelical 7%, Greek Catholic 4%, Reformed Evangelical 2%, Orthodox 1%
Slovenia	Catholic 57.8%; Agnostic 10.1%, Muslim 2.4%; Orthodox 2.3%
Tajikistan	Muslim-Sunni 85%, Muslim Shiite 5%
Turkmenistan	Muslim 89%, Orthodox 9%
Ukraine	Ukrainian Orthodox Church – Kiev Patriarchate 19%, Orthodox 16%, Ukrainian Orthodox Church – Moscow Patriarchate 9%, Greek-Catholic 6%, Ukrainian Autocephalic Orthodox Church 1.7%, Protestant, Jewish
Uzbekistan	Muslim 88%, Orthodox 9%
Hungary	Catholic 57.8%, Calvinist 17.7%, Lutheran 3.9%, Greek Catholic 2.6%

Source: Based on "Europa Środkowo-Wschodnia", [Central and Eastern Europe] Yearly ISP PAN, Warszawa, "CIA World Factbook 2007", [www.cia.gov/library/publications/the-world-factbook](http://www.cia.gov/library/publications/the-world-factbook/)

