Trajectories of Transition from Communism: Bumps, Exits and Deviations*

By
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1. Introduction

When viewed against conditions in the aftermath of the demise of the Soviet bloc, the picture of the postcommunist world twenty years later is not repugnant. To the contrary, it is surprisingly positive. There are no failed or rogue states. The spectrum ranging from stable democracies to authoritarian regimes does not stand out against other regions in the world. The odds against this outcome were formidable twenty years ago. Conflicts among countries emerging from the breakdown of the Soviet Union could not be discarded. With some exceptions, there was no vibrant civil society to provide foundation for a full-fledged democracy. Neither was there a vision on how to dismantle central planning without inflicting huge pains on society. Even a year or so after Poland’s stabilization program was launched on January 1, 1990; there was considerable uncertainty as to the best means of turning around formerly centrally planned economies.

Although not a single country from the former Soviet bloc has remained communist, not all of them have become democracies. In contrast to earlier waves of democratization in Southern Europe and Latin America, there was no return to the point of departure, i.e., state socialism. Furthermore, transition from communism must not necessarily lead to a democracy, though it was bound to produce—given the collapse of communism as a way to organize polity and economy—different political regimes than its predecessor. Since their points of departure were different: capitalism as opposed to central planning; authoritarianism as opposed to totalitarianism, in a marked contrast to waves of democratization in Southern Europe and Latin America, postcommunist transition could remain successful without producing democratic outcomes. Success would be measured in terms of dismantling state socialism. Indeed, all postcommunist countries have successfully dismantled the economic pillar of a communist institutional design, central planning; as well as its political pillar, total control by a single party. The former was replaced by some form of capitalism, whereas the latter by either authoritarian regimes, somewhat reminiscent of the ones in Southern Europe or Latin America preceding respective waves of democratization, or by a democracy.

The type and extent of control, as conceptualized by Whitehead (1996), distinguishes postcommunist transitions from post-authoritarian ones. Both in Southern Europe and Latin America, authoritarian regimes emerged due predominantly to endogenous developments and no external actor subsequently intervened seeking to stop the process of democratization. In the case of post-Soviet states, with notable exception of Albania, Russia and Yugoslavia, communism was imposed on their
nations by the Soviet Union in the aftermath of the Second World War and maintained through Soviet indirect but quite detailed political and military control over all aspects of their internal and external affairs. When the external constraints weakened and ultimately disappeared with abandonment by Moscow of the Brezhnev’s Doctrine, the demise of the regime followed naturally and the process of transition started, albeit not necessarily toward a democratic outcome.\(^1\) But it did not take long before Moscow returned, albeit with greatly diminished resources and under different conditions, to the old policies of trying to influence developments in neighboring countries. Its capacity to derail transitions to democracy was severely constrained by assistance from the West (mainly the EU) in support of democratic change. While neither the Russian nor EU exogenous factor alone has determined the path of transition: it was, however, decisive in some instances in tipping the domestic political balance either in the democratic or in the authoritarian direction.

In a nutshell, the uniqueness of postcommunist transition relates to (a) diversity of countries in terms of culture, economy and society undergoing transition from state socialism; (b) the massive societal dismissal of communism on the grounds of its non-viability; and (c) the necessity of establishing a new political economic order based on the principles that the communist order explicitly rejected. These, in turn, make impossible: (a) pursuing economic redesign without simultaneously setting a new political regime: (b) restoration of communism and central planning; and (c) avoiding completely political and economic reforms. In consequence, even committed, unrepentant communists who succeeded in retaining power had to introduce minimum economic and political reforms. The latter included, often as maximum, elections that have led to a caricature of democracy (Dawisha 2000; Wilson, 2005) but a shift to capitalism as a mode of organizing economic activity. The current spectrum ranges from Western liberal democracies in most countries of Central and Southern Europe to autocratic regimes with the latter stretching from benign (Kyrgyzstan, Kazakhstan) to nasty (Belarus, Uzbekistan).

In view of the similarities in ‘institutional’ initial conditions and historical experiences with the collapse of communist regimes amounting to an almost complete rupture in institutional continuity of their earlier evolution spread over several decades, one has to look for other explanations of the variation in political outcomes. The civil society is the crucial element in our explanatory model. The term refers to norms and values that determine the self-organization or institution-building potential of a society. These norms and values are crucial for the success of a democratic transition. The “civil

\(^1\) For a concise presentation of dynamics of the demise of the Soviet external and internal empire, see Rakowska-Harmstone (2005: 95-101)
society” variable is, however, difficult to measure in the context of transition. Ideally, we would like to catch society's intensity of rejection of communism with self-organizing capabilities. One possible indicator might be related to historical episodes of resisting the communist rule. For instance, Hungary, Poland and Czechoslovakia have known outright rebellions against the regime, while in other countries such manifestations were less visible. But the reliability of this interpretation can be questioned for the resistance may take different forms depending on circumstances: for instance, it was easier to oppose communist rule in a satellite state than in a Soviet republic. Strategy of transition could be an indicator of the strength of civil society, but this would obviously lead to “circular reasoning”.

These reservations notwithstanding, intertwined explanations of the strength of civil society and intensity of rejection of communism can be derived from our empirical findings based on quantitative data derived from different sources: Freedom House, World Bank, European Bank for Reconstruction and Development, and Transparency International.

The remainder of the paper is organized as follows: Section 2 sets up a theoretical framework built around the triangle: society—opposition—communist establishment. Section 3 applies the theoretical framework to examine differences in the constitutional and policy choices made in post-Soviet states and analyzes their impact on the subsequent political evolution. Section 4 empirically examines various paths of transition (trajectories) away from communism and seeks to identify major determinants of political outcomes. Section 5 concludes.

2. Theoretical framework

Our most general theoretical model consists of two elements: Society (S) and Communist Establishment (CE) which included incumbents of top political and administrative positions, security services as well as upper ranks of “nomenklatura” including managers of large state owned enterprises. Society represents different levels of integration: from total disintegration to an organized civil society. The more atomized the society, the stronger a totalitarian state is. Under opportune conditions, when the CE is divided by internal disputes, the Society is able to generate an organized opposition (O), while in other circumstances we may have at best a small group of dissidents. The relationship among elements in the triad S-CE-O determines direction and speed of transition from communism.

We propose that O is likely to emerge and prevail over CE in societies with strong roots in West European civilization and a solid sense of national identity – strong S. These societies would be inclined to accept measures severing links with the communist past even though these might inflict austerity. They would be ready to accept a quick pace of dismantling the legacies of communism. Second, their willingness notwithstanding, power relationship between O and CE would decide whether a radical
transformation of the state and economy would be undertaken or only cosmetic adjustments would be applied. Following Scott Mainwaring (1992: 323), we consider three types of situations: 1/ transition through Transaction; 2/ transition through Regime Defeat; 3/ transition through Extrication. In the first case, the relative strength of O and CE would be in equilibrium and the outcome of an open struggle highly uncertain, which makes both sides willing to seek a compromise. In the second, the O would decisively prevail over the CE and dictate its conditions. In the third situation, the CE would be able to maintain control over political life. Three cases of relationships between CE and O have produced three different trajectories of transition that emerged on the eve and immediately after the collapse of communism.

Before we discuss the three possibilities, we have to consider the exogenous, or the control factor: the possible reactions of Soviet Union and other opponents to democratic changes within the communist bloc.\(^2\) Events in Poland and Hungary in 1956 were closely connected by a feed-back mechanism: or contagion. By intervening in Hungary, Moscow informed Warsaw about the limits of its tolerance. Intervention in Czechoslovakia, in August 1968, gave rise to a quasi-formalized Brezhnev's Doctrine that authorized Warsaw Pact forces, read the Red Army and its allies, to intervene in a member country if stability of the communist regime was in danger. This factor had to be taken into account by the Opposition and by the communist leadership in case of direct negotiations. Threat of the Warsaw Pact intervention was an important source of uncertainty particularly for the nations, that otherwise would not stand the system for any length of time. We should add to these countries that found themselves an integral part of USSR in the aftermath of the World War II: Estonia, Latvia, and Lithuania, where any dissent would be crushed by the KGB as an internal matter. Hence, we have three different situations.

1. Presence of a relatively well-institutionalized opposition before the beginning of transition, lack of legitimacy of the regime, and uncertainty as to the Moscow's commitment to support the local communist regimes prompted the communist leaders to seek partners for negotiations. Such negotiations opened in Hungary and Poland, first informally and later formally, at the end

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\(^2\) We use Laurence Whitehead’s (1996: 5-24) distinction of three factors that influence transitions: contagion, control, and consent. Contagion proceeds through the impact that events in one country exercise on events in others in geographic and cultural proximity. As to the control, powerful countries tend to export their institutional arrangements abroad within limits of their possibilities. Consent involves “actions and intentions of relevant domestic groupings, and the interactions between internal and international processes” – or linkage politics (15). In each respect the postcommunist world presents a different picture than that of the second and third wave of democratization.
of 1980s. This eventually led to a “pacted” transition of the type described by O’Donnell and Schmitter (1986: 37-39).³

With two caveats: indigenous communism and the lack of a formal pact, developments in Albania in 1990-91 are the closest to the case above (1). The opposition got organized in a very short period of time. Social mobilization, triggered by a declining economy and the fall of communism in Central and Eastern Europe in 1989, compelled the CE to accept the creation of independent political parties (December 1990) and led to free elections in 1991 won by the CE followed by the next election won by the opposition. Like in Hungary and Poland, reformed communist returned to power.

2. Defeat of communism in Soviet bloc countries followed by the demise of Soviet Union itself led to liberation of states occupied by Soviet Union since the second world war, namely Estonia, Latvia and Lithuania. In the first two countries national political elite quickly emerged and removed the ruling group imposed by Moscow. This required a strong national consciousness and a fairly well integrated society with formal, politically neutral organizations which under particular circumstances could turn into political weapons.⁴ In a similar vein, the “velvet revolution” in Prague led to the removal of the whole ruling class in Czech Republic.

3. Under the absence of an integrated society, not to mention an opposition, the CE could reshape itself into a “party of reform”, either “nationalist” or “social-democratic”, and dominate the initial stages of transition. Each choice had different consequences. In the social-democratic case, the initial result was an authoritarian system that could, however, lead eventually to a democratic outcome. The choice of the second option invariably led to an authoritarian or autocratic (Uzbekistan, Turkmenistan) outcome.

The first group represents the “cooperative model” of regime change. These are countries which pioneered the transition process: Hungary and Poland. Later, Albania and Lithuania also joined this category. The starting point was different in each case. The communist regime in Hungary, after a decade of political terror following events of 1956, embarked on a policy of market reforms, which included formal co-option of a large part of intelligentsia (A. Kaminski, 1989, 1992). It also involved a

³ Thus we only partly agree with Bunce (2003) and McFaul (2004), as they both treat all successful postcommunist transitions to democracy as non-collaborative.
⁴ Ecological protests in the Baltic states played such a role. For instance, the plan to expand the chemicals industry was “one factor leading to the formation of Sąjūdis in June 1988” (Lieven 1993, p. 220), which subsequently became a full-scale secessionist movement in Lithuania.
measure of political liberalization. Meanwhile, Poland had experienced during the years between 1956 and 1989, a number of revolts. A major one occurred in 1980-81 with the rise of “Solidarity” movement, followed by the imposition of martial law that only confirmed the relative internal weakness of the regime.

The Polish change of regime is in some respects a model case of a “pacted” transition. Leaders of opposition in Poland were aware of the threat of external intervention. The key question was Moscow’s zone of acceptance. At the beginning of 1980s these limits were narrow indeed. During the second half of 1980s, exogenous constraints began to relax. This change and the weakness of the regime led the communist leadership to engage in informal consultations with parts of the opposition. Choice of interlocutors was not accidental: communist leadership tried to support those in the opposition who could potentially serve as most suitable partners in negotiations (A. Kaminski and Kurczewska, 1994).

These developments eventually led later to the Round Table talks in 1988. In Spring of 1988 a “Civic Committee to Lech Wałęsa" was created with the purpose of advising him in negotiations with the communist government. At the same time, Gorbachev continued his efforts to reform the Soviet system, which eventually resulted in the rejection of Brezhnev’s doctrine. It was a sign that the freedom of maneuver for democratic reforms in the satellite would become substantial and “linkage politics”, i.e. consent-building, could take off. In April 1989 the Round Table negotiations started in Warsaw, followed by semi-open parliamentary elections of June 4th, 1989. Yet, the uncertainty over Moscow’s zone of acceptance and stability of Gorbachev’s position still remained. Thus, both sides were faced with several sources of uncertainty concerning: (1) Moscow’s zone of acceptance; (2) internal strength of the CE; (3) O’s ability to command social support; (4) pay-offs of economic and political transformations to the actors involved in negotiations.

Under these circumstances the aim of the O was to obtain certain democratic rights for the S, including the freedom of association and partly free elections that guaranteed O a place in parliamentary politics. On the other hand, the CE wanted to keep control of the government, to retain for itself and its allies constitutional majority in the parliament, supported by strong presidency that according to agreements reached with the O was reserved to Wojciech Jaruzelski. According to the compromise reached, the parliamentary elections were to take place at the beginning of June according to an electoral mode that distributed districts among existing political parties, Solidarity included. Candidates were allowed to compete against other candidates of the same party within districts that were allocated to it. Two thirds of the districts were allocated to communists and their allies, while one third to representatives of the O (M. Kaminski, 2002). All these calculations were annihilated by S and
the disastrous defeat it inflicted to the communist camp. Solidarity, completely unprepared for such a role, had to take the reins of power. The first task that imposed itself on this de facto bankrupt state was a radical economic reform. In all other areas the new government was timidly probing the limits of the possible. By the same token, constitutional reforms in Poland have lost the momentum (Slodkowska 2001, pp. 21-22).

The size of the defeat added Society as another source of uncertainty: social activity could undermine the negotiated pact. There emerged a tacit agreement among the new pro-democratic establishment about the need to demobilize the society (Ekiert and Kubik, 1999). This had two results: first, Poland was the last country among the postcommunist states to have the truly free elections; they took place in September 1991, more than two years after June 4th elections. The electoral system that was adopted for the event was PR with no threshold, and the Hare-Niemeyer method of transferring votes into mandates. The idea of adopting PR came out of the already deeply divided post-Solidarity camp; both, the delay and the PR, saved the postcommunist parties from total political collapse.

Polish elections demonstrated that Moscow would accept free parliamentary elections and would not question whatever results would be. In this sense, it reduced the level of uncertainty related to the exogenous factor for other countries. Thus, by the end of 1989 all Soviet satellite states, with the exception of Poland, had had free elections. To use Whitehead’s terminology, communist bloc collapsed by contagion. This is not, however, the case of countries with the status of Soviet republics, for them transition started roughly two years later.

The second group involves the case of “non-cooperative” change of regime. It consists of countries where communist parties had been able to impose effective political control over societies: the Baltic states and Czechoslovakia. Baltic states were reduced to the role of Soviet republics. Czech and Slovak societies found themselves, after the Warsaw Pact suppression of the Prague Spring in August 1968, terrorized by the party and political police. In both cases, the communist regime was sustained by external factor – the Soviet political and military control. However, when this exogenous source of uncertainty disappeared, the political systems, deprived of any legitimacy, collapsed and a full-scale turnover of political elite took place. Otherwise, each case is different. Czechoslovak Republic, after a few years, disintegrated. Lithuania went through a co-operative mode of change of regime.

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5 A loss of the constitutional moment was bitterly noted by Zakrzewska (1993), a respected constitutional lawyer who participated as an expert in parliamentary deliberations on the new constitutional order. Among foreign observers, Ackermann (1992) and Dahrendorf (1990) made similar observations.

Estonia, with its close ties to Scandinavia, was the most successful country in terms of governance and economic growth among the postcommunist states. Latvia still experiences serious governance problems. Yet, they are all consolidated democracies.

Both cases of democratic transition have produced a similar trajectory; we shall call it simply the pro democratic or PD (PD1 and PD2) trajectory. Though, neither the differences in relative strength of CE and O nor the taxonomy of the mode of transitioning do exhaust the whole wealth of real life situations, at least they cover a range of cases large enough to make it useful for our theoretical discussion.\(^7\) We shall call the authoritarian transition the anti-democratic or AD trajectory.

The third group, consisting of countries in which opposition was unable to prevail or even to stand up to the CE as an equal partner, includes a whole array of different situations. On the one extreme, we have unstable democracies of Georgia and Ukraine; on the other – quasi totalitarian states in Turkmenistan or Uzbekistan. In the middle, there is Russia, Kazakhstan, Armenia, but also Serbia, etc. The defeat of communism led the communist establishments in these countries to search for a new ideology that could legitimate their continuation in power. They had a choice between social-democracy and nationalism or a mixture of both. The first choice could eventually lead to a democratic transition; the second – always resulted in authoritarianism. The mixed cases, after a period of ambivalence led either to a democratic transition or to authoritarianism.

The dismantling of communism in Yugoslavia stands apart for several reasons. Its mode of collapse was different for several reasons: no external actor was involved; central planning was dismantled already almost four decades earlier replaced with soft planning of quasi independent firms managed by workers’ councils; and the CE was part of the S mobilized in Croatia and Slovenia against Milosevic’s plans to impose Serbian control over Yugoslavia. Macedonia was the effect of contagion, and Bosnia and Herzegovina reflected Croat-Serb tensions. Civil war and its aftermath have shaped political evolution: from nationalist AD trajectory (except Slovenia) to a PD trajectory.

There is one important qualification: the outcomes may be altered by external factors. An external factor is not a catalyst of change: in the model outlined here, it operates through affecting the outcomes by tipping the balance of power in favor of PE or O. Another channel available to an external actor promoting democracy is through enhancing the strength of the S: various externally funded programs aiming at developing civil society and strengthening independent social organizations are good examples.

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\(^7\) While wars impacted transitions in former Yugoslav republics, Transcaucasian republics and Moldova, this does not change our taxonomy: communist establishment versus opposition. The former initially prevailed in them all.
The decisive element in sustaining the first and second trajectory and affecting the eventual change of trajectory in countries of the third group was the support of the West and multilateral financial institutions: given the primary role played by the EU, this is often referred to as an “EU factor.” As for the first and second trajectory, European Association Agreements with Central Europe and later Stabilization and Association Agreements with Balkan countries by offering the prospect of accession to the EU have affected transition on several counts: First, while they were of little relevance to initial economic liberalization, they provided guidance and incentives to establishing institutions supporting competitive markets harmonized with the *acquis communautaire*. Second, they compelled these countries to open their markets to competition from the EU and remove various restrictions on foreign direct investment. The increased level of openness had not contributed to fast modernization of industrial and services sectors but also had a positive impact on the quality of economic governance and the incidence of corruption (B. Kaminski 2000). Last but not least, because of a strong support for EU membership amongst populations in Central and Southern Europe, xenophobic impulses have been suppressed. As a result, a whole group of countries that had started change of regime choosing the AD trajectory, eventually switched after a few years to the PD path. The best examples are those of Slovakia and Croatia, not to mention Bulgaria exiting for some time a group of democracies, which starting from the third group switched decisively to the PD trajectory. On the other hand, the “Russian factor” works in the opposite direction, i.e., it pushes a country from the liberal to authoritarian trajectory or reinforces the latter, as the case of Belarus or Kyrgyzstan illustrates.

3. **Constitutional choices: types of government and electoral systems**

Two sets of critical choices putting a country on the path of transition from state socialism concerned: (a) a strategy of dismantling central planning; and (b) choice of the type of government and electoral system. We shall concentrate on the latter while limiting our observations about the former to the following: Decisions concerning strategies of economic transformation involved the choice between radical and gradual approach to economic liberalization (the removal of central controls over prices and state monopoly over foreign trade, the introduction of convertibility of domestic currency for current account transactions, and small scale privatization) and between various modes of privatization and the pace of establishing institutions supporting domestic competition. The choice of approach to economic liberalization critically impacted the makeup of influence within the political structure and the shape of subsequent choices leading to different political economic regimes. Gradualism created huge opportunities for rent seeking and corrupted political outcome: it negatively affected the quality of
economic governance and the extent of corruption (Hellman 1998; Kaminski and Kaminski 2001). We shall discuss briefly implications of gradualism and radicalism in the next section.

The choice of the type of government and electoral system involves several options: three types of government: presidential, semi-presidential, and parliamentary (Sartori, 1994); and three options of electoral systems: majoritarian, proportional representation, and semi-proportional representation or a mixed type (Lijphart, 1994: 10). These choices are critical as they determine the extent to which ‘social voices’ are heard and politicians are accountable for their actions, that is, variables that are critical for the quality of governance.

Economic transformation in the postcommunist world had been preceded by modifications in the political system involving introduction of basic democratic freedoms, acceptance of the multiparty system and free elections. That was the start of political transformation, but not the end of it. The new political leadership had to make critical constitutional choices concerning the structure of the state.

While beginnings of 1990s witnessed debates among Western scholars about constitutional choices the postcommunist societies should make, hardly any serious debates took place in the countries in transition from state socialism. The debates turned around two issues: the type government, and the electoral system. The first was provoked by Juan Linz’ (1992; Linz and Stepan, 1996) criticism of the presidential form of government as crisis prone and unstable. The president elected in a universal suffrage would consider legitimate his/her primacy over the parliament. This is particularly threatening when s/he represents a different party than the ones that have the majority in parliament. Second, constitutions usually limit the number of presidential terms, and ambitious individuals do not suffer such constraints gladly. Furthermore, presidents make all the coalition deals before elections and these are part of his/her program, while parliamentarians are able to reach tacit agreements while performing their functions. Thus, the presidential systems are by their nature rigid, while parliamentary governments allow for more flexibility.

Arguments raised by Juan Linz and Alfred Stepan are of uneven importance. Commenting on their empirical evidence, derived mostly from Latin American experience, Scott Mainwaring (1992: 114) noted that the alleged instability of the presidential government is most in evidence when it is accompanied by the proportional representation electoral mode. Without pondering the problem more in depth, one may agree with Linz that it is more difficult to construct a stable democratic system with a presidential government than with a parliamentary one.

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8 This was immediately noted by Ralf Dahrendorf (1990) and Bruce Ackerman (1992).
9 Both sources of instability have already been identified by Karl Marx in his 18th Brumaire of Louis Bonaparte.
Another, more intense debate that took place at the beginning of 1990s concerned the choice of electoral system. It opened with an article by Arend Lijphart (1991) in which he argued in favor of PR as the best option for post communist states. His adversaries raised several issues concerning PR' shortcomings: difficulties in forming government, problems with accountability, disintegrative impact of proportional representation on society, and so on. In responding to his critics, Lijphart (1994: 144) gave the following synopsis of the nature of the choice: “[...] does one value minority representation and the principle of proportionality more highly than the two party principle and government accountability, or the other way around?” Pipa Norris (1997: 301), in her comment on the debate, concludes that the choice between the plurality and PR system is that between accountability and effectiveness of government on the one hand and representation of minorities and social justice on the other.

In discussing the three trajectories of transition - compromise or pacted transition, defeat of the CE, and domination by the CE – we have noted that Central-East European states represent the first two, while CIS countries, with the exception of Ukraine and Georgia, represent the third one. The first group has generally opted for parliamentary or semi-presidential governments and PR or a mixed system electoral system, while the CIS states chose presidential or semi-presidential governments and showed an inclination toward a majoritarian or a mixed system. A cursory review of experience with semi-presidential governments in post communist states suffices to observe that they represent an unresolved problem of division of competences between presidents and parliamentary governments, and not a well considered constitutional design. The result is a build-in conflict within the executive leading to political instability. Like all other constitutional decisions, those concerning the office of the president were determined by the actual interests of major political actors.

These initial constitutional choices have long-term consequences for the quality of governance. In order to assess their impact on the subsequent political regime development, we have used two dimensions addressed in the World Bank’s survey of the quality of governance in more than 200 countries across the world: “voice and accountability” and the “rule of law” to create an Aggregate Index of Political Regime (see note in Table 1). We have arbitrarily set the benchmark to fully qualify as a democratic state at 50 percent, i.e., ‘better’ political regimes than in 50 percent of governments worldwide. Ten new EU member-states and two former Yugoslav republics, Croatia and Montenegro, meet this condition. Other Balkan countries had scores below 50 percent: yet, they may be regarded as being on a democratic trajectory in large part thanks to the external factor. It remains unclear whether countries with the scores between 36 and 42 will move to PD or AD trajectory.

Table 1: Political regimes and outcomes of various trajectories in 2008

<table>
<thead>
<tr>
<th>Democracy</th>
<th>WB SAP</th>
<th>Type of gov</th>
<th>Electoral S.</th>
<th>In-between</th>
<th>WB SAP</th>
<th>Type of gov</th>
<th>Electoral S.</th>
<th>Authoritarian</th>
<th>WB SAP</th>
<th>Type of gov</th>
<th>Electoral S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia</td>
<td>83.9</td>
<td>PA</td>
<td>PR</td>
<td>Georgia</td>
<td>42.2</td>
<td>PRES</td>
<td>MX-PA</td>
<td>Kazakhstan</td>
<td>21.3</td>
<td>PRES</td>
<td>PR</td>
</tr>
<tr>
<td>Slovenia</td>
<td>82.0</td>
<td>PA</td>
<td>PR</td>
<td>Moldova</td>
<td>39.8</td>
<td>PRES</td>
<td>PR</td>
<td>Russia</td>
<td>20.6</td>
<td>PRES</td>
<td>PR</td>
</tr>
<tr>
<td>Czech R.</td>
<td>79.6</td>
<td>PA</td>
<td>PR</td>
<td>Ukraine</td>
<td>39.1</td>
<td>PA/PRES</td>
<td>PR</td>
<td>Azerbaijan</td>
<td>19.4</td>
<td>PRES</td>
<td>MA</td>
</tr>
<tr>
<td>Hungary</td>
<td>77.2</td>
<td>PA</td>
<td>PR</td>
<td>Armenia</td>
<td>35.7</td>
<td>PRES</td>
<td>MX-PA</td>
<td>Kyrgyzstan</td>
<td>17.3</td>
<td>PRES</td>
<td>PR</td>
</tr>
<tr>
<td>Latvia</td>
<td>72.1</td>
<td>PA</td>
<td>PR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Belarus</td>
<td>12.0</td>
<td>PRES</td>
<td>MA</td>
</tr>
<tr>
<td>Slovakia</td>
<td>71.0</td>
<td>PA</td>
<td>PR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tajikistan</td>
<td>11.2</td>
<td>PRES</td>
<td>MX</td>
</tr>
<tr>
<td>Lithuania</td>
<td>69.8</td>
<td>PA</td>
<td>PR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Uzbekistan</td>
<td>6.0</td>
<td>PRES</td>
<td>MA</td>
</tr>
<tr>
<td>Poland</td>
<td>68.8</td>
<td>PA/PRES</td>
<td>PR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Turkmenistan</td>
<td>4.3</td>
<td>PRES</td>
<td>MA</td>
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<tr>
<td>Bulgaria</td>
<td>58.5</td>
<td>PRES</td>
<td>PR</td>
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<tr>
<td>Croatia</td>
<td>57.5</td>
<td>PA/PRES</td>
<td>PR</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Romania</td>
<td>56.3</td>
<td>PA/PRES</td>
<td>PR</td>
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Notes: (1) PA—parliamentary; PA/PRES—parliamentary/presidential; PR—proportional; MX—mixed electoral system; MX-PA—Mixed parallel electoral system; WB SAP— the values of SAP (Single Aggregate Index of Political Regime) it is an average of "Voice and Accountability and "Rule of Law’ dimensions of governance. SAP is normalized in terms of percentile ranks with larger value indicating more democratic regimes. The value of 35, for instance, means that a country is more democratic than around 35 percent of 213 countries covered by the World Bank’s survey (see Section 5. B). (2) In 2004 Ukraine moved from the presidential government and a mixed electoral system to parliamentary/presidential government and PR. A few years ago, Russia moved from the mixed electoral system to PR.

Juxtaposing SAP scores against the type of government and electoral system, one observation can be easily made: at the top seven countries, there are only those that opted for parliamentarism and proportional representation. Yet, it would be naïve to assume that those postcommunist countries that chose PR opted for justice and representation of minorities’ interests, while those that adopted a majoritarian system wanted to have their governments more effective and accountable. Similarly, it would be farfetched to assume that the choice of a parliamentary or presidential type of government had anything to do with adoption or rejection of Juan Linz’ criticism of presidential regimes. Academic debates had no impact on constitutional decisions made in postcommunist states. Concrete choices have been made under the impact of specific, actual constellations of interests, combined with actors’ concern about expected pay-offs (O’Donnell and Schmitter, 1986: 4-7; Bunce, 2003: 170-174). For the sake of simplicity, we shall continue with the same actors: communist establishment – CE; society – S; and opposition – O.

Political crises are always accompanied by disintegration of the political class. Particularly when state’ legitimacy is in doubt. This may have been different among Russians, who saw in communism the realization of national aspirations and the guarantee of Russia’s superpower status. Among remaining
nations, attitudes toward communism varied from an outright rejection to indifference. A ruling class in disarray is a prerequisite to transition. It is also a necessary, but not sufficient condition for the ability of a society to come to the fore. In order for a society to influence developments, it must possess a certain level of internal integrity. Then, rebellion becomes possible and may lead to organization, like in the case of the “Solidarity” movement in Poland. Organization must have a leadership. At that point, we have an organized opposition; its strength depends on social support. It consists of a plurality of groups with leaders who have their own political ambitions. Communist leadership may have influenced the shape of the opposition: relative weight of parts and leaders of the opposition in the society. Once negotiations between the communist leadership and the opposition started, the intimate link between the O and the S becomes vulnerable. Leadership of the opposition makes compromises that may not be acceptable to the society at large, that may be dictated by better access to information, fear or simply by particular interests. The society becomes a source of uncertainty for those former oppositionists who have won public offices and want to keep them.

Thus, irrespective of a trajectory, the new power elite will design the constitutional system in a way that assures its continuation in office. Jeremy Pope (2000: 131-132) had a point when he wrote that: “Among these emerging democracies, […] even these officials genuinely seeking solutions have not always applied the basic principles of democracy. Applying these principles would, by definition, call for a robust policy debate, responsiveness to the demands of citizens, and receptiveness to the inputs of civil society as solutions are hammered out. Instead, the state has been reluctant to include civil society as a partner. At times, some governments have seen it as a rival, both in terms of power and influence, and in terms of the outside aid id diverts from channels which have traditionally been the exclusive preserve of government. Such governments, in ignoring civil society, have failed to implement mechanisms which would institutionalize accountability and build public trust.”

Under AD trajectory, when the CE remains in charge of transition, the old, refurbished power elite diffuses social tensions by initially allowing competitive parliamentary elections, while keeping role of the legislative reduced and assuring dominance of the president’s office. The control of power resources, namely of administrative resources, makes it convenient to adopt a plurality or a mixed system. This is what initially happened in Russia, Ukraine, Belarus and all Central Asian states. According to Andrew Wilson’s: “Administrative technology is unlikely simply to take over […] An element of pretence is still paramount. The balance may change, but virtual politics will survive. Significantly, in both Ukraine and Russia the powers-that-be prefer mixed electoral systems. The proportional representation element (national party lists) is a necessary vehicle for virtual parties. On the other hand,
the constituency system has been retained, as it is in the constituencies that the cruder types of administrative resources can be more directly applied.” (2005: 87)

With a fairly strong civil society, the plurality system compels politicians to take S into account, and increases the risk of losing office. Thus, the new political establishment is inclined to adopt a PR system. Moreover, as the power of the former anti-communist opposition resided in the parliament, it would rather opt for a parliamentary form of government.11

To conclude, we have three different modes of transitions influencing constitutional choices:

1. **CE stronger than O**: CE opts for a strong executive (presidential government), while funneling social discontent (O) into a weak legislative. Control of administrative resources (ability to influence electoral results) induces CE to adopt a majoritarian or a mixed electoral system.

2. **O stronger than CE**: As CE still dominates over state administration, O strives to strengthen the legislative at the cost of the executive (parliamentary government). Once opposition becomes institutionalized, it acquires its own interests that do not necessarily coincide with interests of the civil society. This motivates O to reduce accountability to S by adopting PR system.

3. **Balanced CE-O relationship**: Depending on circumstances, within narrow limits, the balance can be tipped either in favor of the semi-presidential or the parliamentary government. At the same time, both sides will opt for PR for the same reason as in the former case.

Several variables intervene, however. The country’s size, political culture strongly intertwined with geopolitical location and endowment in natural resources influence the relations within our triangle and therefore the actual transformation. Small size of a country may enhance public accountability of officials through informal controls. In such countries as Estonia or Slovenia, Latvia or Lithuania, with populations of a medium European city, informal controls tend to be strong, effective and pervasive. It may not be a coincidence that Estonia and Slovenia are regarded as best governed among all postcommunist states. Historically, these demographic features have provided favorable conditions for development of mutual trust between the political elite and the society writ large. High level of mutual trust has been in turn crucial to the emergence of governance based on participation rather than manipulation and coercion. This also directly relates to the readiness by those in power to treat the transition as a collective endeavor rather than a haphazard adoption of institutional solutions that fit particular interests of groups occupying at a given moment strategic positions.

Political culture criterion distinguishes between lands inhabited by nations linked mostly to Western Christianity from those inhabited mostly by the Orthodox or Muslim populations. This variable

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11 This interpretation is in line with the one presented by Gerald Easter (1997: 187-9).
is closely linked to geopolitical location\textsuperscript{12} differentiating between countries whose location presents obstacles to the emergence of a stable democratic regime and those with external environment stimulating liberal democratic change. The difference stems from the Gregorian Reform dating back to 1075-1122 (also referred to as Papal Revolution) that ultimately led to the separation of Church and state (Berman 1986). Neither Muslim nor Orthodox Christianity had undergone a similar transformation, which contributed to different cultural traditions (Prizel 1999), as vividly illustrated by non-democratic transitions in countries strongly linked to Russia.\textsuperscript{13}

Political culture combined with the geopolitical factor allows distinguishing between two locations crucial to the path of transition: (a) Countries within the Western sphere of influence: Political culture rooted in Western civilization combined with geographical proximity and prospect of membership in the NATO and the EU provides a fertile ground for the emergence of liberal democracies. This is referred to as the “EU factor;” and (b) countries within the sphere of influence of the Russian Federation: Countries enjoying stability, economic growth and democracy are less likely to become subordinated to Russia. We shall call it the “Russian factor.” The contrast between the two locations is critical: while the EU regards non-democratic regimes as a threat to its security, Russia regards them as an opportunity to rebuild influence in “near abroad.” Russia uses economic and political tools to thwart transition towards market-based democracies, while the EU seeks to encourage it.

Indeed, countries that had an active opposition to the communist rule were those with the roots in Western civilization.\textsuperscript{14} Consider that three defining challenges to the Soviet rule in the post-Stalin period occurred in Hungary (1956), Czechoslovakia (1968) and Poland (1980-81), whereas the Baltic states were the first among Soviet republics to actively pursue independence option in 1999-2001.

These ‘Huntington’s type’ explanations appear not to have lost their explanatory power as postcommunist countries move further into transition, albeit with a caveat. Russia’s persistence in rejecting democratic values and treating democracies in postcommunist countries as threat to its raison d’état has been constant feature since it lost its empire in 1991. This stand has strong domestic backing: the Russian population at large seems to support not only imperial policy abroad but, domestically, monopolization of power by a single party and authorities’ suppression of dissent.

\textsuperscript{12} There is one caveat; political culture operates from inside, whereas geopolitical location from outside.

\textsuperscript{13} Samuel Huntington (2004:227) notes that among seven of the eight defining characteristics of Western civilization have been completely alien to Russia, whereas the eighth one—legacy of classical antiquity—was absorbed in a distorted form.

\textsuperscript{14} We distinguish between opposition and dissidence. Groups of dissidents may appear even when a society perceives the regime as legitimate provided their members are not immediately physically eliminated.
Externally, Russia has sought to influence the political transition away from democracy in other postcommunist countries. Examples abound. Shift towards authoritarianism in both former Soviet republics and satellite states (Bulgaria and Slovakia in mid-1990s) was encouraged and actively supported by Moscow. So was Milosevic’ rule in Serbia. The ‘EU-factor’ had eventually prevailed. But it did not so in the case of Kyrgyzstan: a country that used to be a hoped-for springboard for Western-style democracy in Central Asia. In contrast to other color revolutions in Georgia (2003) and Ukraine (2004), Kyrgyz revolution in 2005 only solidified Kyrgyzstan’s exit from ‘in-between’ into an AD group. While Moscow’s influence was not decisive in this shift, it was critical to sustaining it. Apparently in exchange for terminating the U.S. air base in Kyrgyzstan, Moscow has pledged a $2.1 billion aid package. Ukraine, subject to a similar Russian carrot provides another powerful illustration of strategic underpinnings of the “Russian factor.” Dimitri Trenin (2008: 139), a well-known Russian security analyst, wrote that: “While Georgia, even in the worst case situation, is likely to remain important, but peripheral, Ukraine as a political battlefield between the West and Russia would seriously destabilize Russian-European relations”. The interest of the EU is in the consolidation of democratic institutions in Ukraine, political stability, and economic success of the country. It is obvious then, that Russia’s interests are, up to a point, contrary to these aims. It is the only way to make Ukraine part of the Russian sphere of “privileged interests”.

The legacy of the Muslim or Orthodox Christianity can be modified by societal acceptance of democratic values or of “being European.” The common link shared by these countries has been aspiration of their population writ large to become integrated into Western security (NATO) and European integration (EU) arrangements. Bulgaria and Romania, both predominantly Orthodox Christian countries, have succeeded in establishing liberal democracies, albeit with some delay and the quality of democratic institutions and praxis remains much to be desired. So have Albania, Serbia, and Montenegro—to name a few others non-Western Christian countries that appear to be on the path towards consolidated democracy. ‘European aspiration’ is also present in Transcaucasia.

Another factor relevant to transition outcomes relates to the “resource curse”—to borrow an apt phrase coined by Richard Auty (1993). Countries well endowed in natural resources tend not only to have poor economic growth performance (Sachs and Warner 1995) but also tend to be autocratic. In the presence of centralized revenues from the resource sector, the government’s survival does not depend on tax revenues from decentralized business activity but on control over the stream of revenues from natural resources. By the same token, the government is much less preoccupied with the widening of tax base through development of the institutional infrastructure protecting and enforcing private
property. Since the loss of power threatens a loss of access to a centralized stream of benefits, this is lethal for democratic process as the cases of Russia, Kazakhstan and Azerbaijan illustrate.\textsuperscript{15}

4. Trajectories: empirical assessment

Contrary to alarming predictions voiced during the initial stages of transition about incompatibilities between democratic liberal values and xenophobic political culture of European postcommunist societies (see, for instance, Berend 1995, Chriot 1995, Janos 1995), the outcomes almost twenty years later are more complex. Although most people, around 215 million of the total of 400 million, live under authoritarian regimes, some 46 percent live beyond their reach. Furthermore, around one quarter of the postcommunist population is countries that are full-fledged democracies and members of the western security and economic arrangements—NATO and the European Union.

The preceding discussion has identified three main trajectories: the D (democracy) trajectory; PD (partly democratic or incomplete-democracy equivalent to Freedom House’s designation of partly-free societies) trajectory; and AD (anti-democracy) trajectory. With a few exceptions (war-torn Balkans and Tajikistan, Turkmenistan, and Uzbekistan), other postcommunist countries began their journey away from state socialism on a PD trajectory with a promise of moving to a PD trajectory: they all pledged free elections and the establishment of multiparty democratic system.

Data tabulated in Table 2 seek to locate a trajectory on which a country was in 1996 and 2007-08. We again use the values of SAP (Single Aggregate Index of Political Regime) derived from the World Bank’s surveys of the quality of governance across more than 200 countries, which is highly positively correlated with Freedom House’s rankings (see notes to Table 1). The score equal or larger than 56 implies consolidated democracy; below 55 and above 29 denotes transitional or non-consolidated democracy; and below 29 indicates various forms of authoritarian rule. Information on political status is supplemented by information on achieved progress in economic liberalization and institutions supporting competitive markets together with data on the depth of transformational recession that followed the collapse of central planning.

By these measures, transition from communism has been fully successful in one respect: all postcommunist countries have moved away from central planning to capitalism, although not always in its most attractive form. Capitalism may take various forms and there is no one prevailing archetype: it ranges—not unlike in a non-postcommunist world—from state guided capitalism, oligarchic capitalism,

\textsuperscript{15} Russia is clearly a special case: it is huge, ethnically diverse, relatively highly industrialized, albeit with an economy heavily oriented toward natural resource intensive products. For an excellent analysis of Russia’s political economy in the 1990s, see Shleifer and Treisman (2000).
big firm capitalism to entrepreneurial capitalism, to borrow from taxonomy developed by Baumol et al. (2007). Oligarchic capitalism, whose emergence in postcommunist states can be linked to gradualism in first-generation economic reforms and non-transparent privatization, would become a dominant form in all CIS countries, except for a state-guided capitalism in Uzbekistan, Belarus and some Balkan countries, e.g., Macedonia, whereas the combination of big firm and entrepreneurial capitalism emerged among the Brussels group economies. But the oligarchic form, particularly destructive to democracy, appears to be receding, especially in the Balkan states, with the space taken over by strengthened states and small firms.

A. Common feature of trajectories: capitalism replaces central planning

One of the pillars of communist institutional design, central planning, disappeared as the state institutional capacity to enforce actions drastically eroded during the final stages of disintegration of state socialism. Yet, the loss of enforcement capacity by the state did not amount to economic liberalization, as there were many areas—e.g., prices, foreign exchange, cross-border movement of goods and services—that the state could control. The choice faced by postcommunist authorities was either to drastically reduce micromanagement burden on the state through the removal of central controls over prices, foreign trade and foreign exchange regime or to retain them, albeit with slight modifications. Poland, soon followed by other EU-8 countries and some former Yugoslav republics, chose the former, whereas other countries followed the latter course, albeit with a caveat: Bulgaria and Romania initially removed controls but quickly restored them. Poland’s approach became known as a radical (misleadingly called “shock therapy”) approach, whereas the other approach became known as gradualism or partial reforms. Ultimately, other postcommunist countries had to adopt “Polish measure:” they did so around 1995-96.

Interestingly, none of these approaches had been the subject of debates in affected countries. Lipton and Sachs (1990) were among the most articulate advocates of radical approach and Murrell (1993) and Poznanski (1992) of gradualism. For a succinct discussion of the debate, see Brada (1993) who argued in favor of a radical approach. Russia case is special and does not warrant comparisons with the Polish program. Although the liberalization of prices in Gaidar’s program was huge encompassing most traded goods, it excluded, however, fifteen basic commodities including oil priced at a fraction of the world price. Some of these commodities (oil, non-ferrous metals, etc.) were subsequently either smuggled or exported with permits issued by respective authorities providing their holders with huge and unjustified profits. Although private actors were allowed to engage in foreign trade operations, tariff and non-tariff barriers remained in place in contrast to Poland’s program, which suspended all tariffs and other imports restraining measures. Furthermore, while the Polish zloty has become fully convertible for foreign trade transactions, foreign exchange was rationed in Russia, as indicated by significant differences in official and black market exchange rates. In a nutshell, this might have been a shock therapy but it was not a radical approach. While Poland’s program simplified and made the state-private business interface more transparent and rule-based, this was not the case of Russia’s program, which offered huge opportunities for rent seeking similar to those under gradualism.
Countries that delayed abolishing state monopoly over foreign trade, price controls, and introducing convertibility of domestic currencies paid a considerable political and economic price (Dabrowski and Gortat 2002). The ‘institutional and policy limbo’ led to macroeconomic disequilibria and deepened unavoidable transformational recession, to borrow an apt term from Janos Kornai (1992). As we argued elsewhere (Kaminski and Kaminski 2001), the choices about the depth, pace and sequencing of transitioning from central planning to market-based economy had huge implications for the quality of governance, incidence of corruption and economic growth. Countries that have quickly introduced liberalization measures (also known as first generation reforms) and stayed on the reform course have also ended earlier transformational recession.

Even though rapidly increasing inflation and prolonged recession forced ‘first-generation gradualists’ to emulate Central European radical reformers in mid-1990s, the social damage was done: the widespread presence of businessmen-cum-politicians in parliaments and state offices of most CIS countries. They have erected huge barriers to political accountability and second-generation reforms.18

The success of Poland’s pioneering stabilization and transformation program launched in January 1990 has shown that radical liberalization would not cause economic catastrophe, as many critics predicted at a time. Once the Polish economy bottomed out in 1992 and inflation was falling, it became clear that the radical liberalization was superior to their gradual removal, although the debate persisted mainly abroad rather than in postcommunist countries.19 The gradualists underestimated the state capacity to manage the blurry area of public and private sectors’ interaction and ignored economic distortions created by partial liberalization of prices and foreign trade. Opportunities for rent seeking have further exacerbated distortions inflicted upon the economies that followed the path of partial reforms.

It appears that the pace of liberalization was negatively correlated with the period of a transformational recession.20 Before we examine data, a note of caution about their quality deserves a

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18 The experience so far suggests that only massive social upheaval can lead to “liberation” of the political system from their dominance. Allegations of massive corruption fueled the 2004-2005 Ukraine’s “Orange Revolution” and 2003 Georgia’s “Rose Revolution,” albeit rigged elections were a direct trigger in both cases.

19 Interestingly, none of these approaches had been the subject to debates in affected countries. But in retrospect there was clearly no choice at all. Lipton and Sachs (1990) were among the most articulate advocates of radical approach and Murrell (1993) and Poznanski (1992) of gradualism. For a succinct discussion of the debate, see Brada (1993) arguing in favor of a radical approach.

20 But there are two caveats weakening this observation. First, being part of the Soviet Union appears to explain the size of contraction. Three Baltic states followed a radical path: yet, the contraction of output was twice as high as that in other radical reformers in the EU-8 group but similar to that experienced in Belarus, Russia, and Kazakhstan. Considering, however, that Russia severed economic links with Baltic state and cut off energy supplies, the contraction might have been larger had they not implemented radical stabilization cum transformation program. Second, Belarus and Uzbekistan experienced the lowest contraction in output following the dissolution of the Soviet Union despite a very limited liberalization. As Havrylyshyn (2008: 77) notes: “... research is still needed
mention. The depth of transformational recession was grossly exaggerated in national statistics for two reasons: under central planning, reporting actors have an incentive to overstate their achievements whereas following its collapse they would hide their results in order to evade taxation. In consequence, conventional measures of output tend to overestimate the extent of the collapse as they fail to account for “output that never was” under central planning (Winiecki 2000). It is not clear what the size of this—to use Besancon’s (1984) phrase—phantom economy was due to pervasive “doctoring” of economic data. Other factors exacerbating the size of pre-transition GDP include price distortions, quality differences and, last but not least, inherent interest of firms under central planning to overstate their fulfillment of production plans. Yet, these comments notwithstanding, there was chaos and collapse of supply links during the initial stages of transition exacerbated by hyper inflation and accompanied by an increase in barter transactions in former Soviet republics.

Reforms aiming at establishing a competitive market-based economy can be usefully split into two groups taking as a criterion the time needed to implement reform measures. Measures that can be implemented with almost a stroke of a pen are referred to as first generation reforms or simply liberalization whereas those requiring time and resources are referred to as second generation reforms or institutions. The former include liberalization of prices and of foreign trade and exchange rate regimes, and small scale privatization. In a nutshell, these can be referred jointly as liberalization. The second generation reform involves establishing institutional underpinnings for allocation of resources through competition. These are institutional reforms. They differ in terms of technical ease of implementation; political barriers may be formidable to both first generation and second generation reforms, as the case of Azerbaijan forcefully demonstrates. Over the last decade or so, the variation in both liberalization and institutional reforms among postcommunist countries has dramatically declined, whereas political differences have persisted (Figure 1).

The variation in the level of achieved economic liberalization and, to a lesser extent in institutional sophistication of market supporting institutions across postcommunist countries, as measured by the coefficient of variation, has declined (see Figure 1). For economic liberalization, it fell...
from 0.56 in 1992 to 0.25 in 2000 and 0.16 in 2007. The average score of 85 implies a 15 percent lower level than in most liberal economies in the world.

While the gap between CIS countries and radical reformers in terms of liberalization was relatively quickly closed, this has not been the case of institutional reforms. Institutions are always important, as they are critical to efficient use of production factors and allocation of resources in line with a country’s comparative advantage. But institutional development proceeded rather slowly in postcommunist countries except for EU-8 countries and Croatia. EU-8 countries have already reached a relatively high level in 1996. Gros and Suhrcke (2000), using regression analysis covering 130 countries, have found that the institutional and financial framework in EU-8 was more advanced in 1995 than their level of development would imply. By 2007, institutional framework in only three CIS countries approached the EU-8 level achieved in the mid 1990s: Armenia in 2005, Russia in 2006, and Ukraine in 2007.

Figure 1: The variation in progress in transition in postcommunist countries in selected years over 1992-2007

Sources: Own calculations based on the data from the WDI World Bank’s database and EBRD Annual Reports on Transition, various issues, London.

There seems to be consensus that the level of institutional maturity ensuring a country’s competitiveness and decent economic growth performance depends on country’s special circumstances and attained level of economic development. Sala-i-Martin et al. (2009) distinguish between three stages of economic growth—factor-driven, efficiency- and innovation-driven—and assign different weights to institutions relevant for their growth performance.²³ By this measure, second-generation

²³ Business sophistication, deep financial markets together with incentives to innovation are of primary relevance to highly developed economies, which are at the innovation-driven growth stage, but much less important to countries at the efficiency-driven growth stage. For the latter, institutions supporting higher education and
reforms are more critical to countries at a higher level of economic development: most CIS countries are still in factor-driven stage or transitioning to efficiency-driven economic growth stage. For this reason, the absence of more developed financial and institutional framework may be less of an impediment to economic growth.

The variation in institutional progress declined from 0.98 in 1993 to 0.48 in 2000 and 0.35 in 2007. An average score for new EU members was 69 with the value of coefficient variation of 0.13. A larger variation in institutional economic arrangements, i.e., the progress in second generation reforms than in liberalization can be explained by varying needs of countries at a different level of economic development. Havrylyshyn (2008) showed that relatively weak institutions across former Soviet republics were not a barrier to economic growth in 2000-06. In fact, the lack of the institutional maturity did not prevent other postcommunist countries from recovering and experiencing strong economic growth thus corroborating an earlier observation that for earlier stages of economic growth the institutional sophistication matters less.

But this only happened after a prolonged transformational recession and the introduction of first generation economic reforms. The bloody demise of Socialist Yugoslavia was the main factor responsible for the collapse of output in former Yugoslav republics. Instabilities and unrest also exacerbated the size of the fall in aggregate output in Armenia, Georgia, Tajikistan and Azerbaijan. But a subsequent establishment of a capitalist economy, no matter how advanced, was sufficient to generate growth as did in Poland and other bold reformers.

**B. Full-democracy and incomplete-democracy: shifts between two trajectories**

Countries that have entered and subsequently consistently stayed the democracy course included those from the first wave of EU Eastern Enlargement, i.e., Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia (hereafter referred to as EU-8), albeit with a caveat. With the dissolution of Czechoslovakia, Slovaks displayed larger tolerance for living with multiple legacies of communism and until 1998 tolerated authoritarian impulses of the dominant People's Party—Movement for a Democratic Slovakia led by Vladimír Mečiar. Slovakia was not on the AD or PD path but it became an international pariah (Pridham, 2001). However, the shift towards democracy in Slovakia, prompted by ‘fears of not qualifying for EU membership, was swift and full (Javorcik and B. 

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training, market efficiency, and technological readiness are of greatest relevance. The first stage of factor-driven growth (driven by the build-up of capital) critically depends on institutions supporting and enforcing private property rights, infrastructure, macroeconomic stability, health, and primary education (Sala-i-Martin et al. 2009: 3). These are referred to as basic requirements.
Table 2: Postcommunist countries’ political and economic regimes in 1996, 2008 and the depth of transformational recession

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<td>Belarus</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Moldova</td>
<td>47</td>
<td>40</td>
</tr>
<tr>
<td>Russia (2)</td>
<td>29</td>
<td>21</td>
</tr>
<tr>
<td>Ukraine</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>29</td>
<td>17</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Total average</td>
<td>39</td>
<td>45</td>
</tr>
</tbody>
</table>

Notes: Democratization is measured by the values of SAP (Single Aggregate Index of Political Regime) it is an average of “Voice and Accountability” and “Rule of Law” dimensions of governance. SAP is normalized in terms of percentile ranks with larger value indicating more democratic regimes. The value of 35, for instance, means that a country is more democratic than around 35 percent of 213 countries covered by the World Bank’s survey. Liberalization measures the extent of the removal of direct state controls over prices and of foreign trade and exchange rate regimes, and carrying out small scale privatization as captured in EBRD indicators of progress in transition. These are averaged and normalized in terms of liberalization in highly developed countries. Institutions supporting competitive markets are an average of EBRD indicators of progress achieved in the average of scores ranging between 1 (no liberalization) and 4.5 (liberalization at the levels of highly developed market economies) for government and enterprise restructuring, competition policy, banking reform and interest rate liberalization, security markets and non-bank financial institutions, and large scale privatization. It has been normalized with 1=0 and 4.5=100.

(1) These countries went through a second recession, i.e., after an initial rebound, they experienced negative growth rates exceeding two percent; (2) Positive growth rate of 1.4 percent in 1996 was so small and followed by a contraction in 1997. We took 1999 as the first year of Russian rebound. Radical reformers outside the EU-8 marked in bold.

Sources: Own calculations based on the data from the WDI World Bank’s database and EBRD Annual Reports on Transition, various issues, London.
Kaminski 2004). In both 1996 and 2008 they scored well above the ‘democratic’ threshold of 56 percent (see Table 2).

These countries have simultaneously pursued the path of both economic and political reforms. They all have adopted radical approach to economic liberalization: by 1993 the level of economic liberalization of 53 percent was equal to that in Poland after her launch of stabilization cum transformation program in 1990 (for an explanation of this indicator, see notes to Table 2). This paid off not only in political terms of containing the emergence of oligarchs with political influence that would take them of the democratic trajectory but also in terms of the depth and time of contraction during the transformational recession. The fall in output was much larger for Baltic states, although they experienced a smaller contraction and faster recovery than most of other former Soviet republics.

In 1997-2008 the number of countries on the D trajectory has increased as three countries—Bulgaria and Romania, after bumps in the second half of the 1990s, and, following the death of its president Franjo Tudjman in 1999, Croatia, elected pro-democracy governments. After reversals in political and economic liberalization in Bulgaria in 1995-97 and Romania in 1995-96,\(^{24}\) which led to respective second transformational recessions, by the end of the 1990s these two countries entered the D path that eventually took them to the EU. Both countries paid a heavy economic price for reversals engineered by former communists: Bulgaria’s GDP contracted combined 15 percent in 1996-97 and hyperinflation reached more than 1,000 percent in 1997, whereas Romania’s GDP experienced a cumulative decline of 11 percent in 1999-2000. Economic crisis brought to power pro-democracy forces. Croatia was a different case: this was not about the economy but establishing democracy. Tudjman was instrumental in bringing Croatia’s independence and his autocratic impulses might have been of great value when confronting Serbian nationalism. However, once he passed away, pro-democracy and pro-EU forces have prevailed.

Other good news for democracy was dramatic improvement in the quality of political governance in South-East European; countries that have been under the umbrella of EU Stabilization and Association Agreements whose common end point is EU membership.\(^{25}\) While except for Croatia, no other former Yugoslav republic has moved beyond the democracy threshold of 56 percent in 2008, their

\(^{24}\) For an economic account of the crisis and its origins, see Wyzan (1998); for an account of democracy restoration in the aftermath of an economic crisis, see Fish and Brooks (2003).

\(^{25}\) Croatia and Macedonia are engaged in formal accession negotiations. They have formally, together with Turkey, the status of candidate countries as opposed to potential candidate countries that include other SEE countries including Kosovo and, most recently, Iceland.
scores have dramatically improved and some (Serbia, Montenegro) moved very closely from the AD trajectory to the D trajectory.

In addition to former Yugoslav republics, the group of countries that has moved closer towards functioning democracy, although they still remain ‘in-between,’ includes Armenia, Georgia, Moldova, and Ukraine. Politically, they represent fragile equilibria within either semi-authoritarian regimes or non-consolidated democracies. The latter comprise countries that experienced successful “color revolutions,” Georgia and Ukraine, with the opposition succeeding in toppling authoritarian leaders. Except for pro-Western Georgia, these countries are torn between “East” and “West.” Moldova may soon (in the Fall of 2009) witness the rise to power of democratic opposition, supported by the West, at the expense of the current government, apparently, propped up by Russia and China.

The prospects for democratization in Armenia, which has experienced very strong economic growth over the last decade (Mitra et al. 2008) and much higher SAP scores, remains unclear given the situation in Nagorno-Karabakh, strategic alliance with Russia and nationalistic Diaspora with powerful voice in Armenia’s domestic politics.

C. Anti-democracy trajectory: expanding?

Three countries, all former Soviet Central Asian republics, have never experienced the burst of freedom that accompanied the collapse of communism have firmly remained on the AD trajectory. These are Tajikistan, Turkmenistan, and Uzbekistan. But they acquired company as the AD trajectory attracted other countries—Azerbaijan, Belarus, Kazakhstan, Russia and, to some extent, Kyrgyz Republic. Their number was not large while their weight was huge, as Russia switched successively to incomplete democracy and then to the AD trajectory. Russia initially moved to a PD trajectory: but with increasing preponderance of the presidential power over a weak parliament its shift to an AD trajectory began even before the transfer of power from Yeltsin to Putin in 2000. Considering gross economic mismanagement in the 1990s and massive de facto theft of state property that climaxed with an infamous ‘loans for shares’ deal in 1996, docility of Russian people in face of shrinking economic pie being increasingly unequally divided was astounding.

26 For an extensive analysis of these cases as well as other cases of accession to power of more democratic political forces in other postcommunist countries, see Bunce and Wolchik (2009a and 2009b).
Similar gross economic mismanagement has pushed, among others, Bulgaria, Georgia, and Ukraine towards a democratic trajectory, albeit with different intensity and current outcome, whereas Russia has entered the AD path.

Countries with various forms of authoritarianism ranging from benign (Kyrgyz Republic) to callous (Uzbekistan) are poorer than ‘in-complete’ or ‘consolidated’ democracies, although there are exceptions. Three of them, like new EU members, are upper middle income countries with Gross Domestic Product in purchasing power parity (GDP PPP) per capital above $3,705. These are Belarus, Kazakhstan, and Russia. Azerbaijan is classified as a lower middle income economy (with GDP PPP above $939), and the remaining Central Asian countries are low income countries. Furthermore, except for Belarus and Kyrgyzstan, they are net exporters of resource-intensive commodities and energy.

D. Patterns of political outcomes twenty years later: only few deviations

How counterintuitive or unusual is the spectrum of political regimes almost two decades after the collapse of communism? In an attempt to answer this question, we shall focus on political regimes as captured by the values of SAP (Single Aggregate Index of Political Regime) and treated as an endogenous variable and limit the analysis to such exogenous variables as the level of economic development (GDP PPP per capita in terms of the average for high income OECD countries), endowment in energy resources (net exporters of energy), and geography (the distance from capitals of postcommunist countries to Brussels).

Although rich countries, except for oil exporters, are democratic, the links between democracy and the level of economic development are not straightforward. As Przeworski and Limongi (1997) argued, democracy can emerge at any level of economic development but can survive in poorer countries only insofar as it succeeds in generating development. In a similar vein, Haggard and Kaufman (1995) note that "[...] the relationship between level of development and regime type seems indeterminate among middle-income countries, which have been characterized by both authoritarian and democratic rule. A certain threshold of national income may constitute an important condition for democratic rule. But the level of economic development cannot tell us anything about the dynamics of democratic transitions or why they occur when they do" (1995: 29).

These limitations notwithstanding, it appears that the level of democratization as captured by the WB SAP coincides rather strongly with the level of GDP PPP per capita. In fact, even without

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28 The review of relevant literature would go beyond the format of this paper. Instead, we recommend a concise discussion of scholarly literature on links between economic conditions and democratization in Bandelj and Radu (2006).
resorting to sophisticated statistical analysis, one may draw this conclusion by gleaning at a scattered diagram of 27 postcommunist countries, as no GDP data are available for Turkmenistan, described in terms of GDP PPP per capita and SAP indices (Figure 1A). Note that only four of them—Azerbaijan, Belarus, Kazakhstan, and Russia—are completely outside of the cluster around a straight line and three—Kyrgyz Republic, Tajikistan, and Uzbekistan—score lower in both GDP per capita and the level of democratic political institutions. The former four stand apart with relatively high incomes per capita ranging between 20 and 40 percent of the OECD level and low level of political freedoms at around 20 percent. In other words, their political regimes are significantly more repressive than in other postcommunist societies at similar levels of economic development. The exclusion of these countries raises the value of square-R from 65 percent to 86 percent, i.e., the bulk of the variation in political regimes from a regression line can be explained by the level of economic development (Figure 1B).

**Figure 2: Political regime and achieved level of economic development in 2007 (in percent)**

<table>
<thead>
<tr>
<th>A. All postcommunist countries (a)</th>
<th>B. Excluding four CIS ‘outliers’(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="Image1" alt="Graph A" /></td>
<td><img src="Image2" alt="Graph B" /></td>
</tr>
</tbody>
</table>

Note: (a) it does not include Turkmenistan for which no data available in the World Bank’s WDI database; (b) outliers include Azerbaijan, Belarus, Kazakhstan, and Russia.

Sources: As in Table 2.

Three of postcommunist outliers are large net exporters of oil: the resource curse has turned out to be one of the important determinants of political outcomes of transition. Indeed oil rarely moves in tandem with freedoms: among 40 countries with the GDP per capita over $20,000 in 2007,²⁹ there are

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²⁹ This refers to GDP per capita, PPP (in current international dollars) in 2007. The source is the World Bank’s WDI database.
four ‘not free countries’ countries and two ‘partly free’ in the Freedom House’s classification: except for Singapore (partly free), they are all net exporters of oil. Among oil exporters at this income level, only Norway is ‘free.’ All four postcommunist countries in this income group—Slovenia, Czech Republic, Estonia, and Slovakia—are ‘free:’ none of them is a net energy exporter. Among 28 countries with the GDP per capita between $10,000 and $20,000, there are five ‘not free’ countries. Except for Belarus, others are net-oil exporters including Russia and Kazakhstan. Other eight are from the “EU” group, and they are all ‘free.’ Going down the developmental ladder, among three remaining ‘not free’ postcommunist societies, again there are two net exporters of energy—Azerbaijan and Uzbekistan. The other country is Tajikistan. Altogether we have two cases—Belarus and Tajikistan— that might require an explanation possibly entailing reference to the communist past and geographical location, whereas ‘oil’ explains the other cases of ‘not free’ societies.

At the lower end of economic development, Moldova with a GDP per capita of 7 percent of the OECD high income group (roughly comparable to that in Uzbekistan, Kyrgyzstan and Tajikistan) has a SAP score between 2.5-3.9 times higher than in these countries. Leaving aside an explanation for this discrepancy, which has nothing to do with the “success in generating economic growth,” one of Przeworski and Lingo’s conditions for democracy, one may note that geography may be an important variable. Excluding these countries would raise the level of variation (R-square) explained by a simple regression line to 91 percent.30

Another factor that influences the political outcomes is geography. Geography may be a curse on at least two counts. First, land locked countries may face a vicious cycle of the low-income trap resulting from a location far away from large markets and having bad neighbors (Collier 2007:53-63). For instance, resource-poor Central Asian countries face huge transportation costs because of low traded volumes; huge transportation costs suppress both transported and traded volumes, which, in turn, may lock a country in low income equilibrium.31 From the vintage point of the late 1990s, the prospects for development in Central Asia looked grim prompting some analysts to talk about “deadly

30 This finding appears to contradict Bandelj’s and Radu’s (2006) argument that economic development had no impact on democracy building. The contradiction is only superficial: we examine the achieved level, whereas their analysis focuses on the pace of economic growth. The pace may not have determined the pace of democratic consolidation but the achieved level of economic development was positively correlated with the outcome in 2007.

31 For an excellent discussion of the low-income trap as an explanation of barriers faced in CIS countries, see Raballand et al. 2005.
land-lockedness” with a question mark\(^32\) (Raballand 2005). Land-lockedness did not turn out to be fatal, however. Thanks to oil-driven growth in Kazakhstan and Russia together with buoyant export-led growth in China’s Xinjiang province,\(^33\) other Central Asian countries experienced strong economic expansion in the 2000s. Yet, this has not produced a single viable democracy in the region.

Remote location from large markets combined with authoritarian neighbors may further hinder transitioning to a liberal market-based democracy. Countries located closer to the old EU-15 score higher in terms of the quality of governance, democracy and the level of economic development. Among five first five postcommunist countries invited by the EU to start accession negotiations in 1996, four of them—Czech Republic, Hungary, Poland, and Slovenia—had a land border with the EU and one, Estonia, is around 50 miles from Helsinki across the Gulf of Finland. In all, proximity of the EU has been linked to the pace in transitioning to market-based liberal democracies. The same cannot be said about proximity to Russia.

E. In lieu of conclusions

Table 3 tabulating the values of a correlation coefficient amongst dyads of measures selected to assess empirically the progress in transition as achieved by 2007-08 offers useful concluding insights into the emerging general patterns corroborating the results of our preceding discussion. Since corruption was the most visible legacy of communism affecting political development during the initial stages of transition (Kaminski and Kaminski 2001), we have added the incidence of corruption as perceived in 2008: The incidence of corruption has been derived from the values of CPI (Corruption Perception Indices), published annually by Transparency International on the basis of international investors’ perception of business climate in 180 countries in 2008. It is equal to zero, i.e., no corruption, for the highest value of CPI, which was 9.3 in 2008, and it is equal to 100 percent for the lowest value of CPI, which was equal to unity in 2008.

Countries that have made progress towards establishing viable democracy ceased to stand out in terms of the incidence of corruption in 1998-2008, whereas its level in CIS authoritarian countries continues to remain significantly higher than their level of economic development might indicate. The most pervasive corruption with the levels exceeding 85 percent is in Central Asia, albeit other

\(^{32}\) See, for instance, the title of Raballand’s book (L’Asie Centrale ou la fatalite de l’enclavement) written at the turn of the century, which can be loosely translated as Central Asia or deadly landlockedness with central as antonym to periphery or land-lockedness.

\(^{33}\) Xinjiang province experienced strong industrial growth in 1998-2007 driven by the combination of central government investments and emerging trade opportunities in Central Asia. Xinjiang, rather than China as whole, offers a more appropriate reference point due to remoteness of other parts of China and limited economic interaction. Xinjiang already accounts for the bulk of trade with Central Asian countries.
countries—including “post-orange” Ukraine—do not lag behind them with the exception of Georgia. Georgia success in reducing the incidence of corruption has been astounding. The incidence of corruption of 64 percent is lower than that in both the SEE- and EU-2+1 subgroup. A dramatic increase in simplicity and transparency of regulations has been the most tangible achievement of the political regime brought about by the Rose Revolution of November 2003 (Papava 2006) not emulated by Ukraine’s Orange Revolution. Even though Georgia has been slipping towards authoritarianism, the incidence of corruption has been consistently on the decline. As for the Brussels group, two countries stand out in terms of very low levels of corruption—Estonia and Slovenia (around 30 percent). Excluding these two countries, the average incidence of corruption in EU-8 is 53 percent as compared with the average of 22 percent for EU-15 or 17 percent for EU-13 excluding two most corrupt EU countries—Greece (55%) and Italy (54%).

Table 3: Values of correlation coefficients for selected parameters describing political and economic arrangements in 2007-08

<table>
<thead>
<tr>
<th></th>
<th>GDP PPP per capita</th>
<th>TI Incidence of corruption</th>
<th>EBRD liberalization</th>
<th>EBRD institutions</th>
<th>Distance to Brussels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political freedom WB SAP</td>
<td>82%</td>
<td>-95%</td>
<td>69%</td>
<td>87%</td>
<td>-81%</td>
</tr>
<tr>
<td>GDP PPP per capita</td>
<td>0</td>
<td>-83%</td>
<td>43%</td>
<td>75%</td>
<td>-71%</td>
</tr>
<tr>
<td>TI Incidence of corruption</td>
<td>0</td>
<td>0</td>
<td>-59%</td>
<td>-80%</td>
<td>+70%</td>
</tr>
<tr>
<td>EBRD liberalization</td>
<td>0</td>
<td>0</td>
<td>78%</td>
<td>-41%</td>
<td></td>
</tr>
<tr>
<td>EBRD institutions</td>
<td></td>
<td>0</td>
<td>78%</td>
<td>-60%</td>
<td></td>
</tr>
<tr>
<td>Distance to Brussels</td>
<td></td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Note: TI (Transparency International) incidence of corruption has been derived from the values of CPI (Corruption Perception Indices), published annually by Transparency International on the basis of international investors’ perception of business climate in 180 countries in 2008. It is equal to zero, i.e., no corruption, for the highest value of CPI, which was 9.3 in 2008, and it is equal to 100 percent for the lowest value of CPI, which was equal to unity in 2008.
Sources: Own calculations based on the data in Table 1 and from Transparency International website.

Turning to correlation coefficients for the dyads of examined variables, the following observations can be derived from Table 3. First, geo-political location matters. Gleaning over the values in the last column, one can arrive at the following general observation: as one moves away from Brussels, the level of economic development and the quality of economic governance decline whereas both the incidence of corruption, derived from Transparency International’s Corruption Perception Indices (see note to Table 3), and repressiveness of political regimes increase. The incidence of corruption declines as the quality of economic governance increases.

Second, the progress achieved in building democracy is positively correlated with the level of economic development and the quality of economic institutions underpinning competitive markets. On the other hand, however, as one moves away ‘from Brussels,’ political freedoms decline. So does the level of economic development.
Last but not least, while postcommunist countries have become capitalist economies, there is significant variation in the quality of institutions supporting competition and private sector development. The extent of economic liberalization, that is, progress in implementation of first generation reform) is almost universal displaying relatively low level of correlation with the level of economic development and distance from Brussels.

5. Concluding observation

While we were not able to identify a single explanatory structural variable, there are some features that stand out, albeit with some exceptions. Taking political culture as a product of history, postcommunist democracies (new EU-8 member states) that have stayed the course of radical economic and political reforms and have not deviated—except for Slovakia’s deviation,’ courtesy of Vladimír Mečiar—from the PD trajectory have their common roots in Western Christianity.\(^{34}\) But some other postcommunist democracies do not share this trait.

Neither Muslim nor Eastern Orthodox Church provides a similarly strong designation. Other democracies were parts of Ottoman Empire with mostly Orthodox or Muslim populations. Albania and Bosnia are mostly Muslim, whereas Bulgaria, Romania, Serbia, Montenegro and Macedonia (excluding its Albanian population) have roots in Eastern Christianity. But so do Ukraine (with some qualifications) and Moldova from an ‘incomplete’ group and such authoritarian countries as Belarus and Russia.

Similarly, another component of political culture, strength of national self-identification, as approximated by the duration of independent existence, does not explain all cases. Strong national identity drove Baltic countries following their independence to sever their links with Russia, despite huge short term hardship. Although Transcaucasian societies also have strong national self-identification, they did not succeed, except for Georgia, in reorienting their external ties to the West. Two of them are, however, in a group of incomplete democracies. On the other hand, however, weak sense of national identity explains Belarus ‘deviation to the AD trajectory’ or Ukraine’s incomplete democracy.

Three other variables that provide much stronger explanation of the position of various countries in the political spectrum of the postcommunist world include: geographical location, endowment in energy resources and the attained level of economic development. In general, the quality of governance and level of democratization falls as one move further from Brussels. All net exporters of

\(^{34}\) Croatia, not included in this group, also belongs to Western Christianity. However, because of unique circumstances of the demise of Yugoslavia, its transition away from the Yugoslav variant of communism proceeded along a different path discussed earlier.
energy amongst postcommunist countries suffer from ‘resource curse;’ they all have authoritarian regimes.

The only country located clearly outside acceptable limits delineated by the level of GDP per capita is Belarus. The distance to Brussels is smaller than from Bulgaria, Estonia, Montenegro, and Romania. It is not a net exporter of energy. Furthermore, the country has its roots in Eastern Christianity and its population has a very weak sense of national identity. The difference in respective positions of Belarus and Ukraine, which shares many similar features, calls for further research.

Another important finding is that the direction and pace of transition has been deeply affected by initial strategic political and economic choices. Two striking features stand out: First, all countries that now have authoritarian regime or are incomplete democracies (except for Ukraine with a mixed system) have chosen presidential system whereas consolidated democracies have parliamentary, except for Bulgaria, or mixed presidential/parliamentary system (former Yugoslav republics except for Slovenia, Poland, and Romania). The choice of an electoral system does not display similar pattern with one exception: majoritarian electoral system appears to have been the choice made by authoritarian regimes, where the electoral outcomes are controlled.

Second, countries where the intensity of rejection of communism was high and the opposition prevailed in the first free (or limitedly free, as it was the case in Poland) elections, the pace of dismantling central planning was much faster than in other countries. Political arrangements that emerged following the collapse of communism turned to be decisive in the approach taken to economic liberalization, i.e., first generation reforms. While EU-8 countries as well as Albania and two former Yugoslav republics (Croatia and Macedonia) adopted a radical approach and reached the level of economic liberalization introduced in Poland’s program launched in 1990 within two years following the fall of communism, CIS countries followed a path of partial gradual reforms reaching similar levels of liberalization only four years after the dissolution of the Soviet Union. Rent opportunities created by incomplete realization contributed to corrupting polity and erected barriers to democratic consolidation. There were exceptions: some CIS countries have yet to achieve ‘Poland’s level of economic liberalization. These include two authoritarian regimes; Belarus and Uzbekistan. And one CIS country—Kyrgyzstan—achieved this level in 1994, i.e., two years after independence.
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