Regime Change in the Yugoslav Successor States

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How to Explain the Puzzle of Post-communist Regime Diversity

The combination of divergent political outcomes, a common institutional legacy, and a shared time frame of transformation has made the post-communist region particularly interesting to comparative political scientists. The challenge has been to explain the reality of post-communist regime diversity, which prevailing theories did not predict. When measured in terms of civic and political rights indices developed by Freedom House, there was no region or set of countries with a larger standard deviation on democratization scores in the 1990s. Among the post-communist states, one found instances of liberal democracy, full-blown dictatorship, and everything in between. Today, two decades after the collapse of the Berlin Wall, some post-communist states are members of the EU, while others are autocracies or struggle to maintain stability. As such, questions about the determinants of divergent paths of democratization in the post-communist world have come to dominate the debates of area studies scholars and political scientists.

Post-communist diversity has been a surprise for a number of reasons.
First, it is surprising in light of the common and powerful communist past. Bunce (1999: 757) argues that communism was an “internally consistent,” “elaborate,” and “unusually invasive” political and economic system, and as such presents one of the best cases social scientists have for the kind of powerful and distinctive past that one would expect to influence post-communist outcomes in a uniform way. Many would not predict democratic or market outcomes at all, given fifty to seventy-five years of regimes that were anything but democratic and market-oriented. Second, communism “remained in place for a long time and was the heir in virtually every instance to a well-established tradition of authoritarian politics and state-dominated economics.” Third, diversity is surprising because the East European states emerged from communism into an international environment that was quite consensual in its ideological message: liberalism in politics and economics was hegemonic, with few incentives to pursue alternate paths of development. On the contrary, the incentive to pursue liberalism as a way to enter Euro-Atlantic structures was immense.

The discussion over how best to account for post-communist diversity reflects older debates in the comparative study of democratization. The main divisions in the literature on democratization are between two very different epistemological orientations: structural or configurational theories on one hand, and process and agency-oriented theories on the other (Kitschelt 1992). Put differently, the literature can be categorized into scholars who focus on the structural prerequisites of democracy and those who argue that human agency has the power to “craft” democracy despite the existence of certain unfavorable conditions. In the first group, among the most important works are Lipset (1960), Moore (1966), Luebbert (1991), Rueschemeyer, Stephens, and Stephens (1992), and Huntington (1993). Seminal works of the second group include Rustow (1970), Di Palma (1990), and numerous publications by the “transitologists” Juan Linz, Guillermo O’Donnell, Alfred Stepan, and Philippe Schmitter. As Kitschelt (1992: 1029) notes, central to this debate is the concept of choice in political action itself. For structuralists, “choices represent calculations in light of given preferences and institutional constraints.” For those who believe in the power of human agency, “choices are caught up in a continuous redefinition of actors’ perceptions of preferences and constraints.” The underlying debate, as Hirschman (1970) succinctly stated, is between beliefs in the “probable” (the structuralists) versus the “possible” (the agency-centered scholars).
Bunce (1999: 762) has noted that the position one takes when considering these debates in the context of post-communism is more than just a matter of intellectual taste. Indeed, it reflects different understandings of what has transpired in this part of the world since the collapse of the old system and what is likely to transpire in the future, and it is also likely to lead to different interpretations of communism and pre-communism. One can discern three broad approaches in the literature on post-communist democratization whose differences reflect the kinds of epistemological divisions inherent in the literature on political change mentioned above. Each approach, furthermore, has its own basket of preferred variables and hypotheses.

Pre-communist Legacies

The first of these approaches is preoccupied with the pre-communist history of post-communist states and turns to factors such as historical levels of socioeconomic development, patterns of nation- and state-building in the pre-communist period, the history of ethnic relations, and forms of pre-communist imperial domination and the kinds of institutions, patterns of authority, civil society, and political culture they engender. Scholars whose work espouses this approach have highlighted differences between Habsburg (with a dense civil society and a relatively high level of development) and Ottoman (with a weak civil society and economic underdevelopment) rule and the consequences of these differences for current developments.

An equally important variable for proponents of this approach is the degree to which liberalism and democracy were part of interwar regimes. Thus, the Czechoslovak interwar experience with democracy is seen as providing democratic capital for post-communist transition, while Bulgaria's prewar autocratic monarchy does not provide such advantages.

Political culture, often defined by religion, is also a key variable in this approach. One hypothesis is that the impersonal-legalist tendencies of Western Christianity provide a more fertile ground for post-communist democracy than the collectivist-paternalistic proclivities of Eastern Orthodoxy and Islam. These differences helped lead the Orthodox-Muslim and Catholic areas of Eastern Europe down differing paths of political development starting in the Middle Ages, and the empires that governed these lands largely reinforced the cultural tendencies of each faith. Thus, this hypothesis maintains that differing religious traditions help to explain the relative democratic success of the predominantly Roman Catholic northwestern tier of Eastern Europe (Poland, Hungary, Czech
Republic) versus the democratic shortcomings of the Orthodox and Islamic southeastern tier (Bulgaria, Bosnia and Herzegovina, Albania, Romania).

Differing levels of economic development, rooted in the pre-communist period, have also been used to explain post-communist diversity. This approach is rooted in the modernization literature of the postwar era, which saw economic development as the precursor to the development of democratic attitudes. Simply stated, the hypothesis is that higher levels of development provide a better setting for democracy than lower levels of development. Post-communist countries with high levels of development are more likely to have a middle class, which constitutes a solid base of support for democratic values, while those with low levels of development will have large populations receptive to populism, nationalism, and other illiberal ideologies.

The degree of ethnic homogeneity versus heterogeneity and the nature of ethnic relations can also be included in this approach as a key variable. A popular hypothesis, formulated well before the demise of communism, holds that societies with ethnic divisions face many difficulties in democratizing their polities (Dahl 1971; Lijphart 1977; Horowitz 2000). When and where they exist, ethnic differences rooted in the pre-communist past create bases of identification that polarize publics and make the kind of compromise and consensus building necessary for democracy much more difficult. Ethnic divisions, furthermore, increase the risk of violence and war, which also complicates the prospects for democracy. Parties will form around ethnic rather than political identities, especially in late-developing countries or in those where ethnic differences coincide with socioeconomic cleavages and strong memories of ethnic strife. Under such conditions, there are incentives for political leaders to exploit any existing or historical distrust and animosity embedded in these ethnic differences. Therefore, ethnically heterogeneous post-communist societies are expected to have a more difficult time democratizing than homogeneous ones.

The pre-communist approach suggests that the communist period was merely a divergence from a preexisting trajectory of development, and the policies and institutions of communism either did little to eliminate pre-communist legacies or only served to reinforce their salience. In this view, the collapse of communism has opened a Pandora's box of pre-communist values, identities, memories, and animosities and led political elites and policymakers to reach into the pre-communist histories of their nations to resurrect everything from state symbols and political parties to laws and institutions.
This approach has been criticized for being overly deterministic and unable to explain those post-communist states that have successfully democratized their polities despite the existence of decidedly negative pre-communist legacies (Romania and Bulgaria). Critics also contend that although it is strong on causal depth, this approach is less effective at making strong causal linkages. How can one demonstrate that interwar democratic cultures (Czecho-slovakia) were sustained through half a century of communism and the social, political, and economic upheaval it entailed? The strength of this approach lies in its ability to identify root structural causes that are historical continuities faced by regimes and leaders of various characters in all historical periods as well as temporally rooted legacies. As such, it may actually be quite conducive to cross-regional comparison.

**Communist Legacies**

The second approach emphasizes the varieties of communist regimes that took shape after the initial Stalinist period. One hypothesis is that communist regimes that allowed more opportunities for civil society to exist outside of state structures created favorable sources of political capital for post-communist democratization. Similarly, those communist regimes that advanced economic and political reforms prior to their fall also created greater chances for post-communist “success” than those that avoided reforms altogether. In the reformist communist regimes, political and economic transition started before the formal end of communist rule, so post-communist reforms were simply a continuation of processes that had started much earlier. Those communist regimes that allowed little room for free speech and autonomous social organizations or avoided reform did not create a base for post-communist democratization. Other proponents of this approach point to the level of institutional pluralism in late communism and argue that where greater pluralism existed, it was more difficult to sustain authoritarianism in the post-communist period.

The advantage of this approach, thus, lies in its ability to highlight continuities and constraints from the powerful communist past. However, like the first approach, this one has been criticized for not assigning enough credit to human agency and post-communist institution building and thus being unable to explain the appearance of democracy “against all odds.” In addition, this approach may be faulted for tending to coopt variables that are actually rooted in the pre-communist past as being features of communism, leading
one to misunderstand the depth of certain post-communist traits and thus to offer misguided analyses and policy prescriptions. As Ekiert and Kubik (1999) have noted, mistrust and a weak civil society were a part of interwar regimes as much as they characterized communism. Since this approach sees the communist experience as being uniquely powerful, its proponents are skeptical of the comparability of post-communist states.

Post-communist Construction

The third approach argues for the primacy of various features of post-communism to explain political change. In this view, post-communist political outcomes are constructed by human agents, politics, and institutions, not given by history (Fish 1999). The quality, efficacy, and character of post-communist leaders is emphasized as well as the unusual leverage they held in the period of “extraordinary politics” immediately following the collapse of communism. The post-communist construction approach holds that during these periods, social constraints are lowered and the weight of the past becomes less decisive, allowing us to think of transitions in terms of “crafting.” The decisions made during these periods are “critical junctures” that “lock in” a subsequent trajectory of political development (Collier and Collier 1991). The mode of transition thus becomes critical in explaining outcomes. This approach also points to the crucial role of institutional design in shaping outcomes, concluding, for instance, that superpresidential systems have had negative consequences for post-communist democratization. Proponents of this approach also hypothesize that proportional electoral systems are more conducive to post-communist democracy than majoritarian ones.

By its very nature, this approach is best suited to the epistemology and analytical tools of “transitology,” which focuses on the role and strategic interaction of elites in “crafting” democratic transitions. Because it tends to give little weight to historical factors, it is also more conducive to the kind of cross-regional comparison prominent scholars of democratic transitions have advocated. The significant advantages of this approach lie in the proper credit it gives to human agency, the power of institutions, and the unexpected consequences of post-communist policy decisions. By focusing on proximate factors, this approach is also able to establish plausible causal linkages between explanatory variables and outcomes. Criticisms of this approach include its ahistorical nature, as it overlooks how the past, especially the powerful communist past, shapes the present in post-communist states. Furthermore, criti-
ics contend, this approach is causally shallow, inadequately searching for the “why of the why” and thereby overlooking the real root causes of post-communist outcomes. It is possible to show, for instance, that outcomes of the first post-communist elections were crucial in determining subsequent outcomes, but the more important question may be why these elections turned out as they did. The quality of post-communist political competition among parties has also been highlighted by scholars as a determinant of democratization, but it is not clear what makes for robust competition (Ekiert et al. 2007: 16).

The post-communist political construction approach is by its very nature voluntarist, reflecting an epistemology that views almost anything as politically possible given certain “extraordinary” circumstances, a healthy dose of human agency, and the right institutions. Moreover, it is focused on domestic politics. Yet, just as political rumblings in Moscow were able to shift the balance of forces in Warsaw, Budapest, or Sofia during the communist period, so too have the policies, conditions, statements, and progress evaluations of Brussels shaped the constraints, incentives, and strategies of political elites and publics alike in the post-communist period.

Discussion

Each of these approaches can be temporally and epistemologically located. Temporally, the first two reach further back into the past to find determinants of post-communist change, while the third one looks to much more proximate factors. Epistemologically, the first two approaches emphasize constraining factors identifiable a priori and are consequently inheritors of the structural tradition in comparative politics, while the third points to the power of human will, contingency, and institutions in shaping outcomes and thus reflects the voluntarist and institutionalist approaches of the discipline. Moreover, as Kitschelt (1999) has noted, the first two approaches are strong on causal depth but weaker in establishing plausible casual links between antecedents and outcomes, while the third can illustrate causal mechanisms more effectively but is less able to provide causal depth.

Multivariate regression analysis that includes the entire universe of post-communist cases may produce less than satisfactory results because it is difficult to quantify structural variables. For instance, ethnic homogeneity versus heterogeneity has been coded as a dummy variable in large-N studies, yet it is the content of ethnic relations that matters much more than the simple
Table 1.1  Approaches to Explaining Post-communist Regime Diversity

<table>
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<tr>
<th>Approaches</th>
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<td>Pre-communist legacies</td>
<td>Ethnic divisions, level of development, religious traditions, political culture, experience with democracy</td>
<td>Favorable precommunist legacies are conducive to post-communist democratization and vice versa</td>
<td>Causal depth, comparability, ability to explain long-term patterns of politics</td>
<td>Lack of causal mechanisms, overdeterminism, lack of attention to agency and contingency</td>
</tr>
<tr>
<td>Communist legacies</td>
<td>Type of communist regime (orthodox vs. developmental), extent of reform under communism</td>
<td>Liberal communist regimes were more favorable to post-communist democratization, and vice versa</td>
<td>Acknowledges importance of communist legacy, causal depth</td>
<td>Determinist, unable to account for democratization despite repressive communist legacy</td>
</tr>
<tr>
<td>Post-communist construction</td>
<td>Institutional choice, leadership, electoral system</td>
<td>Various. For instance, presidential systems are less amenable to post-communist democratization than parliamentary systems</td>
<td>Strong on causal mechanisms, able to explain surprise cases of democratization</td>
<td>Weak on causal depth</td>
</tr>
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fact of ethnic heterogeneity or homogeneity.\textsuperscript{14} Table 1.1 summarizes the three approaches, their associated variables and hypotheses, and their respective strengths and weaknesses.

This is by no means an exhaustive list of the approaches that have been used to explain post-communist political change. Postmodernism and discourse analysis, for instance, have been employed in some accounts of post-communist change.\textsuperscript{15} Furthermore, these are ideal types: many studies combine more than one approach or employ variants of one of them by drawing on innovative methodologies. The choice of a given approach is also intricately related to the phenomena that a given research project aims to explain. Single events may be better explained by proximate factors, while long-term patterns of authority are better explained by communist or pre-communist factors. The goal of this “ideal” typology, however, is to identify the main scholarly fault lines so that a set of hypotheses can be generated about the determinants of post-Yugoslav regime diversity.
Explaining Regime Change in the Yugoslav Successor States: Some Hypotheses

Pre-communist Legacies—Culture and Ethnic Divisions

Culture, rooted in deeply ingrained attitudes that developed well before the establishment of the first and second Yugoslavias, has often been used to explain a range of post-Yugoslav phenomena, from nationalism and ethnic conflict to authoritarianism and corruption. A cultural hypothesis would hold that the delegitimization of the communist system combined with political, social, and economic crisis in the 1980s in the former Yugoslavia led to a reemergence of pre-communist forms of political culture and the patterns of authority that they engender. Corrupt and clientilistic forms of communist rule, especially prevalent in the southern Yugoslav republics, only served to reinforce the deeply rooted cultural tendencies of Eastern Orthodoxy. Thus, political vacuums in the north (Slovenia and Croatia) were more likely to be filled by liberal political configurations, while in the south (Serbia, Montenegro, Macedonia, Bosnia and Herzegovina, Kosovo), political forces combining the collectivist and paternalistic tendencies of Eastern Orthodoxy and Islam would most likely come to the fore.

The political culture hypothesis, however, has limits in explaining the political changes that have transpired in the Yugoslav successor states in the post-communist period. At first glance, the contrast between regime types in Slovenia (democratic) and FRY (authoritarian) reflects very different political cultures. Yet, despite a shared Habsburg past, Croatia was much less democratic than Slovenia in the first decade of post-communist transition. Croatia’s Habsburg legacy also suggests that its post-communist regime would be more democratic than Macedonia’s, yet in the 1990s on procedural measures the opposite was true. In terms of actual regime substance, the Tuđman regime of Croatia, albeit less repressive on most measures, was arguably more collectivist and patriarchal than its counterpart in FRY, the Milošević regime, despite the latter’s Eastern Orthodox cultural context. But even Slovenia and FRY must be placed under greater scrutiny in light of this hypothesis. How can one explain, for instance, that the League of Communists of Slovenia was quite conformist compared to its Serbian counterpart throughout the 1970s? Nor were there any real civil society–based calls for liberalism in Slovenia until the 1980s, while in Serbia of the 1970s, liberal opposition circles flourished. Similarly, in Croatia, even in the first half of the 1980s there was virtu-
ally no organized opposition to the hard-line League of Communists that held power until the first free elections.

Another variant of the political culture hypothesis attempts to link post-communist outcomes to the existence of democratic regimes in the interwar period. Given that none of the states in question here were democratic, or even sovereign, in the interwar period, this hypothesis does little to help us understand the outcomes. If anything, Serbia’s comparatively longer experience with independent statehood might lead one to predict greater democratization there, and yet this has not been the case.

Similarly, public opinion research carried out in the mid-1980s does not necessarily indicate strong democratic values among people in any of the republics. Though some surveys conducted in the 1980s suggest, in relative terms, greater support for a multiparty system in Slovenia than in Serbia, in absolute terms even the Slovenian figures are not impressive. Public opinion research shows that people throughout the former Yugoslavia seemingly have stronger democratic attitudes than their counterparts in post-communist states that have made greater progress in democratization. Most interestingly, in 1992 only 6 percent of Croatians said that they would support the abolition of parliaments and political parties if given the chance—even though Croatia was well on its way to becoming an authoritarian regime—while 11 percent of Slovenians said they supported this idea, even though Slovenia was on the path to becoming a consolidated democracy! There is strong evidence, thus, that it was pluralism itself that engendered democratic attitudes and not the other way around. Put differently, one must understand the victory of pro-liberal forces in Slovenia as a function of certain conditions, incentives, and constraints other than “deeply held democratic values.” Conversely, the vocal presence of liberal reformers both within and outside of communist power structures in the 1980s did not assure that liberalism would succeed in post-communist FRY politics. Indeed, as chapter 7 will demonstrate, other forces rendered these liberal forces powerless by the end of the 1980s.

Crude cultural hypotheses are, ironically, quite popular among ordinary people in the countries that are the subject of this analysis. Many a Vojvodanin has told me that the relative post-communist peace and multiethnic harmony of their formerly autonomous region are related to their “non-Balkan traits” (in contrast to their Serb ethnic brethren on the other side of the Danube in Belgrade and further south) and their history as a Habsburg-Hungarian (as opposed to an Ottoman) province. Those from Vojvodina, how-
ever, often forget to mention that Slobodan Milošević and his Serbian Socialist Party (SPS) once enjoyed strong support (at least among ethnic Serbs) in Vojvodina, and that many educated citizens of Vojvodina had marched in rallies to demonstrate their support for the Serbian national cause.

It is difficult to separate liberal illiberal cultural predispositions from socioeconomic development and underdevelopment, respectively. It is hard to say, for instance, whether the success of liberal parties in regions like Istria in the 1990s reflects a deeply rooted “civic culture” or simply better economic conditions and, therefore, prospects. It likely reflects the proximity to Italy and all the incentives this creates for greater openess. Much the same could be said for Slovenia. Yet the greatest evidence that economy comes before culture in this chicken-and-egg dilemma is that culture and other values and forms of identity have clearly been mobilized by elites in conditions of economic difficulty. Even where the existence of illiberal political cultures is assumed, the timing of the rise of anti-democratic politics cannot be explained by political culture alone. The utilitarian dimension of culture and identity-based mobilization, emphasized throughout this book, strongly indicates that culture must be seen as an intervening variable that is necessary but far from sufficient in explaining different paths of regime change in the Yugoslav successor states.

Identity-based mobilization will be important in understanding the role of what is perhaps the most important of pre-communist legacies in the former Yugoslav space, namely, the level of ethnic homogeneity versus heterogeneity in each successor state. There is no doubt that the mobilization of ethnic identity in pursuit of nationalist goals by concrete political actors characterized the fall of Yugoslavia and post-Yugoslav regimes. There is also no doubt that Slovenia’s relative homogeneity and the corresponding lack of a geographically based, coherent ethnic minority with a strong identity rendered it lucky in many ways. Most significantly, it meant that illiberal nationalism there could not find a broad following in the absence of groups against which to direct it. Yet, Slovenia has not been without ethnic minority problems owing to the presence of guest workers (južnjaci, or “southerners,” as they are pejoratively called) from other parts of the former Yugoslavia. Furthermore, the substance of ethnic relations matters more than proportions of majorities to minorities because it relates to the ability of political groups to mobilize identities when circumstances allow. Ethnic homogeneity in Slovenia may better explain why that republic was able to exit Yugoslavia more or less
peacefully than why it was able to establish and maintain a liberal democratic
regime following independence. Thus, as Ramet (2006: 572) succinctly notes,
ethnic plurality as such is not a problem: it becomes a problem when mobi-
lized by elites competing for power.

The ethnic plurality hypothesis is also weakened in the face of compara-
tive scrutiny—both with the other cases that are the subject of this book and
with the larger universe of post-communist cases. With regard to the latter,
multivariate regression analysis has shown that ethnic heterogeneity and
homogeneity fail as predictors of democratization in the twenty-eight post-
communist cases (Fish 1998a, 2001). Some post-communist states—most
notably the three Baltic republics—have democratized successfully, albeit
not always inclusively, despite the existence of large and hostile minority
populations. Ethnic Bulgarians in Bulgaria make up the same percentage of
the population as Slovenes in Slovenia—but have experienced less success in
democratizing their polity than the ethnically heterogeneous Baltic repub-
lics. Within the Yugoslav successor states we find equal challenges to the va-
lidity of the ethnic plurality hypothesis. In ethnically plural Serbia, where
only 66 percent of the population is Serb, ethnic minorities in Vojvodina
(Hungarians and others) and Sandžak (Bosniak Muslims) did not always mo-
bilize in a way that was antagonistic to the formation of a post-communist
Serbian state. Finally, we should note that authoritarianism in Croatia con-
tinued after 1995, when most of the country’s Serb minority was no longer
present. In sum, the link between ethnic plurality and regime type must be
examined in a more sophisticated manner, especially as it relates to other fac-
tors such as economic scarcity and shapes the incentives of elites to mobilize
ethnicity toward concrete political ends.19

Communist Legacies

The former Yugoslavia was understood by many, in Western and Eastern
Europe alike, to espouse the most liberal form of politics and economics in
the communist world. Pleština (1992) notes that the nation was known for
decades as the maverick that defied Stalin, allowed unparalleled freedoms to
its citizens, established a new concept of local democracy through worker-
managed enterprises, and founded a unique international alliance system as
an alternative to the two major power blocs. Those analysts who believe that
diverse communist-era patterns of authority are key to understanding diver-
genent paths of post-communist change might predict a high probability for
post-communist democracy in all of the Yugoslav successor states. This, of course, has not been the case, which leads one to question the utility of this hypothesis from the outset. However, it may be more helpful to look at differences among the communist power structures of each constituent unit in the Socialist Federal Republic of Yugoslavia (SFRJ), since continual revisions in constitutional arrangements had given each republic an impressive scope of autonomy by the 1970s. Here, we find some plausible answers. The Slovenian party did tolerate more dissent in the political realm in the 1980s compared to Croatia’s relatively hard-line regime, a legacy of a crackdown on Croatian communist reformers in the early 1970s. However, Serbia began allowing the same kind of freedoms in the 1970s, and yet Serbia and Slovenia’s post-communist regimes by nearly all measures fell on opposite ends of the spectrum in the 1990s. Still, Slovenia’s wider-ranging reforms of the 1980s certainly set the republic on a positive course early on. There may be, therefore, some utility in explaining post-communist regime diversity in terms of political differences among the republics during the communist era.

However, challenging some assumptions about the character and consequences of Yugoslav communism raises some serious questions about whether that comparatively open communist system represented the kind of liberalism that could provide a positive foundation for post-communist democratization in any of the republics. Scholars like Ivo Banac are skeptical that anything about the Yugoslav system really provided such a foundation. To the extent that pluralism did exist, it was manifested as competition and conflict among the republics and provinces, a dynamic that took on an increasingly ethnic character in the 1970s and 1980s. It was not the kind of pluralism that provides the building blocks for independent political parties and autonomous social groups, the “civic culture” emphasized by scholars of democracy and democratization. On the contrary, it contributed to building a foundation for nationalist and ethnic-based parties and ideologies. Crises of Yugoslav socialism, unlike those of Hungarian, Polish, or Czech socialism, were never really rooted in broad-based social movements that provided the seeds for a democratic opposition and civil society. Although sizeable dissident groups featured in several of Yugoslavia’s constituent republics and provinces, they rarely focused on advocating political and economic reforms. Instead, they increasingly focused on questions of nationality, ethnicity, and independence, which, according to Janusz Bugajski, “diverted popular attention away from the prospect of systemic transformation and . . . strengthened the hand
of nationalist and authoritarian politicians in several republics” (2002: xxii). Nor did Yugoslavia’s much-touted self-management policies provide an adequate foundation for liberalism or do much to overcome the inherent irrationality of the economic system. In the mid-1970s, whatever genuine workers’ self-management existed at the enterprise level began to die out in favor of an authoritarian bureaucratic apparatus (Schierup 1999: 40). As a result, when an economic and ideological crisis came to the fore, nationalist parties gained strength and quickly marginalized any truly liberal political groups. Nationalism became the least common denominator in political competition, while the tasks of building democratic institutions, developing civil society, and establishing the rule of law were largely neglected. As Janos has put it, “Yugoslavia had become the socialist version of a developmental dictatorship rather than the model of popular participation in government” (2000: 276).

Moreover, whatever openness existed in political and economic life did not eliminate the influence of an extensive internal security apparatus that cracked down on stirrings of dissent and dealt harshly with expressions of nationalism in the republics. It was particularly suspicious of the West and interrogated, harassed, and intimidated Yugoslavs who had spent time abroad, such as the Gastarbeiter. Yugoslavia’s variant of socialism may have promoted modernization, consumerism, and other facets of Western society, but it is harder to make the claim that it shaped democratic attitudes.

**Post-communist Political Construction**

A healthy dose of voluntarism in the literature on the dissolution of Yugoslavia was a response to overly deterministic accounts, especially those that in some measure underscored “ancient ethnic hatreds.” This literature stipulated that power-hungry leaders who manipulated the population through state-controlled media were the real culprits for all that had gone wrong in the region, especially nationalism, authoritarianism, and war. The new emphasis on political leadership and the instrumental aspects of ethnic nationalism was a welcome addition, but it tended to remove the leaders and their ideologies from the context in which they rose to prominence. This context was characterized by eroding central authority and intense political competition within each republic to fill the political vacuum left by the collapse of communist authority and economic crisis. Conditions and prospects varied from republic to republic and shaped different expectations and incentives.
on the part of both elites and the rest of society. Elites competing for power in this context adapted their strategies and rhetoric according to what best assured their political survival. Without a full understanding of this context, any effort to explain variation among post-Yugoslav leaders misses the crucial variables.

Political construction hypotheses also point to the relationship between post-communist economic reform in the form of liberalization and privatization on one hand and democratization on the other. In the transitology literature, based largely on empirical data from Latin American states, there is much discussion of “sequencing” and a tradeoff between political and economic liberalization. The most basic argument about sequencing is that in order to pursue economic reforms, elites must be insulated from populist demands, so democratic change can only come after painful economic liberalization is instituted. The post-communist experience, however, strongly suggests that economic liberalization and democratization reinforce each other rather than being mutually incompatible.

The Yugoslav successor states may actually defy this pattern to some degree, but there is little to suggest that the patterns and progress of economic reform can explain the observed divergence in regime type. Slovenia actually pursued limited reform by neoliberal standards in the 1990s, while the type of liberalization and privatization pursued in Croatia only strengthened authoritarian political forces. In Croatia and FRY, post-communist regimes managed to stay in power despite significant economic woes and declines in living standard. Finally, as Hellman (1998) has convincingly demonstrated, partial liberalization may lead to authoritarianism. Hellman argues it was not necessarily the “losers” of transition that constituted the strongest anti-reform coalition, but rather the “winners,” the regime insiders who benefited from murky privatizations and other illegal deals. Such trends were evident in Croatia and FRY.

Institutional hypotheses may also be put forward to explain political outcomes in the Yugoslav successor states. Majoritarian and presidential systems, adopted in Croatia, Macedonia, and Serbia in the still-constituted Yugoslavia, could have been the “critical junctures” that ultimately discouraged democratization by concentrating power in single parties and leaders who later used this power to construct authoritarian regimes. Some political analysts, for instance, have attributed the victory and subsequent political monopoly of the Croatian Democratic Union (Hrvatska Demokratska Zajednica, HDZ) in post-communist Croatia to that country’s choice of a majoritarian
electoral system in 1990. The institutional argument, however, does not hold up very well when subjected to comparative scrutiny, given that in Macedonia, FRY, and Croatia, similar electoral systems produced three different kinds of regimes. Nevertheless, all three of these regimes were less democratic than the regime found in Slovenia, which, to the credit of theoretical and prescriptive proponents of institutional choice, did adopt a more proportional electoral system. At the same time, both Macedonia and Slovenia instituted parliamentary systems, and yet democracy fared differently in each place. Perhaps the most powerful argument against the institutional view is that the political forces that dominated the initial transition in FRY and Croatia had so much popular support that it is somewhat trivial to speculate on what might have changed had the constitutional distribution of power or electoral rules been different.

Discussion

None of the above hypotheses, taken alone, succeeds in accounting for regime diversity in the Yugoslav successor states. Most useful for understanding illiberal outcomes seems to be the ethnic plurality versus homogeneity hypothesis, which can be subsumed under the larger set of factors with origins in the pre-communist period. The politics of ethnic mobilization and ethnic nationalism appear to have precluded the emergence of liberal democracy in FRY, Macedonia, and Croatia, albeit to different degrees. Slovenia’s relative homogeneity, by contrast, seems to underlie its democratic success. Yet, the case of post-communist Macedonia, characterized in the 1990s by relative peace, inter-ethnic cooperation in government, and higher scores on procedural correctness, appears to challenge this hypothesis to some extent. And, as noted above, comparative analysis with other post-communist cases also poses a challenge to the ethnic plurality hypothesis. Moreover, the extent of democratization varies widely in ethnically heterogeneous states and does not neatly correlate with the degree of plurality.

What is needed is an understanding of the conditions under which ethnic mobilization and nationalism, expressed as concrete political strategies, appear and ultimately succeed in overcoming liberal responses to economic and political collapse. Conversely, we need to specify the conditions that prevent nationalism from becoming the dominant ideology despite the existence of ethnic cleavages. This does not mean we have to reject such hypotheses outright, but ethnicity, culture, and institutions need to be seen in light of
economic conditions to fully account for the kinds of regimes that appeared in the successor states.

Economic Viability and the Promise of Western Integration: A Map of the Argument

This book seeks to specify the conditions that underpinned the emergence of particular regimes in each successor state. The limitations of the hypotheses discussed in the preceding section bring us to the two variables at the center of the argument. The “master” explanatory variable is economics, and more specifically, the level of economic viability of each republic on the eve of independence. The second independent variable is the way in which the successor states adapted to the new international conditions of Western agency and its desire to spread liberal democratic norms to post-communist Europe. The argument can be summarized as follows:

1. Varying structural configurations created varying parameters for liberalism in the 1990s:
   a. Economic viability (Slovenia) represented the most favorable conditions for the rise of liberal political configurations.
   b. Partial economic viability (Croatia) represented conditions in which liberal and illiberal groups competed for power.
   c. Low levels of economic viability (FRY and Macedonia) indicated poor prospects for liberal groups.

2. The way in which Western agency interacted with the initial structural conditions of transition helps us to understand actual regime outcomes:
   a. Where the external agenda of liberalism was compatible with local structures (Slovenia), a process of “contagion” and “convergence” occurred. A credible promise of membership in Western organizations reinforced liberal proclivities and helped to keep democratization on track. Substantive democracy emerged.
   b. Where the external agenda of liberalism was partially compatible with local structures (Croatia), a struggle ensued among domestic actors over the appropriateness of Western norms. Conditionality was used by Western states and organizations to promote democratization and met with limited success. Simulated democracy emerged.
   c. Where the external agenda of liberalism was incompatible with
local structures (FRY and Macedonia), Western norms had limited impact or were outright rejected. The West, in turn, mixed conditionality and control to promote democracy. It did so through the enforcement of liberal norms, such as human rights, through sanctions and military intervention (FRY), or through direct mandate and financial sponsorship (Macedonia). In the former, populist authoritarianism emerged, in the latter, illegitimate democracy.

3. After the first ten years of transition, when economic conditions deteriorated and the ruling radical populist parties became delegitimized, part of the elite signed on to the Western project in a bid for international support and domestic political capital (Croatia and FRY, later Serbia, after 2000). As long as the public and elite remained divided over the Western agenda, however, the legitimacy of liberal norms was threatened. Nevertheless, both the public and elites became socialized to Western conditions, albeit to different degrees (Montenegro after 2000, Croatia after 2003, Macedonia after 2004, Serbia after 2008).

Economics: Material Scarcity and the Structure of Authority

Eighteenth- and nineteenth-century materialism provided the foundation for an extensive socioeconomic modernization literature that linked levels of economic development to the existence or nonexistence of democracy. In the classical modernization literature, a high level of economic development is associated with relatively low levels of social conflict and the presence of an educated middle class, which constitutes a critical source of support for democratic rule (Lipset 1960). The desire of the middle class for more representative institutions can also be stated in terms of rational self-interest, along the lines of Barrington Moore’s influential dictum “no bourgeoisie, no democracy” (1966). Newer studies have used regression of large statistical samples to show that prosperity is associated with democratic endurance (Przeworski and Limongi 1997). Despite a number of research findings that attempt to challenge the view that wealth is associated with democracy, there is a consistent and fairly strong statistical connection, on a cross-sectional basis, between levels of national income and the extent of democracy in national political arrangements. Furthermore, there is evidence that this same relationship holds over time and that a causal arrow runs from wealth to democracy and not the other way around. This connection is especially strong when one looks at large samples of countries over a longer period of time (Moore
Moreover, there is evidence that individual countries tend to become more democratic in proportion to increases in income (Moore 1996: 38). Economics, then, cannot explain short-run processes and temporary shifts in the vertical structure of authority. It cannot explain, for example, the various ways in which some Latin American countries have shifted between various degrees of democracy and military rule in recent decades. It is much more effective at explaining longer-term patterns of political authority.

For post-communist states, this body of theory predicts that countries that embark on regime change at higher levels of wealth enjoy distinct advantages in democratization because “their populations are more sophisticated and better able to accommodate the dislocations of transformation without falling below some minimal material threshold, which could breed desperation and a preference for antidemocratic solutions” (Fish 1998a). A conventional model of transition stipulates that those whose fortunes would be directly hurt by the changes—such as state-sector workers—would come to constitute the biggest source of opposition to democratic and market reform. In countries with a higher level of socioeconomic development, this part of the population is smaller, so one should find fewer impediments to democracy. Moreover, material scarcity makes the kind of political compromise that is crucial to democracy more difficult.

The relationship between development and democracy is central to comparative politics and the study of democratization, and it is no less relevant to policy-making. In the contemporary political science literature, there is an abundance of theory that purports to explain how material prosperity generates democracy: the problem becomes one of sorting out which theories are more plausible. In fact, Lipset’s famous study (1960) on the subject generated the largest body of research on any topic in comparative politics. Although empirical observation and statistical regression showed a strong association between development and democracy, there was disagreement on what kinds of causal processes and mechanisms link the two. Yet the causal connection between development and democracy was difficult to ascertain with statistical methods alone. Consequently, a number of theories attempted to explain the causal mechanisms that lead from economic development to democracy. One such approach was the aforementioned body of “modernization theory,” which enjoyed a long period of popularity. Modernization consists of a gradual differentiation and specialization of social structures culminating in a separation of the political from other structures, thereby making democ-
racy possible. The specific causal chains consist of sequences of industrialization, urbanization, education, communication, mobilization, political incorporation, and innumerable other social changes that make a society ready to proceed to democratization. As a result the system can no longer be run by command: society becomes too complex, technological change endows new groups with autonomy and private information, civil society emerges, and dictatorial forms of control lose their effectiveness.

Another approach, associated with Moore (1966), posits that the “national bourgeoisie” spearhead the drive for economic development and use parliamentary democracy to establish its political authority and protect its interests. Other Marxian writers have focused on the role of the working classes, whose role becomes more important with economic development and industrialization, in pushing for democracy.27 Still other approaches argue that the cultural change produced by economic development is key to democracy, but this change will occur differently in Western and non-Western societies.28 Friedman and Friedman (1980) argue that a free market (associated with high levels of development) helps prevent the power that is inevitably accumulated in the state or political arena from being extended into the economic arena, thereby maintaining political pluralism and enabling economic agents to resist attempts by the state to interfere in the market. More recently, Inglehart and Welzel (2005) have used data from the World Values Survey to show that socioeconomic modernization leads to the kind of cultural change (for example, the strengthening of values such as tolerance) that in turn becomes conducive to democratization.

Classical theories that link overall wealth and socioeconomic modernization with the prospects for liberal democracy provide a general framework in which to examine post-communist democratization, but they need to be adapted in three key respects in order to fit the post-communist reality. First, the notion that a capitalist “bourgeois” class is needed to support democracy must be reconsidered, since traditional class structures were decisively altered under state socialism. The absence of property-owning classes in communist states is particularly important in this respect. Second, the relative dimensions of economic deprivation and the expectations they generate must be considered over absolute notions of wealth and income. The collapse of economic output and declining living standards in the late communist and early post-communist period must be considered alongside post-communist expectations of material standards to discover what segments of society constituted a
political challenge to reform. Third, the structure of the post-communist economy and its implications for domestic transformation and international integration appear to be of equal importance to various macro-indicators of wealth, industrialization, urbanization, and education. Communism did succeed at modernization and educational advancement, but it did not necessarily lead to the kind of social change predicted by Lipset. With economies designed to meet the needs of the Soviet bloc rather than competitive global markets, countries that exhibited the highest degree of industrialization under communism have experienced great difficulty adapting to the world economy after the collapse of communism. This has tended to hinder democratic outcomes despite high levels of “modernization.” High levels of communist industrialization, in turn, are closely correlated with pre-communist backwardness. Where a socialist industrial structure prevailed, there was usually an entrenched economic elite connected to former ruling parties who were interested in stripping state-owned enterprises of their assets rather than promoting liberalization and privatization. Such groups constituted a serious hindrance to attempts at both economic and political reform.

Levels of economic development in Eastern Europe can be traced first and foremost to historical degrees of backwardness that follow a continental geographic gradient—with development and living standards decreasing as one goes east and south. Communism promoted industrialization and material advancement, but most often in a Stalinist mode such that the historically less-developed states and regions were left, on the eve of communist collapse, with few competitive industries and thus less hope for integration into the global economy. Moreover, despite communist efforts at modernization and industrialization, the historical disparity in development between the developed northwestern and southeastern tiers of Eastern Europe still exists. Yugoslavia was very much a microcosm of this gradient. As chapter 3 will show, in spite of a concrete effort to eliminate the disparities through a policy of income transfer from the richer north to the poorer south, regional economic disparities still defined the former Yugoslavia on the eve of collapse and were strikingly apparent to anyone who traveled throughout the country.

Janos (1984, 1989, 2000) has written extensively about the causes and consequences of disparities in economic development, both between Western and Eastern Europe and within Eastern Europe itself. He argues that the key to understanding both the reproduction of backwardness and how it leads to various forms of bureaucratic authoritarianism is the paradox of poverty
necessitating state power and state power creating more poverty. In the East European context, this dynamic is further complicated by a strong international demonstration effect of consumption standards that arises from the geographic proximity of East European states to the centers of development and innovation in the world economy. The desire of both elites and masses in the East to raise their material standards to those of their counterparts in the West without a corresponding increase in production and investment and without the same availability of capital has historically shaped authoritarian rentier states in the region.

The explanatory power of initial economic conditions in the case of the Yugoslav successor states lies in their ability to predict patterns of authority and to provide a means of understanding the underlying constraints to liberalism over extended periods of time. In this manner, one can evaluate the future prospects for democratization. The leverage of economics as an explanatory variable of regime diversity in the Yugoslav successor states lies not in looking at absolute but rather relative levels of material scarcity, especially when we look at levels of public support for particular political solutions. Relative differences refer not only to disparities among the republics on the eve of dissolution, but also to the extent of economic hardship in the 1980s and 1990s relative to people’s expectations. Herein lies one key difference between the economic crisis in the Yugoslav successor states and similar crises in other communist states in the 1980s. Citizens of all former Yugoslav republics, but particularly those in the more developed republics and regions, had come to expect a high material standard of living. That many educated Yugoslavs were aware that these standards were artificially propped up and unsustainable in the long term ultimately did not matter when prices rose dramatically, unemployment skyrocketed, and weekend shopping trips to Italy were suddenly rendered impossible. Unfulfilled expectations for higher living standards have abruptly terminated the rule of countless post-communist governments that earlier seemed invincible. We must not forget that before 1990, when the notion of incipient war was still unfathomable to most, ordinary Yugoslavs had the same, if not rosier, expectations for post-communist transition as their counterparts in other East European countries beginning their transitions.

Countless polls and anecdotes capture the social frustration of the 1980s crisis years in Yugoslavia. This hopelessness, however, was not only prevalent among the working classes or peasants. In more developed areas and urban
centers, it was also widespread among the younger members of the middle class who suddenly could not attain what their parents had taken for granted in the 1960s and 1970s: a stable job with good wages, an apartment, and quite often a vacation home (vikendica) on the Croatian or Montenegrin coast. Part of the problem lay in a trend present to different degrees in all of Yugoslavia’s regions: an increase in education levels without a parallel increase in jobs (Lampe 2000). Those who did have jobs saw their wages decline precipitously in the 1980s. These people could be found standing shoulder to shoulder with their compatriots from rural areas at rallies for Milošević and Franjo Tuđman in the early 1990s. The rise to power of various radical populist groups, thus, reflected a revolution of the middle classes as much as it did that of sectors of the population traditionally considered most vulnerable to economic crisis and thus wary of liberal democracy, such as workers and peasants. The alienation of the educated middle class may explain that among the first and strongest advocates of extreme nationalism were many prominent intellectuals.29 Radical populist regimes in Belgrade and Zagreb would not have come to power were it not for a temporary alliance uniting nationalist intellectuals, disaffected middle classes, and communist opportunists who later brought semirural workers into this improbable coalition and adopted various extreme ideologies to replace the now-defunct Titoism. In Slovenia, the middle classes were much better off and less receptive to such appeals. To the extent that the middle classes were among the core of the disenfranchised parts of the population that turned to anti-liberal political solutions in the late 1980s, the economic argument advanced here differs in an important way from the kinds of arguments seen in the classical socioeconomic modernization literature.

The global economic changes of the 1970s and 1980s and the winding down of the Cold War were much more painful for Yugoslavia, despite its higher living standards and expectations than, for example, Poland, where the economic crisis was even deeper and things arguably could not get much worse.30 Many crucial factors that propped up the Yugoslav economy began to disappear in the 1980s: easy access to foreign credit, a safety valve for unemployment through guest worker programs, and stable markets for its goods in the East and West. The ultimate blow came when the global distribution of power began to change with the rise of Mikhail Gorbachev in Soviet politics, for it was Yugoslavia’s special place in this distribution of power and its ability to balance the rival superpowers that helped legitimize the entire system.
The extent to which these changes affected each republic varied, ensuring that the consequences for politics in each republic following independence would be unique.

When speaking of relative deprivation, one cannot ignore the growing gap in living standards between the Yugoslav republics and the states of Western Europe, which millions of Yugoslavs had visited as guest workers and tourists. Expectations were high because many Yugoslavs had fully anticipated that they were inevitably moving toward the material standards of the West. Social frustration rose quickly when it became clear that, far from those expectations being realized, living standards were actually declining. Rather than being directed at the inherent irrationalities of the Titoist economic system, this frustration became focused on ethnic and national issues and radical populist solutions by the late 1980s. The extent to which this occurred, however, varied by republic, more than aggregate indicators suggest. Different levels of development and varying structures, reproduced over many decades, created different patterns of elite competition in each republic and had lasting political consequences when political pluralism was introduced in 1990.

The intent of this book is to explain economic conditions as a determinant of regime type rather than as a determinant of state dissolution. Though it is true that explanations for breakup and regime diversity overlap to some extent, economics is actually a variable that may go further in explaining the latter than the former. There are many good arguments that point to non-economic factors, such as agency and ideology, as causes of the dissolution. And there is the issue of explaining the inherent economic irrationality of cutting off important markets and trade links. In doing this, even Slovenia initially suffered, for many of its manufactured goods depended on markets in the southern republics of Yugoslavia. Moreover, the dissolution of Yugoslavia came just as the economic reform plan of the Ante Marković government was showing some results, which tends to weaken somewhat an economic explanation for the breakup (Jović 2001: 239). However, despite the rhetoric, ideology, and the “fog of war” surrounding the breakup, what elites in each republic ultimately confronted when given free elections and independence were particular economic structural inheritances that directly shaped republican-level politics. In fact, the structural strengths and weaknesses of each economy were magnified when the republics for the first time stood alone, facing the challenge of integrating into the global market without the benefit of access to the subsidies, credits, and markets that had sus-
tained them during the Yugoslav period. Thus, economic considerations may not have played a primary role in some republics when decisions were made about secession, but they played a much more central role in republican-level politics when independence loomed on the horizon. Some republics, such as Macedonia, may have simply been too poor to pursue a viable state-building project, much less a liberal one.\textsuperscript{32} As one Macedonian told James Pettifer a short while after the referendum for independence, “What are we going to build a new state with? Tobacco plants?” (2001: 19).

\textbf{The International Factor: External Agency and Domestic Politics}

While the initial economic conditions of transition can account for the general liberal or illiberal substance of the regimes that took shape in each successor state in the 1990s and beyond, they cannot explain every shift in adherence to procedural correctness, nor can they explain the outcome of every election or the strategies of given leaders at particular moments. Here the role of external agency does a much better job. Theorizing on how external structures of power affect domestic politics represented a critical paradigm shift in the discipline. States henceforth were no longer viewed in isolation but rather as part of a larger system (Janos 1986). From this paradigm shift there emerged a number of literatures on the international sources of domestic politics, among them a prominent literature in the 1970s on the political and economic consequences of externally dependent development. Nevertheless, much of the democratic transitions literature that appeared in the 1980s conspicuously left out the external factor. Some scholars of democratic transitions even explicitly spoke of the primacy of domestic over international factors. It was only later that some of these same scholars, regretting their earlier omission, brought the international dimension back into their analyses of democratization.\textsuperscript{33}

Many of the early works on post-communist Europe also did not give adequate attention to the external factor, except that now this omission seemed all the more conspicuous since it was clear from the outset of transition that its course would be fundamentally shaped by the hegemony of the West and, indeed, that to some extent democracy on the Eastern half of the continent would owe its very existence to Western engagement and conditionality.\textsuperscript{34} In later works, the role of the external factor in structuring post-communist elite behavior is too frequently ignored, sometimes described but rarely theorized. More recently, a proliferation of articles and books have appeared that
bring the external factor, and especially EU conditionality, into their theories and analyses of post-communist transition, explaining how the West successfully transmitted liberal norms to the post-communist world.  

That post-communist elites and parties across geographic space and the political spectrum were equating the systemic change with a “return to Europe” reinforced the new structures of external influence into which the former communist states entered. Western states and organizations, for their part, embarked on their own scramble for influence over the eastern half of Europe. They had geopolitical and economic interests but also a more inchoate desire to welcome long-lost relatives back into the family. The interests of states and organizations such as the EU, NATO, and the United States were underpinned by a desire for self-validation, which they could accomplish by remaking the post-communist states in their likeness. The project of EU enlargement has as much to do with validating the legitimacy and universal applicability of liberalism in politics and economics as with the objectives of global and regional political and economic integration. After all, if liberalism failed in the West’s very “backyard,” where could it succeed?

These two dynamics—an Eastern push for the West and a Western push for the East—combined in such a way that from the very beginning of the transition political elites in post-communist countries were maneuvering in a space that existed between domestic realities and the conditions of Western liberalism, especially the conditions associated with membership in Euro-Atlantic organizations. The incentives and constraints, and ultimately the political and policy choices, pursued by these elites reflected a balance that was struck between these two often competing imperatives. Western integration and support held out powerful material benefits for elites in particular. However, though many post-communist elites professed to want to join NATO and the EU, they differed in their ability and willingness to meet the conditions for doing so.

It was easier in countries that were structurally predisposed to joining the West—whether by geography, culture, or economics. In these states, an acceptance of Western conditionality created a self-reinforcing mechanism, a path dependent process in which a post-communist state became “coopted” into the integration project in a number of legal, political, economic, and psychological ways that raised the costs of turning back. Though material and other incentives may have triggered the process, it ultimately resulted in a substantive alteration of beliefs among both elites and masses. Such pro-
cesses, as the concluding chapter of this book will argue, are illuminated by the literature on norm transfer and international socialization. Schimmelfennig (2002: 1) called the process of EU integration the “most massive international socialization process currently underway in the international system.”

In those post-communist states where elites saw little interest in adapting to Western conditionality or where the prospects for membership in the EU or NATO were poor to begin with, nationalism and other forms of radical populism prevailed over both liberalism and any desire to join Euro-Atlantic organizations. However, the same factors that helped bring illiberal regimes to the fore also meant that liberalism could not succeed in the absence of Western engagement and the incentive of membership in NATO and the EU. This process was self-reinforcing in that the costs for ruling parties who depended on nationalism as a legitimizing factor to change course were quite high, while their pursuit of illiberal policies meant that their states were left out of the process of Western integration, making them fall further behind their counterparts who already were busy implementing the democratic reforms needed to join NATO and the EU. In other words, a powerful external impetus for reform was not present, making democratization much more difficult. However, where authoritarianism faltered for economic reasons and because of popular resistance, a window opened for Western conditionality to exert its leverage toward democratizing previously illiberal regimes.

Since no post-communist regime—even those that blatantly disregarded democratic norms—perceived that it could afford to disregard Western conditionality completely, the daily domestic political dynamics of regimes that deviated from liberalism often entailed ad-hoc adjustments of rhetoric and policies: speaking to the importance of minority rights, passing laws on civil society, tinkering with budgets to reduce social spending. This was an attempt to receive a better “report card” from a Western monitoring organization or to ensure continued financial support. These policies, however, were not underpinned by substantive liberalism. Shifts in policies or laws often reflected “simulated” democratization to win Western favor rather than suggesting a sincere commitment to liberalism.

Janos (2001) has provided a framework to help us understand the relationship between a new external structure of power and domestic political outcomes. To supplement existing paradigms of post-communist change, Janos offers a framework that sees communist to post-communist systemic change
as a transition from one international regime (Soviet-dominated) to another (Western-dominated). Though he admits that by itself, this paradigm has limits in fully explaining outcomes, he demonstrates that a universalist external project of liberalism produces different results when it encounters varying local structural realities.

Politics in the most classic sense of the word, in this view, occurs where the external and the internal meet, and hence political outcomes are a product of external intent (Western liberal universalism) and domestic interest (rooted in structure). Part of the success of the Western agenda in a given country depends on the public’s threshold of tolerance: in other words, how long society is willing to tolerate external conditionality and its consequences without seeing rewards. The rewards, in turn, are related to what legitimizes the quest for Western integration in the first place among East Europeans, that is, the promise of higher living standards. But, as Janos writes, “Legitimacy by expectation, as opposed to direct trade-offs, has its perils” (2001: 248). It is thus in the “teetering” cases, where there are substantial parts of the population and powerful political groups skeptical of or hostile to the Western liberalism, that the greatest threat to liberalism is posed.

As the above discussion suggests, it is not enough to import existing understandings of hegemon-client relations to the post-communist context. As with the economics variable, the particularities of the international dimension of post-communist transitions need to be acknowledged. First, external hegemony in the post-communist world is about the subtleties of “soft power” à la Joseph Nye (2004) rather than power in its absolute or relative manifestations. Thus, every statement by the EU Commissioner for Enlargement in Brussels hinting at the status of a potential candidate nation could be the flap of the butterfly’s wings that generated storms in Warsaw, Bratislava, Budapest, or Zagreb. Elites in the East held their collective breath for the next “grade” they would receive on democratic performance, as this would determine their access to foreign aid, favorable terms of trade, loans, and general respectability in the international arena (Pop-Eleches 2007a: 145).

Unlike Western hegemony during the Cold War, which was at times more interested in cultivating “friendly” regimes rather than liberal ones, the current Western liberal agenda, codified in the EU’s Copenhagen criteria, has mandated real democracy in the post-communist states. The extent and invasiveness of the conditions have been truly unprecedented. Yet, so are the potential benefits to be derived from membership. While existing theories of
hierarchical relationships in the international system often focus on the negative inducements for compliance, Western hegemony in post-communist Europe is often based on the power of positive inducements that can be used as a source of domestic political capital. As this book will show, by explicitly linking certain policies with the prospects for aid and integration, supporting nongovernmental prodemocracy groups, or implying that a certain election outcome will bode well or poorly for membership, Western conditionality can also change the domestic power balance between liberal and illiberal forces (Pop-Eleches 2007a: 147).

Some of the explanatory leverage of the external factor in the Yugoslav successor states is related to the unique geopolitical position of the former SFRJ and how its position changed as the Cold War wound down. At the outset of transition, the former Yugoslavia simply was no longer on the foreign policy radar screens of Western governments. In sharp contrast to countless conspiracy theories about the intentions of external actors that seem to be especially popular in Serbia, in reality many Western governments, most significantly the United States, simply did not show much concern for Yugoslavia at all from the mid-1980s until the outbreak of war in 1991. There were other, more important trouble spots to attract Western attention, such as the Soviet Union and Iraq. Some have even suggested that intelligence reports indicating that Western countries would not intervene in a Yugoslav armed conflict emboldened Slobodan Milošević to pursue military action in Croatia.\(^{36}\)

The neglect of a country which was dependent in so many ways on its special relationship with the West had direct and determining domestic consequences. Although it adversely affected the entire country, the degree to which Yugoslavia’s demise as an object of geopolitical interest affected each republic also varied. The less-developed republics and regions depended more on the financial resources afforded by access to Western aid, while the more developed republics were angry that most of this aid was being diverted to irrational development projects in the south and were eager to have more control over state revenues from export earnings. Serbia depended more than other republics on the political prestige derived from Yugoslavia’s special geopolitical status, such as its leadership of the non-aligned movement. The developed republics and regions benefited more from access to Western markets. The external factor, then, is critical in understanding the post-communist transitions of the Yugoslav successor states in a broader comparative perspec-
tive, since it was their particular difficulties in adapting to the new international order that put them in a more difficult position than Poland, Hungary, or the Czech Republic despite ostensibly more favorable starting conditions on some parameters.

Though neglect in the international arena characterized the initial stages of the post-communist transition, the Yugoslav successor states soon became subject to the same pressures and incentives to pursue liberalism as other states in the region. External agency acted as a magnetic field, attracting certain segments of the elites and public while repelling others. The promise of membership in the EU or NATO could be used as a source of political capital by liberal elites wherever there was a receptive audience. By contrast, the external factor can also be painted as a threat by nationalist elites seeking to stake their legitimacy on popular perceptions of an outside enemy threatening state sovereignty.

The promise of Euro-Atlantic integration meant that the incentives to pursue some threshold of procedural democracy were enormous, both because of the perceived rewards of doing so and the feared costs of not complying. Even rulers and ruling parties with clearly authoritarian inclinations adhered to basic tenets of electoral democracy. As such, the external factor clearly helps us to understand the existence of procedural democracy in the absence of strong structural underpinnings. For example, Macedonian elites, acutely aware of the very real threats to their state’s and by extension their own, survival, adhered to formal democracy in the 1990s under the close supervision of Western governments. However, the quality and viability of Macedonian democracy was always in question, given that ethnic Albanians, representing twenty-five percent of the population, not only challenged the legitimacy of the regime but also the legitimacy of the state itself. In Croatia, the continuing need for Western support, combined with a semi-viable pro-Western opposition and a significant pro-Western impetus in society, compelled the Tudman regime to ensure that certain facets of formal democracy were functioning. By conditioning aid or other rewards on democratic reform, the West has “encouraged” actors to simulate democratic behavior. Thus, external agency can explain the existence of a procedural democracy where economics would predict none, but it alone cannot account for a democratic regime with a high level of liberal content.