Regime Change in the Yugoslav Successor States

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Regime Change in the Yugoslav Successor States: Divergent Paths toward a New Europe.


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Conclusions

In Europe there are the large countries on one side and the small on the other; there are the nations seated in the negotiating chambers and those who wait all night in the antechambers.

MILAN KUNDERA, FRANCO-CZECH NOVELIST

Myth and perception aside, enlargement is a success story. It reflects the EU as a civilian power; by extending the zone of peace and democracy, we have achieved far more through our gravitational pull than ever with a stick or sword.

OLLI REHN, EU COMMISSIONER FOR ENLARGEMENT

The Determinants of Diversity

The challenge for political science is to provide an explanation for the divergent trajectories of political change that we have witnessed in Eastern and Central Europe over the past two decades. The goal of this book is to address this challenge and contribute to the study of comparative democratization by accounting for variance in regime types in the Yugoslav successor states. Furthermore, this book has aimed to contribute to the scholarship on conceptualizing democracy by specifying the kinds of regimes that emerged in each successor state in the 1990s in ways that go beyond procedural measures of democracy. Thus, substantive democracy (Slovenia) refers to procedural correctness combined with a high degree of liberal content; simulated democracy (Croatia) signifies some procedural correctness combined with some liberal content and rule by elites who don’t like democracy but “fake” it to satisfy internal and external calls for liberalism; populist authoritarianism (FRY) has low liberal content, shuns many aspects of procedural correctness, and exploits feelings of victimization and social frustration to gain legitimacy;
while illegitimate democracy (Macedonia) is somewhat procedurally correct, but has low liberal content because of a population that is deeply divided and ambivalent toward the democratic project.

Two primary factors shaped each type of regime in the 1990s and beyond: (1) the initial conditions of transition in each successor state, defined by the level of economic viability on the eve of independence; and (2) the resilience or pliability of domestic structures to Western liberalism, a powerful external agent shaping democratic change in post-communist countries. According to this framework, regime outcomes should be seen as reflecting the point at which external intent (Western-promoted liberalism) and domestic interest (rooted in economic structure) meet. Put differently, there are two facets of change in the post-communist world: the external force of liberalism and the degree of internal accommodation or resistance to this force.

The starting point of the explanatory framework was structure, defined by varying levels of economic viability. These were the initial conditions of transition, but they were not rooted in any particular time, policy, or previous regime. Rather, we saw that disparities in levels of economic development have been reproduced in the area of the former Yugoslavia over time and through regimes of varying characters. The demise of communist rule did not eliminate the influence of these long-term structural legacies, and we observed how varying levels of economic viability conditioned the emergence of unique regimes in each successor state during the first ten years after communism and beyond. We have seen that structural conditions display a great deal of rigidity, so norms transferred from the outside inevitably confront them. All post-communist states also had to adapt to the new international regime of liberalism: hence, the incentives to maintain a threshold of procedural democracy were large, and as such the external factor goes far in explaining democratic simulation in Croatia, FRY, and Macedonia in the 1990s and convergence on measures of procedural correctness after 2000. But the external agent alone cannot guarantee liberal content: in chapter 8 we saw that the degree and durability of substantive democracy in the long term depends on whether the structural conditions are hospitable to the development of democracy and the penetration of external liberal norms.

Nonetheless, even if structure is not fully hospitable to the penetration of these norms, when an inability to deliver better living standards threatens the legitimacy of radical populist regimes (FRY and Croatia in 1999) or when economic collapse and a lack of internal security threaten the very existence
of the state (Macedonia in 1991 and 2001), a part of the elite may nominally embrace the West in a search for support and legitimacy. In these cases similar levels of procedural correctness can exist alongside varying levels of liberal content. The ability of Western liberalism to succeed in the long term depends on the degree to which domestic structures can accommodate the external norms, but it also depends on how conditionality policies are crafted; that is, on whether rewards from the West are forthcoming. Vachudová (2005: 5) shows that when states become credible EU candidates and are exposed to all the effects of its leverage, liberal groups are strengthened and, in time, electoral games force illiberal political forces to sign on to the EU agenda and reform internally.

Rather than offering a grand new theory of post-communist transitions, this book has attempted to strike a reasonable balance between the various factors used to explain post-communist regime change: between its domestic and international determinants and between its distant and proximate precursors. It has not ignored the role of culture, institutions, or leaders, but it has shown how they emerged in particular conditions and operated within unique parameters. These parameters are defined by the two explanatory variables noted above, whose effects were charted from independence in 1991 to the present day in four ex-Yugoslav states that, in terms of historical antecedents and post-communist outcomes, represent a microcosm of Eastern Europe as a whole. Rather than being temporally rooted “legacies” in any strict sense, these explanatory factors constitute important historical continuities in the region: (1) a north-south historically regressive gradient of socio-economic development, and (2) the tendency of domestic politics in the small states of the region to reflect, over time, an adaptation to external regimes as well as internal realities. Despite their importance for understanding the determinants of varying paths of post-communist transition, these factors have not been sufficiently addressed by the existing literature. Encouraged by the speed and scope of what was taking place in the region, many scholars turned to voluntarist and institutionalist paradigms of politics to explain political change in Eastern and Central Europe. The constraining nature of initial structural conditions was overlooked, in part because of the way in which some scholars conceptualized democracy, which left it devoid of its liberal qualities.¹

Furthermore, the literature on comparative post-communism has usually excluded the Yugoslav successor states as objects of analysis. Many existing
works on the former Yugoslavia have focused exclusively on ethnic conflict and war without seeing them as part of the larger process of post-communist change. This book has shown that the challenges the Yugoslav successor states have faced since their independence were an integral part of their post-communist transitions. Weak state capacity in Macedonia is a consequence, not a cause, of a distinct path of post-communist regime change. Similarly, war in Bosnia and Herzegovina was the consequence of a failed democratic transition, one in which ethno-nationalist groups and projects won out over liberal alternatives. We have seen that nationalism itself, the most recognized feature of recent Balkan history, was used by elites to bid for political power and resources in conditions of scarcity and weak democratic traditions.

That three of the cases examined in this study didn't meet the criteria for liberal democracies in the 1990s was not for any lack of multiparty elections, functioning parliaments, or democratic constitutions. Still, there were key differences in their adherence to procedural correctness that neither cultural (that is, pre-communist legacies) nor institutional (post-communist construction) hypotheses can explain. Institutional design may help to explain the smooth functioning of democracy in Slovenia, but it does not explain why a parliamentary (as opposed to a presidential) system failed to create a more robust democracy in Macedonia. Macedonia, Croatia, and FRY at one time had similar electoral systems but different levels of adherence to procedural correctness. Cultural hypotheses would predict a higher level of democratization in Croatia (with a legal impersonal culture rooted in Western Christianity and a Roman-Habsburg past) than Macedonia (with a communal paternal culture rooted in Eastern Orthodoxy and a Byzantine-Ottoman past), and yet on some procedural measures, the opposite was true in the 1990s. The communist or “Leninist” legacy highlighted by some scholars of post-communism can to a large degree be held constant since the four cases share a common institutional past in Yugoslavia. And, to the extent that Yugoslav communism was “liberal” and “reformist,” it cannot explain nondemocratic outcomes in the post-communist Yugoslav successor states. Eliminating culture, communism, and post-communist institutional choice as plausible hypotheses conspicuously left disparities in levels of economic development as a primary explanatory variable of post-communist regime diversity in the four cases. However, economic differences cannot fully account for variation in scores on procedural correctness either. Returning to the Macedonia-Croatia com-
Conclusions

Comparison, how is it that Macedonia achieved higher Freedom House scores than Croatia in the 1990s despite its much poorer economic prospects?

This question begs several related ones: does the fact that Macedonia had freer elections in the 1990s than Croatia tell us enough about differences in the character of the two regimes? Does Serbia’s higher score than Croatia on media freedom allow us to predict greater chances for further democratization in the former? More generally, do procedural measures of democracy help us to understand the nature of democracy and future prospects for democratization?

We saw that as predictors of long-term democratic development, differences in the levels of procedural correctness among the four cases are less important than their levels of liberal content, which this study measured using a number of indicators: legitimacy (the degree to which the loci of political conflict reflect divisions over basic issues about the state); legitimizing principles (whether the legitimizing principles of the regime in power reflect liberal or illiberal appeals); and liberal representation in the party system (the number of pro- versus anti-systemic parties on the political scene). Procedural correctness, while being a normatively desirable step over repression of political and civil rights, often reflects a temporary accommodation of external conditions rather than a long-term commitment to substantive liberalism or a shift toward greater democratic consolidation. Democratic institutions and procedures are often good imitations of their Western counterparts but function quite differently in the absence of the right structural underpinnings.

The Primacy of Initial Structural Conditions

This book began by noting the “puzzle” of post-communist diversity; yet, the very term puzzle implies that there was little one could identify before the fact that would suggest diversity. It does not take a political scientist, much less an East European expert, to realize that states in the region embarked on very different post-communist paths because they started from very different places.

Initial conditions mattered a great deal in explaining the course of the first decade of transition and beyond. Structure is “sticky”: it tends to persist and shape outcomes even as leaders and governments change. Moreover, as a set of confining conditions, it is rigid: elites find it hard to overcome the con-
straining influence of structure even with the best democratic intentions. Structure does not give us perfect explanatory leverage. Structural conditions, however, do allow us to understand longer-term patterns of political development. They explain why liberal political configurations have had a harder time establishing themselves on the Serbian rather than the Croatian political scene, even after the fall of authoritarian regimes in 2000. They explain why Macedonia’s transition continues to be plagued by deep divisions over ethnicity and the nature of the state. They explain the weakness of populist appeals in Slovenian politics. Moreover, they explain the varying degrees of resistance the project to transfer Western liberal norms to the Balkans has encountered in the past two decades.

The embedded nature and endurance of structural conditions in the post-communist Yugoslav successor states can be demonstrated by extending the task of chapter 3: that is, tracing the relative disparities in the former Yugoslav space into the 2000s. Many indicators serve to illustrate the reproduction of economic disparities among the successor states: table 9.1 illustrates the varying dependence on trade with the EU (an important indicator of economic structure), while table 9.2 shows that in terms of per capita GDP, unemployment, and human development, the economic disparities among the successor states are significant as ever, despite impressive growth rates in the mid-2000s.

Survey results indicate that issues of economic survival topped the list of public concerns throughout the region early in the second decade of transition, surpassing issues of nationality and ethnicity, which dominated in the first. Despite just having emerged from a violent conflict between separatist Albanian fighters and the Macedonian government, in 2002 over 40 percent of Macedonian respondents cited poverty as their main concern, while less than 20 percent pointed to ethnic relations. Daily life in the various Yugoslav successor states clearly reflects ongoing economic disparities. The prospects for a university student from Ljubljana these days are radically different than the very limited choices available to a student in Priština, who in most cases has limited employment prospects and even more limited international mobility due to visa restrictions.

The premise of this study was that the reproduction of economic disparities over time has fundamentally shaped political outcomes. Indeed, despite nearly two decades of post-communist change under regimes employing new ideologies and strategies, leaders in the four states are confronted in 2009 by many of the same structural opportunities and challenges faced by their pre-
decessors in the pre-communist, communist, and immediate post-communist periods. Whereas path-dependent or “critical junctures” approaches emphasize a priori unpredictable decisions made in uncertain times that shape a subsequent path of political development, this one focuses on the reproduction of a certain set of identifiable structural features over time and on how various elites and regimes have responded to these structural circumstances. The issue that must now be addressed is how structural conditions are translated into distinct political outcomes.

Since the Yugoslav successor states exhibit a range of structural legacies that parallel variations in the region at large, the analysis presented in this book allows us to formulate some general propositions about the relationship between initial conditions and post-communist paths of political change. Most of Eastern and Central Europe did not suffer from a lack of industrialization but rather from the type of industrialization that took place under communism, which affected its chances to survive in a global economy following the collapse of Council for Mutual Economic Assistance (CMEA) markets. The type and extent of industrialization that took place under communism, in turn, depended on the relative backwardness of the state in the pre-communist period.

The Political Consequences of Weak Viability

In states that had low levels of development in the pre-communist period, most industrialization took place under communism and tended to focus on heavy, capital-intensive, subsidized sectors that did not utilize comparative labor advantages, relied heavily on trade with Eastern markets, and thus had greater difficulties with the economic shock of transition, adapting to international competition, attracting foreign investment, and penetrating West-

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>70.7</td>
<td>78.9</td>
</tr>
<tr>
<td>Croatia</td>
<td>60.3</td>
<td>64.8</td>
</tr>
<tr>
<td>Serbiaa</td>
<td>55.9</td>
<td>55.0</td>
</tr>
<tr>
<td>Macedonia</td>
<td>65.1</td>
<td>49.5</td>
</tr>
</tbody>
</table>


aWithout Montenegro.
Regime Change in the Yugoslav Successor States

Output collapse in these countries, as well as its negative consequences, such as unemployment, were highest in such states. Here radical populism found a willing constituency because it offered simple solutions to economic decline, played on insecurities and interethnic distrust, and appealed to traditional attitudes. Barely reconstituted communist parties, now espousing new ideologies, won the first elections. Economic scarcity intensified competition between ethnic groups. Liberal elites, by contrast, did not find a receptive constituency and only became viable political alternatives when the former communists failed to provide acceptable living standards—but even then had trouble constructing broad reformist coalitions. Without an industrial sector ready to adapt to Western markets, there were few business leaders lobbying for pro-Western policies. Vested sectoral interests in heavy industry slowed down reform, as did communist-era institutions such as the security services, because they were vital sources of employment and loci of vested interests. Radical populists depended on coalitions of rural and semirural unskilled workers and farmers and a political and economic elite of party insiders. Nationalist appeals resonated with both groups for different reasons: with the former because of economic hard times and cultural reasons, the latter because they could benefit by keeping resources for themselves and out of the hands of ethnic minorities.

Table 9.2  Economic Indicators, Yugoslav Successor States, 2006

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita (in euros)</th>
<th>Unemployment rate (%)</th>
<th>GDP growth rate (%)</th>
<th>Human Development Index ranking&lt;sup&gt;a&lt;/sup&gt; (out of 179 countries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>14,000</td>
<td>6</td>
<td>4.0</td>
<td>26</td>
</tr>
<tr>
<td>Croatia</td>
<td>6,000</td>
<td>14</td>
<td>4.3</td>
<td>45</td>
</tr>
<tr>
<td>Montenegro</td>
<td>3,100</td>
<td>15</td>
<td>6.5</td>
<td>64</td>
</tr>
<tr>
<td>Serbia</td>
<td>2,500</td>
<td>21</td>
<td>6.3</td>
<td>65</td>
</tr>
<tr>
<td>Macedonia</td>
<td>2,100</td>
<td>37</td>
<td>3.0</td>
<td>68</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>2,000</td>
<td>40</td>
<td>6.2</td>
<td>75</td>
</tr>
<tr>
<td>Kosovo</td>
<td>1,100</td>
<td>40</td>
<td>3.8</td>
<td>n.d.</td>
</tr>
</tbody>
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<sup>a</sup>The Human Development Index is a summary composite index that measures a country’s average achievements in three basic aspects of human development: health, knowledge, and standard of living. Data is from 2008.
Low levels of economic viability were also related to the development of a rentier state, which directly reinforced authoritarian politics by becoming embedded in personalized networks. Economic elites took control of the very same failing enterprises that could not be adapted to Western markets and stripped them of their assets in shady privatization deals: communist successor parties were in an especially good position to do so. In the long run, the parts of society receptive to populist appeals became disillusioned with the regime, but the entrenched elites had a vested interest in maintaining either authoritarianism and minimal reform or partial reform and a facade of democracy. To maintain power, they strengthened their hold over the most important levers of influence: the police, the security apparatus, and the media outlets. It would be a mistake, then, as Hellman (1998) has argued, to see workers, farmers, and other “losers” of transition as the primary supporters of illiberal politics in the long run.

Although these states professed support for joining Euro-Atlantic organizations, it was clear that the elite was not ready to accept the conditions needed to do so, meaning that the external impetus for liberalism was also absent. Low levels of economic viability explain the existing indicators of low liberal content: the weakness of liberal political alternatives and the illiberal legitimizing principles of ruling political configurations. Among our cases, Serbia, Montenegro, and Macedonia fall into this group (as do Kosovo and Bosnia and Herzegovina among the Yugoslav successor states), while in the larger region, Bulgaria, Romania, and Albania more or less followed this pattern of change during their initial years of transition. In Romania the former communist National Salvation Front (Frontul Salvării Naționale, FSN) adopted nationalist themes and made superficial concessions to procedural democracy while keeping a firm hold on the levers of power. In Albania the former communists did not survive long but were replaced by a populist regime that took firm control of the state apparatus and was thoroughly corrupt, leading to a state of anarchy in 1997. In Bulgaria procedural correctness suffered the least despite the power of former communists, but entrenched interests continued to hinder liberal reform until the economy nearly collapsed in the late 1990s and was bailed out by international financial institutions.

The Political Consequences of Partial Viability

In states that had undergone some development in the pre-communist period or enjoyed greater geographic proximity to the West, the effect of com-
munist industrialization was moderate, and though post-communist output collapse was serious, it did not necessarily encompass all sectors of the economy. During the transition, the political scene was witness to competition between liberal, pro-Western configurations on one hand and radical populist groups on the other. The radical populist groups appealed to segments of society disillusioned with the rapid changes that were taking place: where ethnic cleavages existed, they could also use nationalism effectively as part of their populist appeal. The liberal groups, by contrast, made appeals to those parts of the population in the best position to adapt to the market economy and global competition: in particular, educated, urban groups and those employed in industries not rooted in the communist era. These groups were also most receptive to the idea of quickly meeting the conditions for EU membership. Which configurations ultimately prevailed depended on a number of contingencies. However, in either case the political regime displayed divisions that reflected the mixed initial economic conditions. Where populist groups rose to power, they were held in check by liberal configurations. Where liberal groups prevailed, they were repeatedly threatened by extreme left- and right-wing political alternatives. Thus, partial economic viability helped shape regimes that had a mixed record of liberal content. In this study, Croatia exemplifies this path of change, while elsewhere in the region the radical populist regime of Vladimir Mečiar in Slovakia is also paradigmatic, as was the post-communist transition of Lithuania in which nationalism played a prominent role in the immediate post-independence period (Clark 2006).

The Political Consequences of Viability

In states with high levels of pre-communist development, communist-style industrialization was limited, and as a result post-communist output collapse was smaller, leaving fewer people impoverished. Liberal and pro-Western groups, whether genuinely reformed communist parties or configurations with roots in the democratic opposition, found broad support in society and prevailed in the first elections. Managers of industry, eager to attract investment and export to Western markets, saw promise in liberal economic reforms. Common incentives to stay on the liberal course meant that there was a consensus among key social groups on fundamental questions about the polity, and ethnic divisions were less likely to become divisive. Though illiberal appeals were not absent from the political scene, they were marginalized in the larger thrust toward liberalism and membership in Euro-Atlantic orga-
nizations. Thus, economic viability explains the high level of liberal content in these regimes. In the present study, Slovenia is paradigmatic, while in the larger region Hungary, the Czech Republic, Estonia, and Poland fit this pattern. In all these countries, parties with different political histories but a shared commitment to democracy, the market, Europe, and civil and political rights have alternated peacefully in power.

Discussion

The varying economic effects of different initial conditions among East European post-communist states are shown in table 9.3. Notice Janos’s (2003) “distress index,” which is created by adding the percentages of unemployment and output collapse, since the conditions that this index reflects directly influenced political outcomes. The magnitude of the distress index is correlated with the initial conditions. More anecdotally, as Janos writes, “This is the story of Czech beer and textiles, or Hungarian electronics and pharmaceuticals versus Romanian heavy chemicals and iron foundries, Slovakian armament factories, or Bulgarian light industries built with an eye on consumer demand in the Soviet shortage economy” (2003: 21).

We observe that countries with the highest distress indices experienced the most political turmoil after the fall of communism and were characterized by the greatest infractions against procedural correctness and the lowest levels of liberal content. Slovakia and Croatia, as noted above, are the intermediate cases here. Even after procedural correctness was instituted and economies were stabilized, the indicators of liberal content remain higher in the countries that started with more favorable structural conditions than those with poor initial conditions. Thus, illiberal and anti-Western parties played a much bigger role in Romania than Poland, and Slovaks expressed much less enthusiasm about democratic institutions compared to their Czech counterparts. For the cases that are the subject of this study, chapter 8 illustrated how differences in liberal content characterized regimes in the 2000s. The longer-term influence of structural conditions is also best observed in the varying degree to which economies have been able to recover from post-communist collapse. The lands of the former German Democratic Republic, for example, continued to be plagued by high unemployment long after reunification despite years of massive financial transfers from the former West Germany. Not surprisingly, the communist successor party there fared well in elections.

Do cross-sectional regression analyses of post-communist countries con-
firm the finding that the initial structural economic conditions of transition are a powerful predictor of post-communist liberalism? Grigore Pop-Eleches (2007b) has employed a number of sophisticated statistical models to test the effect of various commonly hypothesized determinants of post-communist democratization.⁵ Pop-Eleches finds that “the region’s overlapping cultural, socioeconomic, and institutional legacies significantly shaped the preferences of political actors and the constraints of their choices.”⁶ Furthermore, he notes that the incorporation of structural legacies “undermines some of the earlier claims about the importance of more contingent factors, such as initial elections outcomes, institutional choices, and geographic diffusion” (2007a: 909–10).⁷ While he finds that the joint predictive power of structural legacies increases over time and is significant, robust, and a formidable predictor of institutional choice, Pop-Eleches also admits that it is difficult, if not impossible, to specify “exactly which particular structural conditions matter most for the establishment of democracy and capitalism in the region” (2007b: 910). This is because of the high degree of overlap among social, cultural, economic, historical, and geographic legacies, which makes the regime outcomes somewhat overdetermined.

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</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>59.6</td>
<td>66.9</td>
<td>7.3</td>
<td>19.0</td>
<td>3.2</td>
<td>22.2</td>
</tr>
<tr>
<td>Poland</td>
<td>37.1⁷</td>
<td>52.0</td>
<td>14.9</td>
<td>8.9</td>
<td>15.4</td>
<td>24.3</td>
</tr>
<tr>
<td>Hungary</td>
<td>35.7</td>
<td>47.0</td>
<td>11.3</td>
<td>16.6</td>
<td>13.0</td>
<td>29.6</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>18.3</td>
<td>50.9</td>
<td>32.6</td>
<td>27.7</td>
<td>16.0</td>
<td>43.7</td>
</tr>
<tr>
<td>Romania</td>
<td>28.4</td>
<td>57.1</td>
<td>28.7</td>
<td>27.0</td>
<td>9.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Slovakia</td>
<td>35.9</td>
<td>61.8</td>
<td>25.9</td>
<td>22.1</td>
<td>13.5</td>
<td>35.6</td>
</tr>
<tr>
<td>Slovenia</td>
<td>35.9</td>
<td>46.9</td>
<td>11.0</td>
<td>5.6</td>
<td>14.4</td>
<td>20.0</td>
</tr>
<tr>
<td>Croatia</td>
<td>22.5</td>
<td>38.5</td>
<td>16.0</td>
<td>16.0</td>
<td>17.2</td>
<td>33.2</td>
</tr>
<tr>
<td>Serbia</td>
<td>16.1</td>
<td>43.8</td>
<td>27.7</td>
<td>50.0</td>
<td>25.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Macedonia</td>
<td>14.3</td>
<td>51.5</td>
<td>37.2</td>
<td>47.0</td>
<td>28.6</td>
<td>75.6</td>
</tr>
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</table>


¹The Distress index is created by adding the percentages of unemployment and output collapse.
²Data from 1950.
Since the most striking feature of the Soviet developmental model was the proliferation of energy-intensive, wasteful, and pollution-heavy industry and chemical plants meant to promote rapid industrialization and to cover the needs of defense sector, Pop-Eleches (2007b: 914) captures this feature by including the “energy intensiveness” of the communist economies at the start of transition in this model so as to test its effect on post-communist democratization. In a multivariate regression that encompasses this and a number of other structural legacies, he finds that by far the strongest predictor of post-communist democracy scores is indeed energy intensiveness and that the influence of this variable manifests itself more clearly over time (Pop-Eleches 2007b: 917). However, in another version of the same paper, he notes that energy intensiveness may simply be a proxy for a broader set of maladies from the communist period that had a negative effect on both democracy and economic reforms. This brings one back to the high degree of overlap between the various legacies and other potential explanatory factors of post-communist democratization.

One solution to this problem, mentioned by Pop-Eleches in the conclusion to his study, is methodological pluralism: that is, large-N analyses need to be complemented by small-N comparative case studies to specify the precise causal mechanisms at work. But even in the context of the small-N method, it is difficult to find cases that exhibit significant variation along the independent variable of interest but are similar enough along all the other relevant dimensions to allow the researcher to attribute the variation in reform outcome to a specific legacy or mechanism. Thus, case studies can help strengthen our confidence that a particular kind of structural legacy matters more.

This study has presented a number of arguments that point away from cultural and ethnic plurality hypotheses as determinants of post-communist regime diversity in the Yugoslav successor states. This does not mean that culture and ethnicity are of no significance. Indeed, differences in political culture are evident. Although we cannot find such differences when, in survey research, we ask questions such as “Is democracy a good way of governing the country?” or “Is a strong leader better than a parliamentary system?” more nuanced indicators of political culture suggest important variations. Ronald Inglehart’s index of “survival versus self-expression,” a combined measure of tolerance, satisfaction, trust, and post-materialist values, not only reflects striking differences among countries but is also a powerful predictor
of democratization (Inglehart 2003). Inglehart’s scores for the four countries that are the subject of this book do vary, with those for Croatia and Slovenia pointing to a more democratic political culture than the scores for Serbia and Macedonia.

Yet, Inglehart (2003: 56) also notes that the strongest predictor of high self-expression values is economic development and presents evidence to show that the latter precedes the former. Culture matters, but the goal of this study was to explain how and under what conditions certain cultural predilections—and, for that matter, ethnic divisions—play a role in politics. It is in conditions of economic scarcity and insecurity that people turn to traditional values and ethnic networks. The argument, thus, is not entirely utilitarian, since feelings of security may not always reflect the most economically rational choice. Still, an investigation into economics is needed to understand the timing and salience of mobilized culture or ethnicity. Political beliefs, attitudes, and values are important intervening variables in the relationship between economic development and democracy.

Culture and ethnicity do have independent explanatory power in other ways. Ethnicity could only be mobilized in Croatia because there were real memories and grievances that underpinned the divisions between Serbs and Croats in the Krajina. Once ethnicity was mobilized, a path-dependent “spiral of ethnic politics” and nationalism ensued (Vachudová and Snyder 1997) in which national issues became the baseline of political competition. In this sense, Slovenia was lucky: despite the existence of ethnic minorities, the history and content of ethnic relations was much different. Feelings of victimization could be exploited in Serbia because feelings of victimization ran deep. Furthermore, had competition over scarce resources been at the same level in countries with a more democratic history, liberalism might have had a better chance. Still, these are necessary, but not sufficient, conditions of particular political outcomes, and socioeconomic development (particularly economic downturns and crises) is needed to understand the timing and forms of political change and mobilization. The Baltic nation of Estonia may be our best example: despite the existence of potentially troubling ethnic divisions, the country’s comparatively low level of heavy industry and links to Western markets helped it to turn the economy around (Panagiotou 2001) and effectively coopt the country’s Russian minority into the state- and democracy-building project.

However, disparities in economic development cannot explain higher lev-
els of procedural correctness in Macedonia than Croatia or the election of liberal parties in Serbia in 2000 despite the persistence and deepening of poor structural conditions. Here we must turn to the second independent variable, the effect of external agency. Under what conditions will the West work as positive force for democratization? Why do different states respond differently to the project of Western liberalism?

The External Dimension of Post-communist Democratization

Absent the role of the democracy-promoting West, all of what has been said thus far leads to a rather pessimistic outlook on the prospects for full democratization in those post-communist states that did not benefit from favorable starting conditions. We do not have to look north of the Balkans to find instances in which difficult initial conditions have been overcome. Bulgaria teetered on the brink of financial collapse in 1996 and yet has emerged as a fairly stable democracy, joining the EU in 2007. It has a serious corruption problem, but this has not precluded the gradual emergence of liberal institutions and norms.

We could always be more optimistic about the prospects for democratization in Eastern and Central Europe given the existence of a strong external impetus toward liberalism. Unlike countries in Latin America, Asia, Africa, and the successor states of the former Soviet Union, the countries of Eastern and Central Europe not only are geographically proximate to one of the greatest centers of prosperity and innovation in the world but have also been candidates for admission to the “club” that integrates its nation states. This club is “arguably the most highly and densely institutionalized region of the international system” (Schimmelfennig 2002: 1). Moreover, unlike Asians or Africans, most East European citizens see themselves as firmly belonging to the West. The external incentives to pursue liberalism, thus, are enormous. This has been particularly true given the EU’s willingness to expand to include the former communist states. Unlike the “heaven” of communism that no East European ever got to see, one had only to look as near as Vienna or Rome to see the benefits of being part of the richest club of nations in the world. The promise of EU enlargement, in fact, has been the “single most important policy instrument” available to ensure a stable, prosperous, and democratic continent, simply because the benefits of joining are tremendous (Moravscik and Vachudová 2003). The international environment of the 1990s, further-
more, was the most favorable it had ever been in terms of the prospects for liberalism in East and Central Europe: Russia was weak and its influence was shrinking, and Germany was powerful but democratic and integrated into both the EU and NATO (Rupnik 1999: 3). Fukuyama’s thesis about the inevitable triumph of liberalism in the post–Cold War world truly had merit in the post-communist states of Eastern and Central Europe.

While all Eastern and Central European states wanted the benefits of membership in Euro-Atlantic structures, there were significant differences in what these states were willing and able to do in its pursuit. This raises questions of domestic politics: why did the perceived benefits of EU membership outweigh the perceived costs of fulfilling admission criteria for some governments, while for others the costs of fulfilling the criteria were higher? The answer is that for some the EU represented an opportunity, while for others it did not. Joining the EU necessitated fulfilling a number of conditions that infringed not only on the sovereignty of the post-communist states but also clashed with local practices, cultures, and structures and directly endangered certain economic industries and sectors. At times the incentives for elites to meet the external conditions ran counter to any potential benefits offered to the public. At other times the horizons of membership were too long. This means that the West and domestic constituencies often pulled post-communist elites in opposite directions. The relative strength of each force at a given time helped determine political outcomes. It is no surprise that one locus of political conflict throughout the region has divided parties based on their willingness to accept the Western liberal agenda. More often than not, questions of whether and how much to comply with Western conditions have vexed and divided leaders, parties, and the voting public.

Although even early on, many analysts spoke to the importance of international factors in post-communist transitions, the relationship between processes such as EU accession and regime behavior remained under-theorized, assumed rather than proven, and bereft of causal mechanisms. In recent years more rigorous research on the effects of EU conditionality on post-communist regime change has appeared.10

The story of the external dimension of democratization in post-communist states is ultimately about asymmetrical power—about clients and hegemons in a new hierarchical international order. This points us to some traditional theories of international relations. There may be security benefits to EU enlargement, but the focus on building democracy and promoting human rights
cannot be easily reconciled with realist and neorealist assumptions about state goals and interests. The neoliberal interpretation of events provided by international political economy (IPE) can only provide a limited explanation of democracy promotion on the part of the West given its lack of economic rationality: after all, the project to expand the EU is costly and unpopular in many of the current member states. Moreover, these theories do not account sufficiently for the way in which anticipated reactions, progress reports, and promises of rewards have allowed the West to exercise great influence over the post-communist states. Joseph Nye’s elucidation of “soft power” (2004) and its focus on “cooption” and “attraction” is instructive in this regard.

In terms of accounting for the unique role of international factors in post-communist regime change, the most promising theories seem to come from the broad category of IR theory known as constructivism, particularly the literature on international socialization and the spread of norms. The literature on norms has devised frameworks that “aim to assess the conditions under which norms travel, whether across national boundaries or from the international organizations or community into states, and when they make a difference in policy” (Linden 2002: 376). For instance, Finnemore and Sikkink (1999) argue that “norm entrepreneurs” use international organizations to create a “norms cascade” in which norms held by powerful, successful states are adopted by other states that are eager to share in the group’s success, reputation, and esteem. Risse and Ropp (1999: 238–39) describe a “spiral model” of norm transfer in which states at first act out of instrumental rationality and concessions in hopes of receiving rewards. Eventually, the norms become embedded in the state’s institutions and modes of behavior. Earlier, Ikenberry and Kupchan (1990) hypothesized that what begins as an instrumental acceptance of a hegemon’s agenda can evolve into a process in which the substantive beliefs of both elites and masses are altered. Thus, theories of norm transfer and international socialization teach us not that the West accepts only liberal democracies as members but that the condition of being a credible candidate for membership creates incentives that compel elites to make decisions that stimulate democratization (Vachudová 2005: 1; Schimmelfennig 2007: 129). EU officials are well aware of this and repeat it frequently when seeking support for further expansion. Furthermore, the EU promotes the SAA process by publicly declaring that “the main motivator for reform—including the establishment of a dependable rule of law, democratic and stable institutions and a free economy—in these countries is a relation-
ship with the EU that is based on a credible prospect of membership once the relevant conditions have been met.”

Constructivist theories can also help us to understand how Western norms are diffused from elites down to the public, particularly in societies where there is a weak impetus for liberalism. They help us to understand how conditionality and rewards can be used to “lock in” a path of reform in a EU candidate state. They need not espouse the rigid structuralism of dependency theory or more modern theories of neoliberal convergence in the context of globalization for two reasons. First, East European elites do have a choice, at least in theory: joining the EU or other Western organizations is not mandatory. Second, rather than representing strictly confining conditions, the liberal universalism espoused by the West and the conditionality policies associated with it represent an opportunity and source of political capital for elites. In Đukanović’s Montenegro and late-1990s Croatia, we saw how a pro-Western stance can be used to bid for domestic political capital when ruling political configurations are delegitimized because of their inability to raise living standards. Elites may also adopt a pro-Western stance because they have no choice given the depth of economic malaise and security concerns: Macedonia and post-2000 Serbia are examples. In either case, the pro-Western elites need to convince their constituents that there will be real rewards in conforming to Western conditions. By embracing externally conditioned liberalism and setting their country on the path of integration into Western organizations, elites can effectively “break through” confining initial conditions. One concrete way in which this happens is through the gradual neutralization of radical populist political configurations as Western conditions and norms become embedded in domestic politics such that the costs of backsliding become too great. This happened in Slovenia in the 1990s, Croatia after 2000, and, more recently, Serbia and Macedonia. It also took place in Poland (where even the populist Andrzej Lepper accepted Europe, albeit reluctantly), in Romania (where after 1996 the influence of the fascist-oriented Vadim Tudor diminished), Bulgaria (where the formerly Euroskeptic socialists were partially converted and marginalized), and Slovakia (where the formerly anti-Western populist Vladimir Mečiar embraced the inevitability of the EU). And most recently, the rebirth of populism, nationalism, and anti-EU rhetoric across the region, from Poland and Hungary to the Czech Republic and Estonia, are a powerful demonstration of how illiberal predilec-
tions and identity issues come to the fore as the constraining power of conditionality disappears after accession.\textsuperscript{14}

But how can we explain when certain elites decide to embrace a pro-Western agenda, at least nominally? Here the answer seems to lie partially in the dynamics of political competition. When an illiberal and anti-Western regime falters because of a failing economy, it provides a political opening for opposition groups to take over, especially in the context of electoral games. A pro-Western stance becomes a beneficial source of political capital for these groups and often a source of material and organizational aid. To explain such elite dynamics, in fact, it may be useful to turn to elite competition frameworks developed in the transitology literature, such as the model developed by O’Donnell and Schmitter (1986). With regard to the strategic behavior of these elites, it also can be reconciled with rational choice approaches.\textsuperscript{15} Such elite dynamics were very much in evidence in Croatia and Serbia in 1999, Montenegro in 1997, and Serbia in 2008. Similar dynamics could be observed in Bulgaria after 1996, and Slovakia in 1998.

However, the different situation in which Croatia and Serbia find themselves in 2009 also shows that to understand the long-term success of elite acceptance of the Western project in terms of fostering a substantively liberal regime, we must return to the structural conditions enumerated above. Simulated or partial reforms that do not benefit from public support, as we have seen in the breakdown of stability in post-2000 Macedonia, have their limits. Again, structural differences help determine the size of the part of the elite and public that is receptive to the Western liberal agenda; if this segment of society is not large enough, democracy will be constantly threatened even where procedural correctness is observed. The legitimacy of Western-dictated reforms is crucial, but there is ample evidence that these reforms are seen as illegitimate in countries without the supporting structural features. The perception of illegitimacy has been present in outbreaks of violence in Kosovo and Macedonia, inflammatory nationalist rhetoric in Bosnia, and the resistance to cooperation with The Hague tribunal on the part of governments in Zagreb, Belgrade, and Banja Luka. Two books have illustrated how Western-administered democracy in Bosnia and Herzegovina not only led to an unhealthy dependency on external actors but also decreased the legitimacy of democracy altogether.\textsuperscript{16} And that illiberal, anti-Western parties in Bulgaria, Romania, and Serbia have waited in the wings of parliament even as demo-
crats ruled shows that the reach of the West is never complete in the absence of strong structural underpinnings. Yet, unfavorable structural conditions can be overcome to some extent by a credible promise of membership and intermediate rewards such as aid and access to markets, rewards that are difficult for a government to refuse or give up later on. This is the tipping point at which the Western agenda takes over and becomes embedded in domestic policies and institutions.\textsuperscript{17} In the Bulgarian case, the strong and consistent EU support for the Union of Democratic Forces (Sayuz na Demokratichnite Sili, SDS) in the late 1990s, is a good example of this dynamic.

Thus, that Western liberalism was embraced earlier in Slovenia than Croatia had to do with a greater domestic acceptance of the West in the former than the latter. That elites and part of the public finally did embrace the agenda in Croatia after 2000 reflected first and foremost an elite acceptance of Western conditions due to the delegitimization of the former regime and deep economic problems. That liberal reforms can be sustained in Croatia over time reflects favorable structural factors, the decisiveness with which the post-Tudman governments pursued EU membership, and the credible offer of membership from the West. By contrast, that Western conditions continue to generate divisions in post-Milošević Serbia even as they have been accepted by part of the ruling elite shows the influence of less favorable structural conditions. Given that Serbia did not even sign an SAA with the EU until 2008, the West has so far held out little in the way of a credible promise of membership and thus has had less leverage over Serbian democratization.

Table 9.4 summarizes these propositions and processes and the way they played out in the four cases analyzed in this study. It employs concepts from the study of international relations, such as convergence (passive transfer through demonstration effects and “learning”), conditionality (the setting up of criteria for membership), and control (enforcing the liberal agenda through direct involvement in the domestic political process, sanctions, and intervention) to help us understand how liberal norms are transferred to the post-communist states.

Thus, political outcomes in the post-communist world depended not only on domestic structures but also on the response of these societies to the “most massive international socialization process currently underway in the international system” (Schimmelfennig 2002: 1), that is, the efforts of the West to coopt the post-communist states “into the existing institutional framework of
<table>
<thead>
<tr>
<th>Compatibility of Western liberalism with local structures</th>
<th>Slovenia</th>
<th>Croatia</th>
<th>Federal Republic of Yugoslavia</th>
<th>Macedonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of norm transfer</td>
<td>Contagion and convergence: passive leverage</td>
<td>Conditionality: positive and negative inducements</td>
<td>Control and conditionality: mostly negative inducements</td>
<td>Mixture of positive and negative inducements</td>
</tr>
<tr>
<td>Acceptance of norms by elites in 1990s</td>
<td>Consensus on Western liberalism</td>
<td>Nominal acceptance</td>
<td>Outright rejection</td>
<td>Nominal acceptance by part of the elite</td>
</tr>
<tr>
<td>Domestic political effects in the 1990s</td>
<td>Illiberal groups quickly marginalized; process of integration becomes main locus of political competition</td>
<td>Elites and public divided; external impetus for democracy moderate</td>
<td>Strong anti-Western sentiment; little external impetus for democracy</td>
<td>Public divided; anti-Western presence in politics</td>
</tr>
<tr>
<td>Resulting regime type</td>
<td>Substantive democracy</td>
<td>Simulated democracy</td>
<td>Populist authoritarianism</td>
<td>Illegitimate democracy</td>
</tr>
<tr>
<td>Effects of external influence after 2000</td>
<td>Some disenchantment with the EU; general consensus on appropriateness of West and liberalism</td>
<td>Economy falters and pro-West coalition wins; elite and public still divided. By mid-2000s, increasing consensus on integration, elites and public are coopted</td>
<td>Economy fails and democratic coalition wins; elites and public still deeply divided over liberalism; external impetus weak but growing by 2006</td>
<td>Illegitimacy comes to a head in 2001; conflict breaks out and West becomes intensely involved in domestic politics; public still deeply divided but external engagement continues to assure reform and stability</td>
</tr>
</tbody>
</table>
the larger liberal commonwealth” by tying membership to an extensive list of conditions (Janos 2003: 19). The processes by which this occurs are not antithetical to existing theories of transition and democratization. We have seen, rather, that the sources of these constraints, opportunities, political openings, loci of elite conflict, and public divisions often lie in the external, rather than the domestic, realm. In this sense, this study aims toward a synthesis of existing theories of democratization and post-communist change with the reality of external agency, rather than a wholesale revision or rejection of any one such theory.

The Big Picture

The influence of Western conditionality notwithstanding, that the four regimes analyzed in this study, even those with low levels of liberal content in the 1990s, placed a premium on procedural correctness should not be a surprise given that in today’s world the practice and rhetoric of democracy are ubiquitous. Even the most undemocratic regimes cannot afford at the very least to pretend to adhere to some democratic procedures, with some notable exceptions. Democracy has become an international norm, and the world’s despots have learned to speak its language. President Robert Mugabe of Zimbabwe intimidated, beat, and jailed the opposition, but he did not eliminate it outright. President Hugo Chávez of Venezuela has clear authoritarian tendencies, but he holds elections and referenda to legitimize his rule and even accepts their results when things do not turn out in his favor, emerging as a better democrat, and thus a more legitimate leader, as a consequence. In a world where human rights and democracy are used as criteria for aid and membership in international organizations, it would be folly for any regime to disregard such norms entirely. And perhaps more important, many people are no longer willing to accept unbridled authoritarianism. Hence, in many countries, facade parliaments legislate, opposition groups hold symbolic protests, minority groups have their token representatives in government bodies, foreign NGOs maintain a presence, and constitutional courts pass down rulings. However, the substance of democracy is missing.

Today, the majority of countries fit somewhere between democracy and dictatorship, mixing pluralism with authoritarianism in a variety of ways. In this sense, both totalitarian North Korea and the democratic Netherlands are anomalies. The norm, indeed, seems to be better exemplified by the kinds of
regimes that ruled in Croatia, Serbia, and Macedonia in the 1990s. All three regimes allowed for regular elections and criticism. All allowed their citizens to travel and read foreign newspapers. And yet, all three, to different degrees, were lacking in liberal content because of problems relating to legitimacy, public divisions over fundamental questions about the state, and a lack of liberal alternatives, not to mention manipulations of otherwise fair democratic rules and serious infractions against civil and human rights by those in power. The challenge for Western policymakers and donors is whether and how to encourage substantive democracy in these countries. In a July 2009 speech in Ghana, U.S. President Barack Obama noted that what happens between elections is just as important to democracy as the elections themselves.

The challenge for comparative politics is to understand the development and character of these kinds of hybrid regimes. This study has argued that in characterizing hybrid regimes, it is critical to look at various measures of liberal content. That in 1990s Serbia-Montenegro and Macedonia there were few truly liberal groups on the political scene, while in Croatia by the end of the 1990s there was a liberal opposition-in-waiting, ultimately tells us more about the challenges to democratization in each state than differences in their adherence to procedural norms. That the loci of political conflict in Slovenia were not related to questions about the borders of the state and who belongs within them is also quite telling in terms of the prospects for liberalism there. So was the refusal of many Macedonians to accept the legitimacy of the multiethnic coalitions that governed throughout the 1990s and today, or the refusal of ethnic Albanians to accept the legitimacy of a sovereign Macedonian state. For large-N studies on the determinants of democratization, the lesson is that simple operational definitions of the dependent variable will not yield reliable results. With hybrid democracy ubiquitous, political scientists will have a harder time quantifying regime type. In the Yugoslav successor states, differences in liberal content, rather than differences in procedural correctness, came to matter a great deal in the second decade of transition, even where the regimes that dominated the first ten years of transition were defeated. Put differently, if we take the level of liberal content in the 1990s to be the independent variable, it emerged as a powerful predictor of democratic success in post-authoritarian regimes that emerged with Western support after 2000.

The research agendas of political science and other disciplines that deal with human affairs are often driven by developments in the social world.
Trajectories in the study of democratization and regime change are a case in point. The proliferation of democratization studies, not by accident, coincided with an unforeseen flood of change in world events rather than rapid advances in theoretical knowledge: namely, the “third wave” of democratization that began in southern Europe and then “spread” to Latin America, communist Eastern Europe, and some parts of Africa and Asia. That among the countries undergoing democratization were a host of states without the “correct” cultures, social structures, or levels of development was very much at the root of highly voluntarist accounts of regime change. It also fostered the belief that, given the right institutions and political acumen, democracy could be “crafted” where there was none before. Democracy, as Rustow (1970) wrote, could now be seen as the product of the “possible” rather than the “probable.” In terms of foreign policy, the shift to voluntarism also coincided with Western efforts to “export” democracy to non-Western parts of the world.

More recently, there are those in Washington, London, and elsewhere that hoped for a “fourth wave” of democracy in the Greater Middle East. Wars have been waged, ostensibly with the goal of promoting precisely that. Billions of dollars have been invested in installing the right institutions, building civil society, and instructing locals in the ways of democracy. President George W. Bush’s second inaugural, in January 2005, expressed great optimism about the spread of democracy in the world. Yet, daily developments in Iraq and Afghanistan and other countries have, at best, tempered any idealism about the global march of democracy. Although it is much too early to draw major conclusions, those who study regime change had to notice that “possibilism” and the feasibility of “exported” democracy were challenged in the most direct way. Germany and Japan, of course, are a testament to the potential success of externally crafted democracy and have been cited as such by proponents of the Iraq War. However, there are many differences between these two instances and the Iraqi and Afghan cases: Japan and Germany were already integrated nation-states, they had some experience with parliamentary democracy, they had a sophisticated industrial base before World War II, and they received massive amounts of aid in the wake of defeat. Divided populations, weak states, and a lack of a democratic tradition, by contrast, hinder the development of democracy in Iraq and Afghanistan.

It is equally sobering to survey negative democratic developments in states not ravaged by war. The former Soviet Central Asian states are firmly in the grip of repressive rulers, democratic institutions in Russia are under assault,
coup and political violence have threatened or turned back democratization in some Latin American countries, and much of the African continent is under the control of authoritarian and corrupt regimes. Deeply divided publics have undermined recent democratic “revolutions” in states such as Lebanon, Ukraine, and Georgia. The problem in some of these cases has to do with democratic legitimacy: the inability of ostensibly democratic governments to improve the lives of ordinary people, which would instill trust in democratic governance. Shapiro has written: “If democracy does not function to improve the circumstances of those who appeal to it, its legitimacy as a political system will atrophy” (1996: 108).

In others, deep public divisions hinder democratization. Witness the popularity of the radical populist Hezbollah among Shias in Lebanon and their incredibly strong showing in rallies held just days after the massive crowds that poured into the streets in support of the “Cedar Revolution,” or the weak support for Yushchenko’s “Orange Revolution” among the Russian-speaking population of Eastern Ukraine. Pakistan, in which party support continues to be based on feudal loyalties, has been in a constant state of instability since the assassination of Benazir Bhutto in December 2007. The West Bank is ruled by leaders from the Fatah party who do not control and are not recognized as legitimate by a parallel leadership in Gaza, which is supposed to become part of their future state. In 2009, public divisions (and a violent crackdown by the regime) thwarted a possible democratic turnover in Iran, and the people of Honduras were divided over whether a coup d’état overthrowing a populist president was carried out in the direction of democracy or against it. In countries such as Venezuela, Russia, China, Vietnam, and Belarus, by contrast, authoritarianism itself is legitimate to the extent that it promotes higher living standards and public order.\(^{22}\)

In still other cases, weak democratic institutions have turned political conflict into paralyzing protests and violence. In Thailand, tens of thousands of protesters managed to drive a government accused of corruption into internal exile and stop all international travel to and from the country in the fall of 2008. Earlier that year, months before hostilities broke out with Russia over South Ossetia, Georgia was in the midst of a political crisis in which opposition forces refused to acknowledge the results of a snap election called by champion of democracy and darling of the West President Mikhail Saakashevili following violent protests against his administration. That international observers declared that the elections were valid (albeit imperfect) did not
stop the protestors. In Kenya, meanwhile, one of the few and, until now, most stable democracies in Africa, an election that did not meet international standards in early 2008 was contested by the opposition on the streets, leading to days of demonstrations and interethnic violence in which thousands may have died. Even in Greece, a member of the EU since 1981, youth protests against the government and a general strike paralyzed Athens for days in December 2008.

There is, of course, the normative question of whether liberal democracy is even desirable everywhere and at all times: scholars of Latin America have noted that democracy is not necessarily more economically or administratively efficient, or more orderly and governable, than autocratic regimes (Schmitter and Karl 1991: 85–87); Amy Chua (2003) echoed such sentiments by arguing that Western-style democracy can actually breed instability and ethnic conflict. Fareed Zakaria (2003) has argued that liberal autocracy is a better, safer, and more stable form of government for many transitional societies.\textsuperscript{23}

One of the contributions of this study may be new ideas about the paradigm with which to regard the Balkans. Or perhaps it will cause people to assess whether it is even analytically useful to consider all of the Central and East European post-communist states under the same rubric given the very different kinds of problems faced by countries such as Macedonia and Albania compared to those faced by Slovenia, Hungary, or the Czech Republic. Such differences may override the analytical utility of the ostensibly shared communist past. In this view, variations in communist regime types themselves can be traced to certain domestic structures that predate the installation of communist rule after World War II. Furthermore, such conclusions further demonstrate that the distinction between area studies and political science is a false dichotomy: post-communist transitions are unique, but they produce dilemmas and are based on legacies that are by no means unique to the post-communist world. The difference between the post-communist states and countries in other parts of the world lies, rather, in the external sphere: namely, countries like Venezuela and Zimbabwe do not benefit from the powerful democratic incentives of Euro-Atlantic integration.

Therefore, the literature on democratic transitions of the 1980s and 1990s may have been greatly optimistic in its outlook. The notion of various stages of democratic consolidation also seems to have been refuted by developments of the past decade: in the absence of legitimacy, what appeared to be the institutionalization of democratic norms was not irreversible. More generally,
however, the challenge for political scientists is to understand why the promise of the third wave of democratization and “the end of history” has not been fulfilled.

There is now a large body of evidence suggesting that the constraining influence of structural conditions is important to consider anew in the comparative study of democratization. I do not mean to suggest that we revive modernization theory or adopt crude models that generate assessments of countries’ chances to become liberal democracies from aggregate income or surveys of democratic attitudes or culture. I do, however, propose that we look carefully at how different socioeconomic conditions, when filtered through distinct national political cultures and confronted with the realities of adapting to an increasingly interconnected global economy, create different parameters for democracy. Democracy does not arise out of thin air: Fukuyama (1992), whose earlier work espoused great optimism about democratic convergence, later argued that democratization in the non-Western world has taken place on the levels of ideology and institutions, while democracy remains unstable due to insufficient modernization on the levels of civil society and culture. Pop-Eleches’s (2007b) statistical treatment of the post-communist world, furthermore, shows that the initial conditions of transition matter more in explaining long-term patterns of democratization, suggesting that structure is indeed a deeply entrenched force.

Finally, increasingly sophisticated large-N statistical studies continue to produce the same conclusion: that higher levels of income, usually operationalized by per capita income, are associated with higher levels of democracy, and nearly all the states that are stable democracies today are in the upper-income category. Przeworski et al. (1998: 108) observe that one can correctly predict 77.5 percent of the 4,126 annual observations of regimes just by looking at per capita income. Among the sixty-four low-income countries (as so designated by the World Bank), India is the only one in which democratic institutions have survived continuously for more than a decade (Inglehart 2003: 56). However, there are a number of problems with such large-N studies and their conclusions. In the end, it is very difficult to quantify or “code” the complex variables that are potential determinants of democracy.

Thus, large-N studies must be complemented with detailed case studies that test the hypotheses derived from regression analysis, that employ more nuanced measures of development and economic structure than aggregate indicators such as per capita income, and that carefully describe the causal
processes and intervening variables that lie between economic development and regime outcomes.

Prospects for the Yugoslav Successor States

Everything that has been presented here calls for some predictions on the immediate and long-term prospects of the Yugoslav successor states. The first is that economic conditions will continue to have a strong influence on political outcomes. As the appeal of nationalism has weakened and a global economic downturn has set in, issues of economic survival are at the forefront of public debate in the Balkans. The task before fragile Western-supported liberal governments is a formidable one. Elites in the region cannot count on the euphoria that characterized the initial democratic transitions of Poland or the Czech Republic, and unfulfilled material expectations can have an adverse effect on the liberal democratic project. The legitimacy of Western conditionality, and by extension the legitimacy of the organizations and states that issue the conditions, depends on real rewards: increases in living standards and a perception of progress toward membership. Rewards can also come in the form of faster disbursement of development funds, eased visa restrictions for travel to EU countries, or trade and labor mobility privileges.

Meeting Western conditions is often a painful process for candidate countries, and as such it is no wonder that pro-EU attitudes are strongest in the countries that are furthest from membership. Research shows that it is only once citizens are exposed to the economic consequences of closer EU integration that support levels can be explained by economic circumstance (Elgun and Tillman 2007). This is supported by recent survey data from the region, shown in table 9.5. The results show that Croatians, who are closest to joining the EU, evaluate their country’s economic prospects and their government quite negatively and are also most skeptical about EU membership.

The public’s threshold of tolerance of conditionality is lowered when negative statements are made about membership or when the economic cost of meeting them outweighs their benefit for an extended period of time. Since public expectations usually exceed both the economy’s ability to turn around and the West’s ability to deliver rewards, the potential for frustration is high. As noted earlier in the study, legitimacy by expectation as opposed to legitimacy by tradeoffs has its pitfalls. Bulgaria signed what was then called an Association Agreement with the EU in 1993 and formally applied for mem-
Conclusions

bersonship in 1995; it joined twelve years later, in 2007, and the list of conditions that candidate countries must fulfill has only grown since then, while the appetite among current EU citizens and governments for further expansion has decreased markedly. This is why many EU leaders argued for an accelerated SAA with Serbia in 2008. It remains an open question whether the patience of publics in Serbia, Montenegro, Bosnia and Herzegovina, and Macedonia, not to mention Albania and Kosovo, will hold out for so long and whether radical populism will rise if their patience does not last.

Economic problems are acute in many parts of the region and growing worse given the global recession, while political stability and ethnic reconciliation will depend on alleviating high unemployment and poverty rates. More than a quarter of Serbia’s workforce—and half of its young people—are unemployed. In the spring of 2007, I was with a senior U.S. official on a tour promoting interethnic cooperation in several mixed villages in central Kosovo, where half the working-age population is unemployed. In one town an elderly ethnic Serb man stepped forward and told the official in plain language that so long as people have somewhere to work and a way to feed their families, ethnic relations would be fine. Lack of trust in government and its institutions continues to hinder reform and hurt state capacity in all the successor states, so corruption will also remain at the forefront of public concern and debate for the foreseeable future. The challenge is to build state institutions that are “not too strong to interfere excessively with citizens’ lives and their political and economic freedoms but strong enough to enforce positively the rule of law and avoid being captured by powerful interest groups” (Ekiert et al. 2007: 15).

Table 9.5 Public Opinion on Key Issues, Fall 2008
(percent of respondents who agree with statement)

<table>
<thead>
<tr>
<th>Country</th>
<th>Economic conditions are getting worse</th>
<th>Membership in the EU would be a good thing</th>
<th>Government is doing an excellent or good job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia</td>
<td>61</td>
<td>29</td>
<td>16</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
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Note: Survey was conducted in September and October 2008.
Foreign aid and investment are indispensable for economic growth—and it was economic growth that underpinned the democratic development of states such as Germany, Japan, and Italy in the postwar era. At the euphoric 2003 EU–western Balkans Summit in Thessaloniki there was talk of a “Marshall Plan for the Balkans.” The Balkans have received a fair amount of aid from Brussels, but it is only a small portion of the total foreign aid dispensed by EU member states, and much of that is channeled toward “democracy building” rather than more tangible projects such as infrastructure (Youngs 2008: 163). As the worldwide recession reached the Balkans in 2009, the EU announced that it would not be able to provide much help. In general, the amount of aid the small states of the Balkans can expect to receive will never approach the scale of the Marshall Plan or the net transfers received by Spain, Portugal, and Greece when they joined the EU. Moreover, they must face the challenges of a highly integrated and competitive global market—and now a global recession. In 2009, growth rates and industrial production were falling, credit growth and exports declining, and perceptions of risk growing, leading EU officials to suggest that the economic woes would negatively impact enlargement. Moreover the foreign investment and remittances on which the region depends have fallen sharply as well.

The countries of the region have skilled pools of labor and a potential manufacturing base, but competition from Chinese and Indian labor is fierce. The best economic hope for the Yugoslav successor states may be to cooperate so as to reestablish former markets. Slovenian manufacturers realized early in the 1990s that despite their advantages on Western markets, their goods could not compete on an equal footing with West European and American products, so they made a concerted effort to return to Serbia and other parts of the former Yugoslavia, where Slovenia’s firms are active and its supermarkets ubiquitous. Croatian businesses have taken a step in this direction as well.

Slovenia is a member of the EU and NATO. It is prosperous, and it is a stable and substantive, if not always fully liberal, democracy. Party politics will be volatile, and disappointment with Europe may generate some nationalist responses in Slovenia, but in the long run the country will find the right balance between its national narrative, on the one hand, and the realities of belonging to the EU, on the other.

The most likely short-term scenario for both Macedonia and Serbia is political instability exacerbated by widespread poverty. Radical populists may
tone down their rhetoric, but they will continue to slow down reforms and garner support among disaffected parts of the population. Liberal parties will have to respond but can also benefit from Western pressure. In Serbia, deep divisions over the role of the West in the country’s future are likely to continue. Not until Albanians in Macedonia feel that they are a full part of the political community will democracy be strengthened there. Polls taken at the end of the decade show that one in three Macedonians fear an outbreak of inter-ethnic violence.\textsuperscript{30} Even the democratic minimalist Rustow (1970) assumed national unity as a necessary precondition for democracy. On the positive side, the EU Special Representative model of intervention has worked quite well, and the 2009 presidential and local elections were peaceful (though few ethnic Albanians voted). Significant delays in progress on both EU and NATO accession could threaten Macedonia’s internal security.

Though much work remains to be done, Croatia has solidified its future as a European democratic state. Economic difficulties, Euroskepticism and nationalist tendencies in the ruling party may complicate the process, but Croatia’s progress on accession negotiations and widespread support among current member states mean that the larger momentum toward Europe and reform will not be reversed. Moreover, the government can credibly use the need to fulfill dictates of the acquis communautaire as an “excuse” for unpopular reforms. The 2007 reelection of the reformed and “Christian-Democratized” HDZ, and the indistinguishable pro-Euro-Atlantic platforms of HDZ and its rival, the SDP, can be interpreted as the result of widespread support for EU membership, to whose conditionality the public has now been socialized, in spite of, or perhaps rather because of, their ambivalence toward the EU as an organization.\textsuperscript{31} However, if Croatia’s membership were to be delayed significantly by the border dispute with Slovenia or other external factors, it would not only empower the nationalists who currently seem to be making a comeback but also serve as a conspicuous negative model for the country’s southern neighbors.

In 2009, Montenegro’s leaders (“oligarchs,” as one Montenegrin analyst called them) are still benefiting from a post-independence “honeymoon” in terms of general public satisfaction and levels of EU support.\textsuperscript{32} The country’s constitution is inclusive, which has helped diffuse ethnic tensions. However, the pro-EU honeymoon is unlikely to last forever. Poverty is a serious issue, corruption is endemic, unemployment is high, and the country’s economic structure is weak.\textsuperscript{33} Elites will have to work hard to maintain the momentum
for change, but disappointment will certainly set in. There are formidable obstacles to overcome, and continued public support for EU conditionality is not guaranteed. But the longstanding pro-Western rhetoric of Montenegro’s politicians and the enthusiasm of its population toward the EU provide for a more optimistic outlook than that of Serbia, even as the country’s institutions and economy are weaker.

Bosnia and Herzegovina and Kosovo have the most uncertain futures of all, and they also face the most dire economic circumstances with, unemployment rates exceeding 40 percent. In Bosnia, although progress has been made on reform and institution building, and an SAA has been signed, crucial reform bills, as well as a new constitution, have not passed due to obstructionism from all sides. That which has been accomplished, however, is to a large degree thanks to the heavy-handedness of the international community’s High Representatives (HRs), who continued to exercise sweeping powers through 2009. The leaders of Republika Srpska have consistently obstructed measures that would strengthen the Bosnian state, only relenting when threatened with EU accession slowdown or when overruled by the OHR. It is clear that in order for Western-sponsored “democracy” to be legitimized in Bosnia, locals must be given a greater stake in their future and problems of state legitimacy need to be overcome. In a 2008 survey, Bosnians expressed the lowest levels of trust in their institutions of all the peoples in the region. This is undoubtedly in part because local leaders are more accountable to their international supervisors than Bosnians themselves. A former HR, Paddy Ashdown, admitted as much when he noted upon taking office that the international community had focused so much on elections after Dayton that it had forgotten the importance of building stable, legitimate institutions. But the de facto ethnic division of the country, and its accompanying problems of legitimacy, may not be overcome in the coming years. And it is quite troubling that support for the EU has fallen from 80 percent to 50 percent in just one year and that interethnic relations appear to be at a low point. Some EU diplomats have resigned themselves to Bosnia’s entry into the EU not as a unitary state but in its current, problematic, highly decentralized form. Kosovo’s leaders, like those of Montenegro, are buoyed by public euphoria over independence, but the economy is very weak, Kosovo’s Serbs refuse to sign on to the new state, the transition from UN to EU oversight has been fraught with difficulties, and the country lacks adequate international recognition.
Those post-communist states that became EU members in May 2004 joined the Schengen system on 21 December 2007, meaning that their citizens could now travel passport-free in the twenty-four-nation Schengen zone. On that very day I boarded a train from Vienna to Katowice, Poland, a route that I had taken numerous times, and as we crossed the Czech and Polish borders I marveled that for the first time a succession of border police did not enter the compartment to check my passport. This is a remarkable thing, both symbolically and practically, but it also underscored the fact that citizens of that other part of Eastern and Central Europe—the Balkans—need visas to travel virtually anywhere and reminded me of how far behind these countries are in the EU integration process. In 2009 former Macedonian vice premier Ivica Bocevski noted that 70 percent of Macedonians between the ages of 16 and 30 had never been to an EU member state, including Bulgaria. The July 2009 EC recommendation to lift Schengen visa requirements for citizens of Serbia, Macedonia, and Montenegro was a welcome announcement demonstrating the success of conditionality, but in order to go into force it still needs the approval of the EU Council, the EU Parliament, and the member states; for the time being, it leaves Albanians, Kosovars, and Bosnians in the “Balkan ghetto.” Nevertheless, the announcement was designed as an intermediate reward, an interim solution to the problem of stalled enlargement.

In the end, democracy can succeed given the continued and active engagement of the West and the enduring “soft power” of the incentive of membership in Euro-Atlantic structures. The countries of the “western Balkans,” as “the former Yugoslavia minus Slovenia plus Albania” are now known to policymakers in Brussels and around the world, owe their existing democratic orders to Western involvement. Continued engagement on the part of the West depends in large part on developments beyond the control of the governments and people of the region. Though it remains an influential force in the region, the United States, preoccupied with two wars, has gradually ceded responsibility for the region to the Europeans. U.S. president Barack Obama barely mentioned the Balkans during his campaign (Tcherneva 2008), though there have been signs of renewed engagement since then on the part of the United States, including a visit by Vice President Joe Biden to the region in mid-2009. The momentum for further EU expansion will depend on the readiness of current EU members to accept new members: after the admission of Bulgaria and Romania in 2007, “expansion fatigue” and “absorption
capacity” were commonly heard phrases in Brussels and other West European capitals. However, after its initial rejection by Irish voters in 2008, in 2009 the Lisbon Treaty was approved in Ireland in a repeat referendum and its implementation was underway at the end of 2009. French President Nicolas Sarkozy openly stated that the act of Irish rejectionism in the first referendum directly threatened further EU expansion, while forty European intellectuals, activists, and commentators wrote an open letter imploring the EU not to make the latest impasse an impediment to further enlargement (Safarikova 2008). Eurobarometer polls have revealed that less than 50 percent of Europeans support the admission of Croatia, Macedonia, and Serbia and Montenegro, while Albania, along with Turkey, came in dead last in terms of support for its membership among citizens of current EU members. The Netherlands and Belgium are staunch opponents of advancing Serbia in the SAA process so long as the two fugitive war crimes suspects are at large. With the exception of Croatia, and in 2009, Macedonia, the lukewarm reports that the EU gave to the western Balkan states suggest that membership is still a rather distant prospect for Bosnia and Herzegovina, Serbia, Montenegro, Albania, and Kosovo.

Sustained feelings of distance from the EU can only weaken the impetus for further reform and empower radical populist forces in the domestic politics of the candidate states. The EU is well aware of this: following the rejection of the EU Constitution by French and Dutch voters in 2005, Commissioner for Enlargement Olli Rehn told the European Parliament Foreign Affairs Committee: “If the EU went wobbly about the Western Balkans’ long-term prospect of membership, our positive influence would be seriously eroded.” Having declared 2009 “the Year of the Western Balkans,” it appears that the EC has taken Rehn’s words to heart. Yet, in this very same year, both French and German leaders declared that EU expansion needs to be slowed down. Commentators have noted widespread exhaustion in the EU regarding the Balkans. Again, Enlargement Commissioner Olli Rehn has been forced to undertake damage control, assuring the candidate states that enlargement is on track and imploring France and Germany to support its continuation, saying that the EU cannot take a “sabbatical” from its works “for stability and progress in the Western Balkans, which is provided by the European perspective.” These sentiments were echoed by U.S. Deputy Assistant Secretary of State Stuart Jones in May 2009.

Nevertheless, in 2009, all of the Yugoslav successor states are either part
of Europe or committed to joining it, a fact that offers great hope for democracy, stability, and security in the region. Until now, Western conditionality has helped to shape convergence in procedural, if not always liberal, democracies. The rise of lasting and liberal democracies in the Balkans will depend on whether the western and southeastern parts of the continent converge in terms of prosperity as well, and on whether all the Yugoslav successor states are offered a future as equal partners in a Europe “whole and free.”
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