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Democratic consolidation and civil society: problems of democratic consolidation in East Central Europe

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Looking at the twentieth century from the viewpoint of the transition to democracy, three fundamental waves of democratization can be recognized (Huntington, 1991). A first protracted wave, emanating from the French and American revolutions and increasing throughout the nineteenth century, had culminated immediately after World War I. At the beginning of the 1920s more than thirty countries had already established the "procedural minima" (Dahl, 1971) of democratic regimes, i.e. general, equal, and free elections (Huntington, 1991: 17). Starting with Mussolini's march to Rome in 1922, the long first wave of democratization was stopped by a "reverse wave", which brought into existence a considerable number of fascist, authoritarian-corporativist, populist, or military regimes in Europe and Latin America. It was at the end of World War II when a new short wave of democratization occurred. Under the supervision of the allied powers the democratization of the political systems in West Germany, Austria, Italy, and Japan was decreed and initiated. In Latin America, 6 countries returned temporarily to democracy, before a new reverse wave of military coups overthrew them during the fifties and sixties. Paradoxically, the third wave of democratization

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1 Robert Dahl's central criterion of defining democracies is: "contestation open to participation" (Dahl, 1971: 2).

started in 1974 with a military coup in Portugal, thereupon spilling over into Greece and Spain. The democratic tide continued in Latin America at the beginning of the 1980s, when many of the military regimes broke down, or, respectively, softliners of the ruling military block initiated the liberalization and democratization of their countries (O'Donnell/ Schmitter, 1986).3

Following the mechanism of a "regional domino effect", the third tide of democratization engulfed Eastern Europe at the end of the 1980s. In Poland and Hungary, changes in economy and society heralded the political regime change, whereas in the German Democratic Republic and in Czechoslovakia, the social and economic changes resulted from the political transformation.

In the following I will limit myself to the three East Central European4 countries: Poland, (the former) Czechoslovakia, and Hungary. Because the process of democratization has progressed furthest here, excepting the special case of the former GDR, the chances of democratic consolidation can be more soundly worked out in comparison with the transition experiences of the young South European democracies.

It will be helpful, however, first to take a short look at those theoretical approaches which attempt to explain the causes, problems, and chances of success of the transitions from authoritarian to democratic regimes. Macrosociological approaches such as the pioneering one by Barrington Moore (1965) and its most recent further development through the work of Rueschemeyer, Stephens, and Stephens (1992) attempted to explain the rise of democracies (the first "democratization wave") mostly through social conflicts, property relations, class coalitions, structure of the state, and state action. According to Moore, every analysis restricted to the immediate present period, will fall short of its goal, because exactly the historical roots of the key factors named, determine the development of society, and the "opportunity structure" of future actors willing to democratize.

A more general claim to explanation for the structural superiority of democracies as against authoritarian regimes was made by Talcott Parsons

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4 I use the concept "East Central Europe" in the sense of W.Conze, who sees a transitional zone between Western and Eastern Europe stretching from Narva to the Croatian town of Split. Latin East Central Europe, according to Conze, crystallised between orthodox Eastern Europe and the Eastern Franconian-German Kingdom as early as in the eleventh century (Conze, 1992: 35ff).
from the evolutionary perspective of systems theory. Parsons assumes "evolutionary universals", that become necessary parts of functionally differentiated societies, among them bureaucracy, market economy, universalistic norms in the legal system, democratic rights of association, and general free elections (Parsons, 1969). If central evolutionary universals are lacking, the political system is no longer able to reduce the increasing environmental complexity: thus it undermines its own legitimacy and becomes unstable. For the more differentiated a society becomes, "the more important an effective political organisation is, not only in regard to its administrative capacity, but also, most importantly, in regard to its support of a universalistic legal system" (Parsons, 1979: 70).

Creation of this acceptance, argues Parsons, cannot be accomplished by any institution that is basically different from democratic institutions. More shrewdly than was possible for the coarsely structured totalitarianism theory, with its grandiosely mistaken assumption of stability, Parsons made the prognosis already in 1969, that the communist organisation of society would prove itself unstable exactly because of its lack of political and integrative capacity. In the long term then, according to Parsons, societies evolve in the process of their functional differentiation necessarily in the direction of capitalist economies. It is without doubt one of the paradoxes of social science analysis that systems theory, which was frequently accused of abstraction far from the empirical "facts", should have predicted the end of the autocratic-communist systems of rule, and provided lucid grounds for it (Müller, 1992: 262).

The modernization theory in political science took over important basic assumptions of sociological systems theory. To a lesser degree, Lipset (1959)⁵, but more the "earlier" Huntington (1968), and especially their disciples (e.g. Cutright, 1963), gave the modernisation theory a stronger economistic turn, however, and made quantitatively exactly defined economic and social modernization indicators indispensable functional prerequisites for democracies.

Although with the collapse of the communist regimes of Eastern Europe many of the basic assumptions of modernization theory were confirmed, the

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⁵ Lipset himself can least be accused of "economic determinism", since in his modernisation theory the middle classes arising in the course of modernisation play a central role as social and political actors of the democratisation process (Lipset, 1980: 459 ff).
theory remains under-determined with regard to the starting point of the regime change, the type of demise of the authoritarian regime, and the chances for democratic consolidation of the new regimes. This is caused not least by excluding actors from the correlation matrix of economic development and democratic maturity. As the rational choice theorist, Adam Przeworski, ironically points out, from such a perspective "the outcome is uniquely determined by conditions, and history goes on without anyone ever doing anything" (Przeworski, 1991: 96).

Przeworski (1986, 1991) himself, or G. O'Donnell and P. Schmitter (1986), explain the process and result of regime changes as being primarily the result of the strategies used by different actors. They see especially forms of cooperation, formation of coalitions, or conflict strategies between old and new regime elites, "hardliners" and "softliners", radical and moderate oppositions, masses and elites, as deciding the success, failure, duration, and extent of liberalization and democratization processes. While macrosociological approaches greatly neglect the role of actors, the micropolitical action theorists occasionally lose sight of the structural constraints. In order to reduce both types of deficit, I would like not only to connect the macrosociological with the action-theoretical level in my comparison, but also to take particularly into consideration the meso-level, i.e. the "filter function" of institutional factors such as the type of the political system, the configuration of the party system, or the form of civil society.

The beginning of my analysis is fixed by the first free elections, the so-called "founding elections". These are considered to constitute an important caesura, with which the phase of transition to democracy ends and is followed by the phase of democratic consolidation (O'Donnell/Schmitter, 1986: 61 ff). The first free elections are the prerequisite for transforming democratic patterns of behaviour, which have been formed ad hoc, into stable, democratically legitimized structures. How successful this first phase of democratic institutionalism is, depends on the one hand upon the problem load inherited from the old authoritarian regime and, on the other hand, upon the immediate international contextual conditions. I see four central levels, whose structure establishes constraints for the social and political actors:

1. Economy
2. Civil Society
3. Political Institutions
4. International Context
I. THE STRUCTURAL CONSTRAINTS

1. Economy

If the economic level of development is measured with the inclusive indicator of GDP per capita, then Spain, Greece, and Portugal, at the time of the "founding elections" in the mid-seventies, lay at about the half of the European Community average (Merkel, 1990). In comparison to the highly-developed core economies of the EC, the South European economies showed considerable modernization deficits. But in spite of the weak competitiveness caused by the protectionist closure of the domestic markets, the Southern European national economies had already developed the basic structures of a market economy. These had to be modernized, but not transformed. The economic situation in East Central Europe is different. According to OECD estimates, the CSFR had 65%, Hungary 55%, and Poland 30% of the average GDP per capita of the European Community - thus comparable with Spain, Greece, and Portugal. But the economic structural deficits, the one-sided sectorial specialization, which were not formed through the pressure of comparative cost advantages, but forced into being by the specialization plans of the COMECON, pose far graver problems of adaption for the economies of East Central Europe. In addition, nearly all institutions, mechanisms, and actors of a working market economy must first be established, if one leaves out of consideration the embryonic market-economy structures which have developed in Hungary's "second economy" since 1968.

Privatization plays a central role in the postcommunist transformation (Stark, 1991). It is intended to engender the commercialization and corporatization of enterprises, as well to guarantee the rise of competitive and transparent markets for an efficient resource allocation. The goal of the unavoidable denationalization, of course, made it difficult to see clearly the actual privatization possibilities of the immediate future. Estimates assume that private savings in Eastern Europe do not constitute more than 10% of the capital stock. If one assumes, in spite of the nationalistic reservations about the "selling out of national interests" (particularly in Poland and Slovakia), that a further 10% of the capital stock is aquired by foreign investors, the question remains unanswered, where the missing 70-80% of the takeover and investment capital is supposed to come from (Przeworski, 1992: 51). Along with these "objective" economic constraints, consideration of the social and electoral consequences limits the speed and the extent of privatisation in the four countries.
We are going to be dealing with mixed economies in East Central Europe for an unforeseeable length of time. They consist of three sectors: a large state owned sector of heavy industry, and two private sectors, of which "one encompasses the new self-employed of the indigenous middle class, while the other is the result of strategies of foreign investors" (Wiesenthal, 193: 26). It cannot be predicted with what speed and to what "Gestalt" the quantitative and functional relations between the three sectors will develop. The problem of "Gestalt" is in this regard far too complex to be described in the simple dichotomy "market" versus "state". In the longer run, the problem has to be solved of which specific institutional arrangements can supply the economic actors with adequate information and incentives in order to act in an economically rational manner (Przeworski, 1992: 51). Until now, credible concepts have been lacking, for example, of how the state could prevent the specific economic inefficiencies of soft budget constraints in public enterprises (Wiesenthal, 1993). It is probable for this reason that the deficits of the state enterprises will continue to burden the national budgets to a considerable extent.

In 1993, the first signs of a hesitant, as yet unstable economic recovery appeared (OECD 1993: 121). In Poland, the GDP grew by 2% for the first time, admittedly after constant economic shrinkage - since 1990 altogether about 20%. For Hungary and the Czech Republic, the OECD predicts zero growth. The decline of production seems to be stopped there, whereas in Slovakia it will be about -5% again this year.

Under the communist regime, enterprises simply concealed the missing productivity increases behind an expansion of the workforce. In the state enterprises, there exists a huge amount of labour redundancy, i.e. hidden unemployment. The state itself will have to decide how long "unsaleable" public enterprises are to continue to be subsidized with tax money. The government's freedom of decision will be confronted with narrow boundaries. While economic rationality would dictate the restructuring or, if necessary the closure of enterprises unable to compete on the market, this same rationale is socially intolerable and will hardly be realised under the conditions of a competitive pluralistic democracy. In addition, this would lead to mass unemployment, which could only destabilize the young democracies. As often happens, economic, social, and political rationalities collide under the dictate of simultaneous economic, social, and political transformation.
The short- and medium-term growth prognoses of the OECD (OECD, 1992a, 1992b, 1993) are, with the partial exception of Poland, cautiously pessimistic for East Central Europe. The basis of this scepticism consists of four intertwined factors, which could prove strong barriers against growth (OECD, 1993:124):

1. The governments will not be able to close down the unprofitable state enterprises fast enough, for political and social reasons. The consequence will be a considerable and long-lasting strain on the national budget.

2. The aggregate amount of public social transfers will continue to rise rapidly until the social insurance systems are fully built up and can at least partially relieve the national budget (Götting, 1993; Offe, 1993).

3. At the same time, the last three years have seen a dramatic decline in the tax revenues of the state. This problem could worsen with the shift from state production to private enterprises, as these tend towards tax evasion because of an inefficient tax administration and the lack of a "tax culture" (ibid. 124).

4. Rising public expenditures with simultaneously declining tax revenues lead to an ever-wider fiscal gap, which can only be closed through net borrowing by the state. This in turn leads to a scarcity of credit, rising interest rates, and then to "crowding out" effects against private investors. In addition, the national debt increases. Debt servicing, particularly for the highly debt-ridden countries, Poland and Hungary (cf. Table 1), will then restrict the budgetary capacities of these states even further.

There is no high road out of this vicious circle. The governments will indeed move in a zig-zag course between state and market, radical reform and gradualistic measures. The political and social constraints will compel the political elites to suboptimal economic strategies during the regime change.

2. Civil Society

The state-centredness of most authoritarian systems leaves a weak civil society behind it. The social sphere in which interest groups, social

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6 This hinders particularly the newly founded enterprises, already "punished" because of their assumed credit unworthiness on the credit markets.

7 Under "civil society" I understand here that state-free sphere between the economy and the state, which space is structured above all by the voluntary associations of the citizens in unions, interest groups, social movements, cultural circles etc.
movements, or sub-cultures could organize or articulate themselves autonomously from the state, hardly existed, or if at all, only in niches under observation. The communist regimes suppressed nearly all organizations and institutions and substituted them by state-controlled mass organizations. This is particularly true of the rigid communist system of the CSSR (Musil, 1992: 7). In Poland, however, through the Catholic Church and, from the beginning of the 1980s with Solidarity, pluralistic elements of a civil society took root. To a lesser degree, this was the case in Hungary and its second economy. Of course, the contribution of the Catholic Church to a civil society must remain ambivalent. Its religiously-dogmatic prescriptions concerning individual lifestyle necessarily contradict the secular and liberal concept of individual self-determination and social self-organisation of the civil society. In the authoritarian context of the communist regime in Poland, the Catholic Church was nonetheless a major contributor towards the preservation of the few state-free niches of the society. Under the postcommunist conditions of a liberal democratic system, however, the church acted frequently in a tutelary way towards society and its individual members in political and private questions, hardly hiding its theocratic ambitions (Milosz, 1992; Tischner, 1992). Thus, whilst the Catholic Church occupied an important function of the civil society during the phase of the authoritarian regime, it lost this function in the period of democratic consolidation. On the contrary, it is exactly the omnipresence of the church in the postcommunist politics and society of Poland which shows that the civil society in Poland is still too underdeveloped to limit the influence of the Catholic Church (Król, 1992: 103).

As a result of the atomization of the East Central European societies, their members possess hardly any cognitive, ideological, or organizational patterns of collective action (Offe 1992: 40). In such an intermediary vacuum, two social developments begin to become visible, which could hinder the formation of a vital civil society:

1. In the post-communist societies of Eastern Europe the civil society threatens to arise in the early capitalist form of the 18th century, in a variant which Hegel, in his philosophy of law, designated the sphere of universal egoism (Hegel, 1972: 168 ff)\(^8\).

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\(^8\) Hegel believed that the state, understood as the sphere of universal altruism, as the reality of the moral idea, could tame the centrifugality of particular egoisms. In this sense, the omnipotent state power of the communist regimes of Eastern Europe was, ironically, more the
2. Individual social descent and collective impotence against the unavoidable cruelties of the economic transformation could seduce populist politicians and victims of the capitalist modernization into compensating their lack of social identity through the creation of ethnic identity and exclusion (Offe, 1992: 18). The danger of such an ethnicization of political conflicts exists between Hungarians and Slovaks or Hungarians and Romanians. In contrast to the limitable conflict between the Spanish central state and the Basque region and Catalunya, the ethnic communities in the "Gemengelage" (von Beyme, 1992: 273) of East Central Europe can rely on foreign protecting powers, which could feel "responsible" for "their" ethnic minorities in neighbouring states (Weidenfeld et al., 1992: 17ff; Brunner, 1993: 25ff.).

The organization of encompassing interest groups, which ensures a civil society of having effective autonomous spheres, is not just of significance for the democratic quality of a society. As a rule it also means easing of guidance for the state and thus an increase of economic and political rationality. This is true not only for advanced capitalist democracies, but to a larger extent, especially for the post-communist societies. The young political institutions of the new democracies stand, with no effective representational system of functional interests, under the "Damocles Sword of systematic overload" (Wiesenthal, 1993: 15). The complexity of the threefold economic, social, and political transformation are in utterly disproportional relation to the lack of professionalism, competent administration, and stability of the political institutions. Under the conditions of political uncertainty and proliferating particular interests, in which neither the return to an overly-powerful state nor turning to a pure capitalist society is thinkable or desirable, representative associations possess a considerable potential for relieving the state and guiding the society.

In the post-communist societies, the trade unions are changing from monolithic-monopolistic organisations to pluralistic-competitive ones (Schienstock/Traxler, 1993: 485). From being the "transmission belts" of the regime party, they have been transformed into interest groups within society in all four East Central European countries by developing highly pluralistic monstrous realisation of Hegel's "moral idea", than a realization of the marxist Utopia of the withering of the state.

9 Among the extensive literature of neocorporate research see particularly the "classics": Schmitter (1974); Schmitter/Lehmbruch, (1979; 1982).
systems of industrial relations. This has led to a relatively large number of competing trade unions. Because of the fragmented organizational structure, the various confederations are hardly in a position to control the disparate conglomerations of their member organizations (ibid. 501).

Alongside these organizational weaknesses and the additional threat to the unions' power through growing unemployment and the progressive privatization of the large state enterprises, industrial relations in Hungary and Poland are characterized by two further dilemmas. In Hungary, among the more than 1000 (!) officially registered unions, seven confederations have attained a greater significance. The largest confederation, the "National Alliance of Hungarian Unions" (MSZOSZ), which organizes 67% of Hungarian union members, is a successor organization of the old communist homogenous union. This deprives the union of any legitimacy as a cooperative partner of the democratic state. As far as the conservative government is concerned, the newly-founded trade unions, on the other hand, have no representivity worthy of mention. They are thus serious partners in negotiation for neither government nor for most entrepreneurs (ibid. 495).

In Poland there are, with Solidarity and the once official OPZZ, two trade union confederations of roughly equal strength confronting each other. Both show an organizational degree of approximately 25% of the employed workforce in the industrial core areas. The dilemma for Solidarity between 1989 and 1993 consisted, on the one hand, of the readiness in principal to support the neoliberal economic policies of the government headed by the political offsprings of Solidarity. On the other hand, as the price of the shock therapy became visible and the competing union OPZZ\textsuperscript{10} switched to a more radical opposition, the union Solidarity had to support this more radical policy, in order to avoid mass withdrawal of its members, whereas the Solidarity members of parliament continued to support the course of the government (ibid. 497).

Altogether, the unions, the business organizations and professional groups in East Central Europe are at present organisationally too weak, too little representative and too fragmented, to take over a responsible control function

\textsuperscript{10} Meantime a third union confederation, the "Solidarnosc 80", has been founded, which intensifies the internal competition even more. The confederation represents mainly the workers of the large state enterprises.
for the national economy as a whole. Moreover, the areas of responsibility and
the forms of action of the confederations are not clearly defined and not yet
adequately legalized.

Bargaining rules and mutual trust among trade unions, business
organizations and government are underdeveloped and only scarcely
routinised. So none of the three collective actors can rationally expect that
common agreements will be effectively implemented. At present, there are no
convincing signs that the East European societies will overcome this state of
"associative underdevelopment" in the foreseeable future (Offe, 1993: 75).

3. Political Institutions

Transitions to democracy are characterized per definitionem by extreme
uncertainties, paradoxes and dilemmas. Transitions are a game, for which the
rules have to be written by the players themselves. The fundamental rules of
the "transition game" are the constitutionally defined political institutions. They
constitute a persistent system of rules, which defines normative standards and
enables the authoritative allocation of values and resources (Rüb, 1994).
Concerning the success of democratic consolidation, at least two properties of
political institutions are of particular importance: first, they should be
"inclusive", i.e. they should not exclude or hinder relevant social or political
groups from institutionalized access to political power; second, they should
contain an adequate problem solving capacity for the specific social and
political conflicts in state and society. The former should contribute to
preventing political polarization and to securing a sufficient proportion of
social acceptance; the latter should facilitate the efficiency of political decision
making and administrative implementation.

Juan Linz (1990a, 1990b), Arend Lijphart (1990, 1992), and Stepan/Skach
(1993) are well aware that socio-political inclusion and politico-administrative
efficiency can sometimes mutually exclude each other. Therefore they
consider the parliamentary and not the presidential system as the appropriate
institutional answer to the specific problems of democratic consolidation11.

11 All countries in Latin America and Asia which have undergone a change from an
authoritarian to a democratic regime have chosen a presidential system. Out of the 25
countries of Eastern Europe and the successor states of the Soviet Union, only the countries of
East Central Europe, the Czech Republic, Slovakia, Poland and Hungary have chosen pure
parliamentarism (Stepan/Skach, 1993: 4).
Basically, there are four core arguments which have been brought forward by these authors in order to support their thesis:

- In general, parliamentary democracies generate more political parties than do presidential regimes. Thus they facilitate more inclusive and flexible coalitions within societies having multiple ethnic, economic, religious, and ideological cleavages.

- Parliamentary democracies enjoy stable legislative majorities more often than presidential democracies, enabling them to push through and implement their reform programs. Presidential governments are often compelled to govern by decree-law - "at the edge of constitutionalism" (Stepan/Skach, 1993: 18) - or have to find the necessary legislative majorities by "buying" votes through logrolling. Both strategies have to be considered as inadequate for implementing the fundamental reform programs required during periods of system transformation.

- The close interdependency of the executive and legislative within the parliamentary system - i.e. the governments right to dissolve parliament and the parliament's prerogative to pass a vote of no confidence - contain constitutional devices to break paralyzing impasses. Thus governmental crises can be solved before they become crises of the regime (ibid.).

- Presidential democracies, on the contrary, promote political polarization and contain the danger of paralyzing legislative blockades, if executive and legislative follow divergent partisan preferences.

Juan Linz subsumes the advantages of the parliamentary democracies under the notion "flexibility", which he confronts with the "rigidity" of democratic presidential regimes (Linz, 1990a). Against this "ideal type-deductive" reasoning, which juxtaposes parliamentarianism and presidentialism in such a categorical manner, Nohlen (1991, 1994) and Thibaut (1992) argue that the question of the optimal institutional structure of a political system newly transformed from authoritarianism to democracy cannot be answered without taking specific cultural and social traditions and contexts into consideration. From their point of view, a successful democratization depends above all on the way the principal political institutions correspond to the concrete cleavage structure. They consider it of particular importance, whether and how the constitutional framework harmonizes with the party system. It is above all the compatibility of these
constitutional arrangements which decides upon the output, support, legitimacy, and stability of a given political order.

After the first free elections, unfavourable institutional structures emerged in East-Central Europe. The pure or mixed proportional electoral systems without effective threshold in Poland and Checoslovakia proved to be inadequate for rationalizing the complex economic, social, ethnic and political cleavages of their countries. Fragmented multi-party systems emerged, which rendered the formation of stable and efficient governing coalitions difficult (Babst, 1992: 70). The fractionalization index (Rae, 1968) of the party system in Hungary is slightly (1990: 73.5%), in Checoslovakia far above the average of the western democracies. In Poland (1990-1993), the fractionalization turned out to be unrivalled among liberal democracies. Apart from the electorate of the postcommunist socialist parties, the party identification of the electorate is rather weak. So rapid and even dramatic electoral changes within the party systems are possible, with all their destabilizing consequences.

The constitution of Hungary created a strong executive and ascribes to the parliament a much weaker role. The presidency was equipped only with weak constitutional prerogatives. The decision for a parliamentary democracy with precisely defined and clearly separated legal competences created a stable constitutional framework for democratic consolidation (Agh, 1991: 250; Szarvas, 1993: 274). Moreover, the Hungarian electoral system, which can be described as a complex combination of majoritarian and proportional elements12, generated strong majoritarian effects and led to a moderate concentration of the party system (Lijphart, 1992: 212; Szabo, 1993). Despite the volatility of voters and the almost missing links of the party organization with the society, the Hungarian party system allowed for the formation of a relatively homogenous and stable Center-Right government during the first democratic legislative period from 1990-1994.

The opposite was true for Poland. The extreme proportional representation system with no effective electoral threshold against small

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12 The majoritarian element is represented by a two-ballot system in single-member districts, through which 45.6% of the parliamentary seats are assigned. The remaining 54.4% of the mandates are assigned through the rules of proportional representation with a 4% threshold. This system hurts strongly the smaller parties and favours particularly the strongest party. Thus the Hungarian Democratic Forum, the largest party, won 42.5% of the seats with only 24.7% of the popular vote (as measured by the PR rule) (Lijphart, 1992: 212).
parties yielded an extreme fragmentation of the party system. 29 "parties" were represented in the first legislature of the Sejm. Nine parties won more than 5% (the "largest only 13.5%!") and the remaining 20 parties and political groups less than 5% of the parliamentary seats. The legislative process during the first legislature (1991-1993) was considerably delayed and became completely non-transparent for the voters. With such a fragmented party system, the formation of stable governing coalitions turned out to be extremely difficult. As a consequence, seven governments were consumed during the first four years of the young democracy. Moreover, the ill-designed semi-presidential democracy did not unequivocally separate the constitutional powers among parliament, government and presidency. Only the so called "little constitution" in 1992 clarified this and defused the permanent constitutional conflicts of the three powers (Ziemer, 1993:116). One year later, the novel electoral law introduced the 5% clause for parties and the 8% threshold for electoral alliances. The immediate consequence was the reduction of the formerly 29 parties to seven parties (resp. party-alliances) in the Sejm. However, it remains to be seen whether this will foster more homogenous coalition governments in the future. It is still open, whether these parties and alliances will consolidate themselves into efficient parliamentary actors, or whether the fragmentation will reemerge inside the parties in the form of competing factions. If this should be the case, the "rationalization" of the party system would be purely superficial.

The electoral system of Czechoslovakia can also be subsumed under the PR category. However, the crucial difference to the Polish electoral formula was the introduction of the 5% clause, which had to be met by parties in either the Czech or the Slovak electoral district. As a result, only 8 parties won parliamentary seats at the 1990 elections (Lijphart, 1992: 211). But the following disintegration of almost each of these parties led to a proliferation of the parliamentary groups and a fragmentation of the party system (Brokl, 1992: 122). In 1991, the number of parliamentary parties doubled in the Federal Assembly. In combination with the overly complex parliamentarian "2 plus 2 plus 2 chamber system" of Czechoslovakia, the legislative decision making process proved to be overly complex and caused a considerable political impasse. Seen from this point of view, the originally unintentional dissolution of the Czechoslovak state has paradoxically to be seen as a rationalization of the political decision making process.
The specific configurations of the constitutional organs and the party systems in East Central Europe burden the process of democratic consolidation. However, the example of the reform of the Polish constitution and the electoral system shows that the results of "institutional learning" can be more easily implemented in the fluid, non consolidated situation of political transitions, when vested interests of powerful political actors, interest groups, and bureaucracies are not yet fully entrenched.

4. International Relations

The international context during the mid-seventies favoured regime change and democratic consolidation in Southern Europe. Greece, Portugal, and Spain were surrounded by consolidated democracies. The European Community had unequivocally coupled EC-membership with the full restoration of democracy (Merkel, 1990). The young democracies of East Central Europe enjoyed these favourable international conditions only partially. No doubt they are no longer directly confronted with the ideological and power political tensions of fascism, communism, and democracy; it is true that they are also bounded by stable democracies in the West and they are also offered association agreements and the step by step rapprochement to EC membership (Cameron, 1993: 353). International organizations and financial institutions, such as the IMF, the World Bank, the European Union, the Group of 24, the European Bank of Reconstruction and Development, and a nearly uncountable number of single projects for economic modernization, all help to finance foreign investments and make up for the extreme shortage of domestic capital (Weidenfeld, 1992 et al: 52ff). However, contrary to the Marshall Plan of 1948-51, there is no central organization to coordinate the different financial assistance programs. Moreover, an even heavier burden for the democratic consolidation may be that Poland, the Czech Republic, and the Slovak Republic border on states in the East whose economic problems are graver yet, and whose virulent ethnic and territorial conflicts could spill over into East Central Europe (Brunner, 1993).

II. STRUCTURAL CONSTRAINTS AND POLITICAL ACTION: THE ROLE OF THE ACTORS

The analysis of the structural constraints has shown that the consolidation of East Central Europe's young democracies is burdened with severe problems on each of the four fundamental levels. But the mere addition of these
unfavourable conditions does not reveal the whole problem of the complex transformation process in Poland, Hungary, the Czech and the Slovak Republics. The specific problem of their transition to democracy consists in the simultaneousness of the political, economic and social transformations (Musil, 1992: 5). There exists a close interdependency between these three spheres, which could aggravate the specific problems and generate "mutual destructive effects". To simplify this complex problem, it can be described in the following way (cf. Przeworski, 1991: 162ff). During the transition from a centrally planned economy to a prospering market economy, an "economic valley" has to be passed through, whose length and deepness cannot be defined a priori. Economic and social transition costs, such as the breakdown of obsolete manufacturing plants, rising unemployment, decline of living standards, and the pauperisation of the elder generation, will be almost unavoidable. But at least since David Easton (1965), we do know that decision making efficiency and the material output of a political system assures its legitimacy and its survival. If economic development lags far behind popular expectations, this creates disappointment, which turns the opinion of the people not only against the market economy, but also against the young and unconsolidated democracy. The second necessary dimension of legitimacy according to Easton, the diffuse support of the democratic institutions and procedures as a whole, is unable to develop.

The success of democratic consolidation depends by no means only on socio-economic prerequisites, the international context, and the negative heritage of the old regime. But these constitute a "first filter" of "structural constraints", they influence strategic preferences of social and political actors, and define the "feasable set" (second filter) of strategic options available to the actors (Elster, 1979: 112-117). It will be important for the success of democratic consolidation in East Central Europe how far the relevant political, economic, and social actors, how far the elites and the masses are able and willing to coordinate, sequence, and harmonize their different strategic actions (Musil, 1992: 10; Schmitter, 1992: 163; Offe, 1991).

Two principal strategies to solve the problem of simultaneousness have been proposed by economists and social scientists up to now. First the "big bang", the radical and rapid transformation of the economy (Berg/Sachs, 1992: 132ff). In this case, the unavoidable "valley of tears" (Dahrendorf) would be deeper, but less long. It remains contingent and risky whether the social costs
will be so high and will create such strong political protest that democracy is endangered. The quantity of the social costs supports, the expected brevity of the transition period contradicts such a hypothesis. The opposite can be expected for the gradualist transformation strategy: the "valley" might be less deep, but will supposedly be longer. Here the question arises: can the patience of the population facing the "creative destruction" (Schumpeter) be maintained so long that the survival of democracy is not seriously endangered?

In both scenarios, two groups of actors\(^\text{13}\) play the most important role: the political elites and their voters (Przeworski, 1991: 173). Their interaction determines which strategy with which consequences for the democratic consolidation will be pursued. If voters have a high degree of confidence in the future, the government can pursue the "hard" option of the rapid and radical transformation of the economy. The Balcerowicz Plan of 1989/90 and the neoliberal course of Vaclav Klaus are examples of this strategy (Berg/Sachs, 1992). However, opinion polls show that the confidence of the voters with regard to the big-bang option decreases with the increase of the social costs (Gerlich et al., 1992: 18f). The rational response of vote maximizing politicians in competitive democracies would be to soften the radical economic transformation, to moderate the social costs, to compensate them by social policies and to switch to gradualist reform policies.

The case of Poland supports this hypothesis, at least with singular empirical evidence. Inspite of the initial success of the radical stabilization and liberalization program started by Balcerowicz in 1990 and continued up to the government of Hanna Suchocka in 1993 (OECD, 1993: 121), the social costs were perceived by the population as being too high. In the fall of 1993, the Polish people voted the governing coalition of the Solidarity successor parties out of government. The new winning coalition of the post-communist SLD, the former agrarian block party (PSL) and the social democratic Union of Labour (UP) succeeded with an electoral campaign promising economic gradualism and a more generous social policy. The proclaimed intention of the new government of the "old" parties is to distribute the social transition costs more equally among the population (Neue Zürcher Zeitung 22.9.1993). It has to be seen what costs the new economic gradualism and the extended social policy

\(^{13}\) For the sake of the logic of the following argument, the constellation of actors will be simplified, insofar as the role of the intermediary organizations between the masses and the political elites, such as political parties and interest groups, will be neglected.
programs will cause. If they are too high, a new turnover in government could be the result.

The Czech government has received a new advance of confidence from the population since the Czech and Slovakian Republic have separated. The former will be released of the economically most problematic regions (heavy industry, agriculture) in Slovakia and the paralysing dispute between the radical reformer, Klaus and the gradualist, Meciar. The economic loser of the dissolution of the Czechoslovakian state will be Slovakia (Bútora/Bútoravá, 1993: 80). Already 10 months after the dissolution of the Federal Republic, the Slovakian economy was in the midst of its most serious economic crisis since the 1930s. The conversion of the heavily concentrated arms industry is not making good progress. Arms exports are declining, mainly for political reasons. Before 1993, Slovak industry delivered around one third of its industrial production - mainly semifinished products - to the Czech part of the federation, while this in turn "exported" only 15% to Slovakia (OECD, 1993: 122). After the split Czech - Slovak trade declined rapidly. However, in Slovakia production and productivity decreased much faster, while inflation, unemployment, and public debts rose more rapidly than in the Czech Republic.

The Slovak government is now confronted with a twofold pressure which threatens to become an almost unsolvable conflict of interest. On the one hand, pressure comes first from an increasingly dissapointed population, which demands the redemption of the costly economic and social promises of the HZDS government. On the other hand, World Bank, IMF, and the European financial institutions linked their credits to restrictive budget policies of the credit taker. Since a solution of this dilemma which would satisfy both sides appears to be highly improbable in the short and medium term, "The Movement for a Democratic Slovakia (HZDS) and the "Slovak National Party" (SNS) could be tempted to intensify their nationalist-populist discourse in order to prevent electoral losses. The internal erosion of the Slovak democracy would continue and foster the trend towards a purely majoritarian rule, which discriminates against the ethnic minorities (e.g. Hungarians, Roma) (Bútora/Bútoravá, 1993: 80). The eclipse of the democratic and capitalist

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14 The decline of arms exports is due to a political decision by the old Czechoslovakian Republic after the "velvet revolution" to limit the arms trade.
reform perspective would not primarily be the result of rigid constraints left by
the totalitarian past, but would be above all the consequence of a series of
failed policies of the political elites.

III. THE PROSPECTS

Which course will the young democracies of East Central Europe pursue? Will
they consolidate themselves as fast and successfully as the new
democracies in Southern Europe, particularly Spain and Portugal, during the
seventies? Or will they follow the Latin American path, where cycles of
authoritarian and democratic regimes have been alternating with each other
since the 1920s (Rueschemeyer/Stephens/Stephens, 1992: 204)?

Against the South European way could be held in particular the gigantic
burden of the economic transformation in the postcommunist countries.
Moreover, the severe economic recession in Western Europa and Japan limit
the influx of Western private investments and public aid. No central
coordination of the multi- and bilateral financial help is in sight. The
asymmetric opening of the European Union's markets is slower than expected
by the four Visegrad-states. Particularly the very "sensitive" markets, such as for
steel, coal, textiles, and agriculture, in which the East Central European
countries could compete with the West, had been protectionistically closed by
the European Union (Weidenfeld et al., 1992: 81). The emergence of the
specific support dimension, which is closely linked to the economic output,
will last longer than in Germany, Italy, and Japan after World War II. Therefore,
also the diffuse support, which is fundamental to the legitimacy of the
democratic system as a whole, can scarcely consolidate when economic
prosperity is lacking.

However, the Latin American path with its cyclical interruptions is also not
very likely. Against this scenario could be held that, with the exception of
Poland (Pilsudski; Jaruzelski) and to a lesser degree Hungary (Horthy), the
Central European military neither has national prestige nor an interventionist
tradition in politics. Moreover, the neighbouring states of Western Europe have
vital economic and political interests in democratic stability in East Central
Europe, which is quite different from the overwhelmingly strategic interests of
the USA in Latin America at the time of the cold war. Each authoritarian
interruption of the democratic consolidation would endanger private
investment and public support from the Western democracies: rational political actors at least have to take this into consideration.

Tertium datur? This is by no means certain. In particular, the structural and mental constraints inherited from the authoritarian past point to the likelihood that Central Europe's way to consolidated democracies will be longer than in Southern Europe. The pressure of economic "peripheralisation", which highly advanced economies exert on less developed economies under the condition of liberalized trade, was already non-rejectable in Southern Europe during the 1980s. It will be even stronger on the still weaker economies of Poland and Slovakia.

Unsolved economic problems and unfavourable conditions alone, however, do not compellingly lead to the collapse of political orders, not even of still young and unconsolidated democracies. What can also be learned from the experiences of democratic consolidation in Southern Europe is that the fragmentation of the once allied democratic opposition against the authoritarian regime, the transitory decline of political decision-making efficiency, disillusionment, the erosion of popularity of the political elites, and decreasing electoral participation all belong to the normal sequence of the democratization processes of the "third wave" (Huntington, 1991: 265). In none of these countries did powerful anti-democratic mass movements emerge. In these situations, it will be important how the political, economic, and military elites deal with their obvious impotence to solve the pressing problems even in the short run: it depends on whether they are willing to cooperate under democratic rules, or whether they try to exploit the transition period for their own immediate individual, corporative, or partial interests (ibid. 259). Regarding this problem, pro-democratic attitudes and values can be observed among the majority of the elites and the masses in Hungary and the Czech Republic. In the political culture of Poland and Slovakia, however, there is a more widespread affinity towards authoritarian-populist values and political offers (Gerlich et al., 1992: 21). On the other hand, the population of the young East Central European democracies now has the institutionalized possibility of voting governments out of office. The people are learning to distinguish between a specific government and the democratic regime per se. "Democracies", argues Samuel Huntington, "become consolidated when people learn that democracy is a solution to the problem of tyranny, but not necessarily to anything else" (1991: 263).
In view of the interdependency of political and economic problems, economic aid from the Western democracies is of utmost importance. In particular, the European Union and its member states are confronted with the pressing task of "subsidising" the patience of the political elites and masses during the triple transformation. This is by no means only an idealistic-normative demand. Western Europe would also be acting in its own vital interests. For if the market economy and democracy fail, this would trigger a wave of migration from East to West, which could also endanger the stability of the Western democracies, not least that of Germany, which would be most affected by the mass migration. The unavoidable increase and better coordination of Western economic support and the faster asymmetric opening of the West European markets would not automatically eliminate the risks emanating from the "problem of simultaneousness"; but not least the experiences of the young democracies of the "second democratization wave" after World War II tell us that the risks of an authoritarian reverse wave can be considerably reduced.
Table 1: Main Economic Indicators of East Central Europe 1989-1993*

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth (in %)</th>
<th>Inflation (in %)</th>
<th>Unemployment (in %)</th>
<th>Public Debts (in % BIP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>1.4</td>
<td>-0.4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>-0.16</td>
<td>-1.6</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>-7</td>
<td>-11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>11</td>
<td>14</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>11</td>
<td>14</td>
<td>58</td>
<td></td>
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</tbody>
</table>


* OECD estimates.
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