

Democracy's Third Wave: Lessons and Legacies



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EASTERN EUROPE'S POSTCOMMUNIST TRANSFORMATIONS

BY GRZEGORZ EKIERT



Two decades of unprecedented political, economic and social transformations in Eastern and Central Europe have produced outcomes that were hardly expected when the region emerged from communist rule. Despite initial pessimism about the prospect of establishing liberal democracy, several countries have developed consolidated democratic systems, functioning market economies and efficient democratic states with extensive welfare policies and relatively low inequality. Similarly, although there were well-founded doubts as to whether East European civil societies would ever be able to recover from decades of communist suppression, vibrant free media and well-organized associational life have emerged there as well. These countries are not much different from established Western European democracies. In Central and Eastern Europe, democratically elected governments presided over impressive economic modernization and registered years of solid economic growth. While new member states of the European Union were considered the most economically vulnerable and crisis-prone, they have been weathering the current financial crisis relatively well -- except perhaps for Hungary and Latvia -- and their budget deficits and public debt are among the lowest in the EU.

Yet, these countries' political and economic achievements have been in stark contrast to the failures seen in other postcommunist states. Despite initial hopes and real political gains, a majority of these countries have either returned to authoritarianism, albeit of a different sort, or have persisted in a semireformed and unconsolidated state. While capitalism reins supreme across the former communist space, in too many places it has evolved into a state-dominated, corrupt and oligarchic system. As a result, the distance between Central Europe's new EU members and others has been growing, and the economic, social and political differences among subregions of the former Soviet bloc have become entrenched. The region is divided today between increasingly prosperous and democratic East-Central Europe; the struggling Balkans, which despite significant progress still lag behind on almost all dimensions; Eastern Slavic countries uneasily balancing between political instability and authoritarianism; and Central Asian countries still caught in the firm grip of autocracy.

These outcomes have been fixed since the end of the 1990s and further sealed by Vladimir Putin's re-election as Russian president in 2004 as well as the accession of eight East-Central European countries to the EU the same year. Not much has changed politically since then, despite "color revolutions" aimed at restoring liberal commitments in several backsliding states. With further enlargement of the EU highly unlikely, the border between the new EU member states and other postcommunist countries has become hard and permanent. In short, a new political and economic geography has emerged. A region remembered for its drab uniformity under communism has returned to a diversity that, paradoxically, looks like a trip back in time. What are the sources of such divergent paths, and why have some countries succeeded while others failed to build liberal political and economic institutions? This article will offer some answers to these questions.

POSTCOMMUNISM: A SURPRISING DIVERSITY OF OUTCOMES

After 1989, it was common to consider postcommunist countries as being quite similar. They all had a distinct Leninist past: single-party rule, state ownership of economic assets, a planned, highly centralized economy and policies guided by an all-encompassing ideology. While it was acknowledged that communist regimes had evolved in somewhat distinct ways across the region, they all nevertheless forcefully remade their respective societies over several decades -- destroying institutions, social fabrics and cultural foundations that could facilitate and support liberal political and economic systems. Postcommunism was considered, with good reason, to be the most unfriendly environment in which to build liberal political and economic orders. Accordingly, scholars predicted that after a short democratic interlude, the region would witness the return to rule of "demagogues, priests and colonels" (Ken Jowitt) or the emergence of "low-performing, institutionally mixed market economies and incomplete, elitist and exclusionary democracies" (Bela Greskovits).

In fact, initial conditions were grueling across the region. On top of an inherited economic crisis and the disruption of intraregional economic relations, the move away from communism involved the reconstitution and transformation of multiple institutional domains. These simultaneous transitions implied four formidable challenges: establishing a working democratic regime; transforming a state-controlled economy into a free-market economy; establishing an efficient state based on the rule of law; and reconstituting a vibrant civil society that would provide the needed underpinning for both working democracy and a market economy. These challenges were seen as being to a large degree mutually incompatible. They involved different time horizons and were likely to provoke fierce opposition from the beneficiaries of the old regime and those who lost out in the economic transformations. Thus, there was good reason for the initial pessimism.

Yet, the initial political transformation was relatively swift and mostly nonviolent -- with the tragic exception of Yugoslavia -- and clearly moved in a liberal direction. But soon thereafter, the former communist countries started traveling along increasingly divergent trajectories. By the end of the first decade, the diversity emerging in the region was already striking, despite similar challenges and declared goals, seemingly limitless opportunities and a democracy-friendly and supportive international environment. Two decades on, there is a surprising stability of political outcomes and a lack of convergence. While some countries enjoy high-quality democratic institutions, others suffer under authoritarian regimes of various hues. According to Freedom House, only eight of the 28 postcommunist countries can be classified as consolidated democracies today.

The countries of East-Central Europe have seen relatively fast convergence with the old EU-15 countries, especially in their quality of democracy, rule of law, government accountability and welfare policies. They are more affluent, have less poverty and enjoy a more equal distribution of income. They have also succeeded in attracting the highest amount of foreign direct investment. Central European states spend a large chunk of their GDP on social welfare and provide the entire range of benefits and services expected in developed welfare states. Their citizens are better educated and healthier, and they live longer. Several of these countries place well-above the EU median on many social measures.

In contrast, the Balkan countries -- including Bulgaria and Romania, which joined the EU in 2007 -- have a less impressive record, though there has been a noticeable improvement during the past decade, in part due to significant financial transfers and monitoring from the EU. Most of the indicators commonly used to measure social and economic well-being deteriorate rapidly the further eastward one looks. Moreover, the disparities in almost every economic, political and social indicator among the four traditional subregions of the former Soviet bloc have remained by and large the same during the past decade, according to Freedom House's ratings of civil rights and political liberties.

In sum, two decades after the collapse of communist regimes, there is a wide range of political,

economic and social systems in the region, with the postcommunist countries following three distinct trajectories. Advanced democratic welfare states of East-Central Europe have converged politically, economically and socially with the continental EU states. Countries that emerged from within the Soviet Union, except for the Baltic republics, tend to have authoritarian or hybrid regimes, higher levels of poverty and inequality, and much less generous welfare policies. Their economies are dominated by the state and based on natural resource extraction, and corruption is rampant. They tend to resemble parts of Latin America more than Europe. Countries of Southeast Europe lie somewhere in between, with visible progress on many dimensions but also with significant stagnation of reforms. Even the new Southeast European member states of the EU, Bulgaria and Romania, tend to lag behind all the other EU countries in all important respects.

EXPLAINING SUCCESSFUL POSTCOMMUNIST TRANSFORMATIONS

The diverging patterns of postcommunist transformations have been extensively debated by social scientists. The initial thinking about the region was heavily influenced by the idea that the communist legacy would be burdensome and difficult -- if not impossible -- to overcome. This pessimism, however, was quickly dispelled by successful political and economic reforms in several countries.

The second wave of assessments of postcommunism adopted a comparative approach, assuming that while communist regimes were different from other forms of authoritarian rule, the challenges of postcommunism might nevertheless be quite similar to those present in transitions in Southern Europe or Latin America. Accordingly, much of the subsequent literature on the region minimized the role of historical factors and emphasized the key role of political elites and strategic elite choices in various phases of political transformations. Such an approach lent itself readily to policy design and efforts to identify a range of choices and policies that tend to secure liberal political outcomes.

In this literature, common explanations focused on proximate factors. The mode of transition from communism was seen as important. Negotiated transitions based on pacts between ruling elites and opposition forces seemed to create better preconditions for democratic consolidation. A victory for reformers in the founding elections promised more-vigorous and consistent reforms. The careful design and sequencing of reforms was considered crucial. Simultaneous transformations were not seen as an insurmountable problem as long as reforms were swiftly and consistently introduced. The Polish economic shock therapy and the Czech mass privatization were seen as the right strategies to emulate. Specific constitutional and institutional choices seemed to matter as well: Parliamentary democracy with proportional representation was considered the best constitutional framework, since it offered flexibility, was open to various interests and preferences, and encouraged cooperation and consensus among political actors.

Yet, the factors identified as causes raised as many questions as the outcomes scholars were seeking to explain. Why were reformers and opposition activists able to win initial elections in some countries but not in others? Why did all Central European countries choose parliamentary democracy, while all countries further east preferred presidential systems? Modes of transition, results of initial elections and elite choices alone could not convincingly explain the diverging paths of transformations across the region. Thus, elite choices and bargains in the moment of transition came to be considered not so much a cause of the outcome but a part of it that needed to be explained.

Analytical lenses were therefore turned increasingly to the past, with recent work emphasizing the importance of historical legacies at the expense of the policy and institutional choices stressed in the earlier literature. More unexpectedly, long-run historical legacies spanning decades and even centuries are accorded more explanatory power than recent communist legacies. There is also growing evidence that structural factors, such as levels of social and economic development, specific geographical location and contingent events such as conflicts, wars, natural disasters or

the involvement of external actors can greatly influence the political outcomes of regime change.

From such a perspective, postcommunist political transformations should be viewed as part of an ongoing and long-term historical process of democratization across the European continent, from which communist rule was but a temporary diversion. This is especially true for countries of East-Central Europe that historically gravitated toward the Western core of the continent. Such a long historical perspective suggests remarkable continuities with the past, which are evident in institutional choices, elite and public preferences, contours of political competition and more generally in political cultures. In short, variations in the countries' precommunist inheritances seem to set the outer bounds of what is possible in the region.

There is also clear evidence that the involvement of Western countries and leaders in critical moments of transition, as well as consistent, long-term political and economic commitments -- best exemplified by NATO's eastward expansion and the EU's enlargement policies -- can decisively shape the trajectory of political transformations. Finally, it is increasingly clear that the quest for democracy may end up as easily in authoritarianism as in consolidated democracy, and the evidence suggests that reversing course once a path is set is highly unlikely. Since 2000, there has not been a single postcommunist country that significantly improved its Freedom House political score; however, there was no significant backsliding either. The new political regimes that emerged after the postcommunist transition seem to be consolidated across the region.

The record of postcommunist transformations raises important questions for policymakers. Explanations emphasizing geographic locations, deep historical preconditions and affinities for dense relations with the West pose significant limitations to our thinking about policy lessons that can be transferable to other regions. After all, changing a country's geographic location or history is not a feasible option. Still, do any general policy lessons emerge from the specific experiences of the postcommunist transitions, both failed and successful?

First of all, we know that structural factors and various historical legacies and preconditions matter a great deal. The most developed and affluent countries of the region at the beginning of transition are democracies today, with the exception of Russia. Thus, we should not easily dismiss the older social science literature on the preconditions for democracy that carefully examines the relationship between various social, cultural and economic factors and the durability of democratic outcomes. The contemporary dilemma is not so much how to move to democracy. The real issue is how to prevent the deterioration of democratic practices once democratic institutions are established and how to halt backsliding into authoritarian rule.

Since institutional engineering has its limits, the obvious policy strategy is to build democracy-friendly conditions by supporting economic and social development as well as cultural modernization and by fostering dense relations with the West, with the long-term goal being to improve the environment for democracy to take root. If various economic, social and cultural preconditions of democracy are important, we need to turn our attention away from finding short-term institutional fixes and focus on long-term policy strategies. Promoting and improving education and academic exchanges, information flows, cultural exchanges, economic development, civil society building and travel should be at the center of democracy promotion. The experiences of the Cold War, when various policies were aimed at supporting human rights while promoting Western values and the free flow of knowledge and information, should not be forgotten.

Second, while institutional choices may be secondary and contingent upon the constitutional tradition of a state, that does not mean that institutional design should be neglected. Bosnia and Herzegovina offers a lesson to avoid. Its institutional system is composed of one state, two autonomous entities, three peoples and five layers of governance. This results in the highest per capita number of presidents, prime ministers and ministers in the world. Between 1995 and 2003, \$5.1 billion of foreign aid was spent to maintain this system, an example of institutional engineering run amok with not much to show for it. The general lesson emerging from cases of successful democrati-

zation in the postcommunist world is that institutions that promote the dispersion of political and economic power and the inclusion of various actors in policymaking processes are the most conducive to facilitating democratic consolidation. But setting goals that are too ambitious is self-defeating. Efforts to secure a multitude of well-intended outcomes not only creates unnecessary and confusing complexity, but may have just the opposite of the desired effect, hardening the boundaries among various groups and discouraging cooperation.

Third, proximity, cultural ties and historically friendly relations with the West are important. It is also easier to consolidate democracy in a democratic neighborhood and more difficult to sustain it in a nondemocratic environment. Sharing borders with developed democracies or being in their immediate vicinity is also helpful, as is a less peripheral position in the global economic system. Thus, geography matters a great deal. Still, though geographic locations are fixed, international relations are flexible. It is evident that the most successful postcommunist countries established the closest relations with the EU and benefited from European aid and monitoring, institutional and knowledge transfers, foreign investment and, above all, the tangible prospect of EU membership as a reward for comprehensive political and economic reforms. The benefits and constraints offered by the EU shaped the character of domestic political competition, informed the agendas of many political and economic actors and expanded opportunities for reformers. Although the EU enlargement process may have run its course and may be impossible to replicate in other contexts, making a comprehensive effort to support democratic transformations through a variety of political and economic instruments and long-term commitments is crucial. Both the Marshall Plan in the re-democratization of Western Europe after World War II and the EU enlargement process in the postcommunist period are good examples of sustained long-term commitments. Though shared borders are not necessary for such instruments to be utilized successfully, mutual trust, cultural affinity and meaningful incentives are essential. And even then, there will always be limits to the effectiveness of external actors.

Fourth, having previous democratic experience helps. Most successful Eastern European democracies had democratic episodes in the past and struggled, often unsuccessfully, to build and maintain democratic institutions. In fact, such failures to sustain democracy in the past may help to consolidate it in the future. Therefore, authoritarian reversals, while regrettable, should only increase efforts to support ties to the West as well as domestic political opposition and civil society actors. The democracy-building process in Western Europe lasted more than two centuries and witnessed many failures and reversals. In the struggle for democracy, there are no lost causes, only frustrated short-term expectations.

Fifth, social welfare questions have haunted regime transitions in the past, and the failure of democracy is often caused by unresolved problems associated with underdevelopment, poverty, unemployment and inequality. Thus, attention to social safety nets and welfare policies is critical. Successful postcommunist countries maintained a high level of welfare spending, achieved a relatively equitable distribution of income and pursued active social policies. In fact, one of the most striking features of the successful East-Central European transitions was an early commitment to rapid welfare reform and social compensation that partially sheltered vulnerable groups, such as pensioners or workers in restructured industries. Successful transitions combining market reforms with democratization depend on policies that cushion the shocks experienced by potential or actual losers of transition. Such policies are and must be informed by a broader vision of the state's responsibilities vis-à-vis its citizens. The European tradition of expansive social rights and welfare guarantees clearly had a beneficial impact on policy design in post-communist countries that immediately adopted a liberal democratic trajectory with the goal of joining the EU. Properly designed welfare policies were instrumental in overcoming the opposition to market-based economic reforms among disadvantaged sectors of society in these countries and reduced the appeal of populism.

Sixth, consolidated democracy, an effective state and rule of law go together. Postcommunist experience shows that an efficient and accountable state -- with professional bureaucracies shielded

from political competition, high extractive capacity, strong anti-corruption policies and an independent judiciary and regulatory institutions -- is crucial. Successful East-Central European countries introduced deep reforms of public administrations and professional civil services, built state capacity and developed accountable bureaucracies. Support for state-building and improving efficiency and accountability were perhaps the most important dimensions of the EU accession process. Thus, democracy-building is essentially and inevitably coupled with state-building. Aiding and facilitating the latter secures democratic outcomes.

TWO DECADES AFTER: NEW CHALLENGES?

Even under the best of conditions, democracy-building is difficult and uncertain. Historical experience shows that failure is more common than success, even in periods when liberal democracy has few rivals. Although the post-1989 transformations are often held up as a model of successful democratization, liberal democracy has taken root in only a small number of postcommunist countries. Two decades later, the 28 states that emerged from the collapse of communism are remarkably different and face different challenges, and their commitment to liberal political and economic institutions is uneven.

The findings presented here offer a somewhat mixed message. New EU member states and the few remaining candidate countries seem to be firmly anchored in the European liberal tradition, with pluralist economic and political structures and attendant political practices. Thus, despite initially gloomy expectations, the collapse of communist regimes resulted in the emergence of a number of consolidated democracies, with competitive party systems and active civil society. Moreover, despite severe economic difficulties and the high costs of economic reforms, both at the beginning of transition and during the recent financial crisis, support for democracy and commitment to economic reforms in these countries remain relatively high, both among the elites and ordinary citizens.

Other postcommunist countries are becoming consolidated, competitive authoritarian regimes, eager to control economic resources, restrict freedoms and colonize public spaces with organizations that support their policies and can be mobilized against pro-liberal forces and movements. Russian-style "Putinism" has become not only an established political practice, but increasingly a coherent political program combining "managed" democracy with state capitalism, to be emulated by other leaders with authoritarian ambitions. So the alternative to the liberal political project is emerging not only in Asia but in Eastern Europe as well.

Yet, as the recent policies of the Orban government in Hungary show, even in Central Europe, positive liberal outcomes are not fully secure. This part of Europe has a dark history; it was home to right- and left-wing extremism, virulent nationalism and shocking atrocities in the not-too-distant past. The violent collapse of the former Yugoslavia serves as a reminder that such a legacy can easily resurface. Similarly, the treatment of minorities, from the Chechens to the Roma, has not inspired much confidence. Thus, further democratic gains in Central Europe are crucial to consolidating a century-long struggle for democracy in this part of Europe.

Moreover, the unfolding sovereign debt crisis is having pernicious effects on the peripheral European economies. It is likely that new member states will face years of slow economic growth, high unemployment and repeated austerity measures to reduce their deficits and public debt. Economic difficulties may also affect the size of EU structural funds that provided the lifeline for their economic modernization and development. Some experts predict growing popular dissatisfaction and the rise of populism and extremism that is likely to challenge the stability of these still-new democracies. The crisis is likely to end any further enlargement of the EU except for Croatia and perhaps some other small Balkan states, bringing an end to the most effective democracy-building mechanism ever invented. It might also make the Western liberal model increasingly unattractive to countries balancing between authoritarianism and democracy. Authoritarian rulers may embrace illiberal policies as a sensible alternative to what they perceive as Western malaise.

Can successful Eastern European democracies serve as a model for other countries and regions? Three critical conditions of Eastern Europe's success are: previous democratic episodes and historically close relations to Western Europe, relatively high levels of economic and social development, and the support and conditionality framework extended by the European Union. These conditions can hardly be replicated in other contexts. Thus, the experiences of successful postcommunist transitions may not be directly transferable and can only provide a limited base for policymaking.

As Michael McFaul once noted, in postcommunist Europe, "democracy emerged in countries where democrats enjoyed a decisive power advantage." Democracy needs informed citizens, political participation and a culture of tolerance and moderation. At the end of the day, democracy-building is a long-term process aimed at the creation of such citizens. It may take a long time to nurture democratic habits, but democracy survives only in places where such habits prevail. Postcommunist Europe shows that the easy democratizations are over. Supporters of democracy should get ready for a long, hard slog. □

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Photo: Demonstrators during the Velvet Revolution, Prague, Czechoslovakia, November 1989 (photo by Wikimedia user Irmojohnny, licensed under the Creative Commons Attribution-Share Alike 3.0 Unported license).

Cover photo: Demonstrators near Check Point Charlie, Berlin, Germany, November 1989 (photo from the Senate of Berlin).

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