The Stability in the Quality of Party Systems and Its Impact on the Level of Democracy

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Abstract

Previous research employs electoral volatility as the key instrument in measuring party system stability. Although volatility scores are useful for macro-comparative purposes they hardly attend relational features of party systems such as ideological distance among political parties and do not possess internal validity with regard to the study of party system institutionalization. This article argues that inter-party relationship is the most important property of party systems indicating the quality of a party system and offers a new way of approaching party system institutionalization which looks at the stability in the quality of party system— the change in the polarization of political parties within a party system. The article first discusses why analyzing the change in polarization levels better demonstrates the dynamics of party system development. Second, previous measurement of party system polarization provided by Dalton is redeveloped based on the party positions data in the Manifesto Project Dataset which includes 13 transitional countries and 45 elections. Looking change in polarization scores over elections, the extent of party system institutionalization in 13 South-East European countries in transition is found. Third, using Lewis’ Index of Party Stability to measure degree of party institutionalization in each country, the article analyzes the relationship between party and party system institutionalization by dealing with both concepts as separate processes. Finally, the article attempts to statistically test the effect of party and party system institutionalization on the quality of democracy in these 13 transitional countries whose democracy scores are attained from the Transformation Index of the Bertelsmann Stiftung 2012. The findings suggest that the relationship between party institutionalization and party system institutionalization is much more complex than has been discussed before and party system institutionalization is empirically much more critical in explaining the quality of democracy.


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### Introduction

Today many countries around the world have chosen democracy as their political regime. Starting from ‘the third wave democratisation’, transitions from authoritarian to democratic regimes spread throughout the world to the extent that some scholars have even called the twentieth century ‘the century of democracy’. However, following these transitions, the issue of sustaining and stabilising these regimes has become all the more important. Accordingly, the bulk of the contemporary literature on democratisation has been concerned with ‘the consolidation of democracies’. While in the beginning the notion of consolidation only referred to making new democracies stable, in time the term has also been associated with moving away from “diminished sub-type” of democracy to “non-diminished” democracy.

The most significant question for the studies of the politics of democratic consolidation has been what consolidates democracy and which institutions, agents matter most in the process of consolidation. Within this context, there is a widespread agreement that political parties and party systems are the key agents of the process and that in order to fulfil their role of advancing democracy, they need to be stabilised and institutionalised. The contention is that, although democratic consolidation is not dependent solely on party/party system institutionalisation, variances in institutionalisation shape the nature of democratic politics.

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4 Samuel Huntington (1991), *The Third Wave: Democratization in the Late Twentieth Century*, University of Oklahoma Press.


Accordingly, the ‘indispensability of parties’ thesis has been widely employed in understanding the democratisation processes, not only in latecomer European democracies but also in the Third World, including Africa, Asia, Latin America and Southern Europe. For instance, analysing the Third World context, Clapham highlights the impossibility of democratic polity in the absence of stabilised party representation. Similarly, and based on a study of ten Asian countries, Diamond reasserts the importance of parties and party systems. Moreover, examining democratic consolidation processes in Latin America, Dix argues that institutionalised parties and party systems are significant in relation to the enterprise of democracy and asserts that the prospects for democratic consolidation increase as parties become institutionalised. The importance of parties and party systems has also been a pervasive theme in understanding consolidation processes in Southern Europe. In most of these studies, factors associated with party/party system institutionalisation, such as membership, party identification, organisation, roots in society, and stability in the inter-party competition have been delineated as important anchors of consolidation.

Yet three major problems have persisted in the literature. First not many studies make a differentiation between party and party system institutionalisation. Secondly, especially when it comes to the conceptualisation of party system institutionalisation, the relational features of party systems have been overlooked. Finally, almost no study seeks causation or correlation between party and party system institutionalisation and democratic consolidation. This paper aims to address all these issues by analysing the effects of the

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12Christopher Clapham (1993), ‘Democratization in Africa’
17Here the Bertoa’s work has to be mentioned which is an exception and seeks correlation between party/party system institutionalisation and democratic quality. However, his results are not significant and his conceptualization of party system is different than the one developed here. See Fernando Casal Bertoa (2009)
party and party system stabilisation on democratic quality in 13 transitional democracies. In doing so, the paper attempts to contribute the existing literature in three respects. First, it offers a new tool for measuring party system institutionalization which takes relational features of party systems into account and which detaches party system institutionalization from party institutionalization. Secondly, it extends the number of cases which allows drawing better conclusions as to the relationship between party/party system institutionalization on the one hand; and the quality of democracy on the other. Finally, the data used here covers four different types of defective democracies which expand beyond European democracies so it manages to account for the ways in which different degrees of party system institutionalization affects different levels of democracies.

The paper first revisits the conceptualisation debate on party/party system institutionalisations and the democratic quality. This is followed by a discussion on the relationship between the institutionalisation of parties and party systems and democratic quality. Then, the indicators of each variable are examined by applying them to 13 transitional democracies. In this section, a new way of measuring party system institutionalisation quantitatively is offered. Next, an empirical analysis of the relationship between party/party system institutionalisation and democratic development is provided. The final section addresses in what ways the institutionalisation of parties and party systems affects democratic politics, and then develops a fourfold typology.

Relocating Party Institutionalisation and Party System Institutionalisation

Theory in Transitional Contexts

Political parties are still considered to be the most relevant and vital organisations for the proper functioning of democratic political systems.\(^\text{18}\) Although at some point the decline of parties’ theses affected discussions around party politics,\(^\text{19}\) thanks to several critical and


unique roles parties play in the operation of democracy, such as the aggregation and articulation of public opinion, the recruitment of political leadership and organising the government, for the foreseeable future modern democracy will continue to be “unthinkable, save in terms of political parties.”

Although several studies have emphasised the importance of party and party system institutionalisation for the proper functioning of democracy, confusion remains as to the meaning of these concepts. The term ‘political institutionalisation’ was first introduced by Huntington in his seminal work ‘Political Development and Political Decay’, which influenced a number of scholars. Since then, many studies have employed the concept of institutionalisation in different contexts, including political parties and party systems. While some scholars have used his approach without any change and have tried to apply it empirically, others have either modified his approach or created their own framework for institutionalisation. Notwithstanding a great deal of studies on party and party system institutionalisation, two problems have persisted: the ‘unit jump fallacy’ and the failure to address the relational features of party systems.

The first problem is related to the lack of differentiation between individual party institutionalisation and that of the party system. Whilst some studies use these concepts

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interchangeably and prefer not to elaborate on the critical difference between them, others attempt to measure system level institutionalisation by examining individual features of political parties assuming that institutionalisation of individual parties must positively affect institutionalisation of party system as a whole. However, the relationship between the two is much more intricate and complicated than has been argued, particularly in relatively newer democracies. As Randall and Svasand assert correctly, although they are closely related, they are neither the same thing nor mutually competitive, and in some cases these two types of institutionalisations “may even be at odds.” Therefore, it is critical to approach party and party system institutionalisation as two different phenomena which require separate treatments.

As follows, borrowing from Randall and Svasand, although with a small adaptation, this paper defines individual party institutionalisation as “the process by which the party becomes established in terms of both integrated patterns of behaviour and attitudes” within and outside of the party. From this definition, the dimensions of party institutionalisation are identified as organisational development and strong roots in society, both of which have appeared many times in the literature as the indicators of institutionalisation. The central argument is that, internally, the more institutionalised a party, the higher degree of organisational development it exhibits, while externally the more institutionalised a party, the stronger it is rooted in society.

Second problem relates to the conceptualisation of party system institutionalisation. The seminal work of Mainwaring and Scully was the first that introduced the party system

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31 Ibid
institutionalisation concept to the party politics literature. They asserted that in order for a party system to be institutionalised, four conditions must be present: stability in the patterns of interaction, strong party roots in society, the legitimacy of parties and strong party organisation. Furthermore, they argued that variance in institutionalisation needs to be incorporated into the comparative analysis of party systems, since weakly institutionalised party systems operate in a different way in comparison to well-established ones, with significant implications for democracy. Since this concept was posited, the concept of party system institutionalisation has gained wide recognition and been given fundamental importance, particularly in democratisation studies. Whilst some scholars have simply followed Mainwaring and Scully by merely applying their conceptualisation to different cases, others have developed their own approaches by identifying different dimensions of the phenomenon.

However, although introducing the notion of party system institutionalisation for comparative purposes has contributed to the party system literature, except for the stability of party competition, other dimensions identified by Mainwaring and his colleagues are related more to the individual features of political parties rather than relational ones. Moreover, even when analysing the stability of interparty relations Mainwaring and his colleagues used electoral volatility scores to compare several countries. Though volatility scores are useful for macro-comparative purposes, as Wolinetz argues they fail to explain the relational features of party systems, such as the patterns of sympathy or antipathy that are at the core of party system discussion. Needless to say, the same criticism levelled against Mainwaring and Scully applies to all studies that have employed their conceptualisation.

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34 Ibid
Other studies that used the concept of party system institutionalisation but with different attributes have also suffered from the same problem. For instance, Lindberg identifies eight indicators of institutionalisation: the number of parties in the legislature, the number of new parties in the legislature, the number of parties voted out, the share of seats in the legislature occupied by the largest party, the share of seats in the legislature held by the runner-up and legislative seat volatility. Although the way in which Lindberg approaches party system institutionalisation might have the explanatory power to understand the highly inchoate party systems of Africa, all of these numbers barely clarify either party regime interaction or interparty relations, which are major determinants of party system consolidation.

Bertoa also offers a different conceptualisation of party system institutionalisation. Referring to Bakke and Sitter, he defines institutionalisation as “the process by which the patterns of interaction among political parties become routine, predictable and stable over time.” In order to operationalise the concept, he draws on Mair’s framework of party system analysis and considers party systems as institutionalised, if alternations of government are total or non-existent, if governing alternatives are stable over a long period of time and if some parties are permanently excluded from participation in national government. So as to measure these criteria, he develops three indicators, namely an index of government alternation, an index of familiar alternation and an index of closure. Although Bertoa’s conceptualisation and operationalisation of party system institutionalisation might be useful for understanding the dynamics of power distribution, he also fails to address whether the patterns of sympathy and antipathy between parties, that are the major factors that characterise inter-party relationships, have been stabilised. If, as Bertoa acknowledges, the

42 Fernando C Bétoa (2011) ‘Sources of Party System Institutionalisation’.
most important attribute of party system institutionalisation is the stability of rules and the nature of interparty competition, the concept of institutionalisation has to attend to and analyse the nature of the relationship between parties. Accordingly, the main criteria employed by Bertoa – government alternation, governing formulae and access to government – certainly measure stability with regard to the major actors among which power is distributed, but they overlook whether the extent to which parties are able to form working interactions.

As follows from this discussion, similar to Bakke and Sitter, this paper also defines party system institutionalisation as the process by which the patterns of inter-party competition have been stabilised and regularised. However, the central concern of our conceptualisation is to take the relational features of party systems into account and to observe whether the way parties relate to one another is institutionalised. From this perspective, this paper offers a new quantitative tool for measuring party system institutionalisation by designating the change in polarisation levels – the degree of ideological space among political parties as a proxy. The logic is that manifesting the degree of ideological space among political parties, party polarisation attends to the interactions among parties and indicates the patterns of cooperation and opposition which should lie at the core of party system analysis. Changes in the levels of party polarisation, on the other hand, show to what extent the distance between parties has been stabilised and regularised – and therefore the extent of party system institutionalisation. This is also in line with Sartori’s approach which includes the ideological distance separating parties in the system as an important criterion for party system analysis.

In other words, since party system polarisation implies the distribution of parties along an ideological dimension, change or continuity with regard to polarisation levels should give important hints as to the stability of that system, and so it constitutes a perfect measurement tool for party system institutionalisation that attends to the relational features of party systems. To sum up, drawing on our original definition, it is argued that a system of parties is set to be institutionalised when there is stability and regularisation in the

distribution of parties along an ideological dimension, which is expressed by continuity in the system’s polarisation levels.

**The Relationship between Party and Party System Institutionalisation and the Democratic Quality**

Before discussing why stabilised parties and party systems are crucial for the process of consolidation, it is beneficial to briefly define what is meant by the quality of democracy. Needless to say, the question of what determines the quality of a democracy has long been discussed in the literature, and this is why it is possible to find numerous studies assessing this subject.\(^{51}\) However, Lijphart was the first to define the concept as “the degree to which a system meets such democratic norms as representativeness, accountability, equality and participation.”\(^{52}\) From this perspective, it is clear that there are significant differences between polities’ democratic quality, depending on their capability to meet certain requirements. This is also in line with Karl and Schmitter, who argued that democracy cannot be considered as a single, unique set of institutions, but there are certainly several types of democracies with diverse practices producing diverse effects.\(^{53}\)

In the literature, although several scholars have identified certain characteristics of democracies,\(^{54}\) Diamond and Morlino’s\(^{55}\) work has been one of the few exceptions\(^{56}\) which tackle with the question of what the requirements of a qualified democracy are. According to them, democratic quality needs to be evaluated with regard to its procedures, content and results, and five dimensions should be central to empirical analysis about the quality of democracy, namely rule of law, accountability, the responsiveness of elected officials, the realisation of equal political rights and civil liberties and the progressive reduction of social

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\(^{53}\) Philippe Schmitter and Terry Karl (1991), ‘What Democracy is and is not’.


and economic inequality. \textsuperscript{57} In a similar vein, Merkel defines ‘embedded’ democracy as consisting of five partial regimes: “… a democratic electoral regime, political rights of participation, civil rights, horizontal accountability, and the guarantee that the effective power to govern lies in the hands of democratically elected representatives.”\textsuperscript{58}

Regardless of whether it is labelled a ‘good’, ‘liberal’ or ‘embedded’ democracy, democratic quality requires more than free and general electoral competition and vertical accountability. Therefore, in this study, drawing on the Lijphart’s definition and Morlino and Merkel’s conceptualisations, democratic quality refers to the degree to which countries manage to meet the certain requirements of a democratic system, which are above all accountability, responsiveness, rule of law and socio-political integration.\textsuperscript{59}

Coming back to the relationship between parties, party systems and democracy, this research follows the common conclusion in the literature that political parties that form stable relations with the public and have a strong organisational existence, in other words institutionalised parties are very important for the quality of democracy.\textsuperscript{60} The idea is that if there are stabilised, regularised and strong parties – and therefore stable alternatives – citizens find it easier to identify with what each party stands for and which ones are accountable for their ineffective public policies.\textsuperscript{61} As such, especially in terms of the notion of accountability, party institutionalisation plays a central role by making it possible for citizens to choose from among stable alternatives that are responsible for previous achievements and/or failures. Low levels of party institutionalisation are also problematised for responsiveness, since weakly institutionalised parties lack well-defined programmatic goals and turn into vehicles for personal interests, thus curbing the long-term search for the common good of society.\textsuperscript{62} Similarly, lacking organisational development, weak parties tend to become platforms for populist/charismatic leaders and thus jeopardise the proper functioning of a democracy.\textsuperscript{63}

\textsuperscript{57} Larry Diamond and Leonardo Morlino (2004), ‘An Overview’
\textsuperscript{59} Ibid, p.36.
\textsuperscript{61} Sarah Birch (2003), Electoral systems and political transformation.
Conversely, the institutionalisation of party systems, understood as stability and regularisation in the patterns of interaction among political parties, is especially critical for democratic enhancement. Since increasing a polity’s capability in meeting democratic norms such as freedom, equality, and rule of law requires an ongoing process of structuration led by the interaction of parties in the system, the stability of interparty relations has special relevance for democratisation.\textsuperscript{64} In weakly institutionalised party systems, the interparty relationship is defined by uncertainty and irregularity, which decrease their ability to accommodate and increase centrifugal dynamics, therefore creating negative consequences for the processes of compromise and reconciliation needed for improving democratic quality. Moreover, with regards to accountability and responsiveness, since stable patterns of interaction generate regularity in coalition strategies, the institutionalisation of party systems also enhances the quality and predictability of the policymaking process and hence contributes to the quality of democracy.\textsuperscript{65} Therefore, the institutionalisation of a party system is particularly critical for moving beyond electoral democracy, since stabilised relations among parties increase the possibility of expanding political rights, civil liberties and constitutional constraints on state power, which constitute the basis of democratic quality.

In general terms, as Diamond asserts, political institutionalisation strengthens “the formal representative and governmental structures of democracy so they become more coherent, complex, autonomous, and adaptable and thus more capable, effective, valued, and binding.”\textsuperscript{66} Moreover, the coherency, complexity and autonomy of a polity raise its aptitude to meet democratic credentials. Following from this discussion, it is expected to see a positive relationship between the degree of party and party system institutionalisation of a polity and that of its level of democratic quality.

\textsuperscript{64} Geoffrey Pridham (2000), \textit{The Dynamics of Democratisation}, p.160.
How to Operationalise Variables: Party Institutionalisation, Party System Institutionalisation and Democratic Quality

The question of how to operationalise these concepts is critical for the empirical assessment of the relationship between these factors. Therefore, operationalization of each variable needs to be given careful consideration.

In the literature, scholars have employed different ways of measuring party institutionalisation with multiple indicators: the capacity of parties to sponsor parties cross-nationally, personalism, levels of professionalisation, party discipline, party identification and the percentage of independent candidates. Although the validity of these studies cannot be questioned, most of these tools either fail to measure rootedness and organisational development simultaneously or require extensive data; consequently, they do not allow for application to newer democracies. Therefore, in this study, following the footsteps of Bertoa, Lewis’s Index of Party Stabilisation (IPS) is employed, which measures both the degree of political space occupied by parties (the proportion of the total vote they receive) and the progressive enhancement of this proportion over time – by 20% for the party’s second appearance in Parliament, 40% for the third time and so on.

Although the IPS fails to measure organisational development thoroughly, which requires extensive data on membership levels, territorial comprehensiveness and funding, two crucial aspects of this index make it appropriate for measuring party institutionalisation across cases. First, it thoroughly captures the degree of rootedness by not only taking account

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69 See Elaine Paige Johnson (2002), ‘Streams of Resistance’
74 Ibid, p.16.
of the percentage of votes taken by parties but also their ability to sustain these votes over time. Secondly, since the IPS attends to the age of party organisation, which has been considered as one of the central indicators of institutionalisation over and over again in the literature, the IPS scores also give hints as to organisational development.

With regard to the party system institutionalisation, as discussed previously not many studies to date have managed to account for the complexities of the concept, particularly relational features of party systems. Aiming at addressing this gap, this study attempts to account for the aspects of interparty relationships. Therefore, relying on Dalton’s model of party system analysis, rather than looking at the ‘quantity’ it examines the ‘quality’ of party systems. Dalton argues that the polarisation of political parties within a party system, defined as the distribution of parties along an ideological dimension, demonstrates the quality of party competition. The idea is that the distribution of parties along the continuum is of greater significance than the simple number of parties, and it has greater influence over both the patterns of voter behaviour and the broad characteristics of the political system. From this perspective, I argue that, defined as the stable and regular patterns of interactions among political parties, the institutionalisation of party systems can be ably calculated by looking at stability and regularisation in relation to polarisation levels. In other words, this study employs changes in polarisation levels as a proxy for analysing the level of party system institutionalisation.

Measuring party system polarisation is a difficult task, mainly because it is difficult to find data on the ideological placement of parties for several cases. This is why scholars have estimated polarisation from indirect indicators such as the number of parties in an electoral system, the size and strength of extremist parties or the percentage of vote share for governing parties. However, in order to measure polarisation levels, the Manifesto Project Dataset provides significant data on party placements along the left-right scale, which allows for calculating the levels of system polarisation directly. Although it might not be viable to suggest that the distances between parties are only determined by the left-right scale, as argued by Inglehart, in most nations citizens define themselves along a left-right continuum,

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77 Ibid.
78 Ibid, p.902.
and this continuum also represents major conflicts present in a given political system.\textsuperscript{80} Therefore, this study, following Dalton,\textsuperscript{81} basically assumes that party politics is mainly structured by the left-right dimension, while the distance between parties regarding their positions on the left-right scale demonstrates the level of system polarisation.

However, rather than using Dalton’s method,\textsuperscript{82} here the index of party polarisation is measured by calculating weighted standard deviation in the distribution of parties:

\[
Polarisation (xp) = \sqrt{\frac{\sum_{i=1}^{N} wi(x_i - \bar{x}_w)^2}{(N' - 1) \sum_{i=1}^{N} wi}}
\]

Where \(wi\) is the vote percentage of Party \(i\), \(N'\) the number of parties which receive above 5\% of the total votes and \(\bar{x}_w\) the weighted mean of party votes. Since the weighted standard deviation scores are calculated, this way also allows for taking parties’ strength into account. In order to measure the institutionalisation of a party system, defined as continuity in the levels of polarisation, the standard deviation of the polarisation scores over elections is used. As such, party system institutionalisation is measured as follows:

\[
PSI = \sqrt{\frac{\sum_{i=1}^{N} (xp - \bar{x})^2}{N - 1}}
\]

Where \(xp\) is the polarisation score for each election, \(\bar{x}\) the average of the polarisation scores and \(N\) the number of elections. This index is comparable to Dalton’s method and similar to statistics employed by other researchers.\textsuperscript{83}

Finally we need to clarify how the democratic quality can be assessed. In the literature on democratisation, there are numerous ways of measuring democracy.\textsuperscript{84} Although the


\textsuperscript{82} He develops a polarization index which is measured as follows: PI= SQRT \(\{\sum (\text{party vote share})\}^* \{(\text{party L/R score – party system average L/R score})/5\}\)

Freedom House Index on democratic quality in newer democracies is the most widely used, the differentiation made by the Freedom House Index between liberal, semi-liberal and illiberal democracies is not refined enough for a small sample, the analysis of which requires “a more meaningful concept of democracy, with more demanding normative and analytical criteria.”

Accordingly, in line with the definition of democratic quality adapted herein, the Bertelsmann Transformation Index (BTI) provides an almost perfect measurement of democratic quality in the sense that it goes beyond the minimalist definition of electoral democracy and includes rule of law as well as the separation of legislative, executive and judicial powers with checks and balances. Especially for new democracies, most of which tend to be ‘defective’ and differ from one another with respect to their defects, the BTI appears to be the most suitable and detailed index, as it allows for understanding both common ground and the patterns of defective democracies in play today.

The BTI involves countries which are yet to achieve a fully consolidated democracy (transitional countries) and examines independently five dimensions of political transformation: stateness, political participation, rule of law, institutional stability and socio-political integration. The BTI’s rating scale ranges from 10 (best) to 1 (worst).

With regard to the countries to be analysed, two major factors influence our case selection. First, only transitional countries included in both the Manifesto Project and the BTI at the same time are examined. Secondly, countries whose democracy scores are below 8.5 are chosen. In this way, eastern and central European democracies are kept out of the analysis. This decision is justified by the fact that eastern and central European democracies score above 9 and 9.5, so these countries can be considered as consolidated democracies, which makes them more appropriate for comparison with more developed democracies. In other words, comparing countries which are in the early period of their democratisation journey with those which are about to complete might lead to false inferences. Henceforth,

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88 In order avoid tautology, the average BTI democracy scores have been recalculated by leaving out the party system score (that looks at the extent of stable and socially rooted party system) which was part of ‘Political and Social Integration’ Criterion.
the countries analysed in this study are southeast European countries (Russia, Montenegro, Macedonia, Albania, Serbia, Romania, Bosnia, Bulgaria, Moldova, Croatia, Turkey and Hungary) and Armenia, which is involved in the study because it is the only nation to score below 5.5, which consequently increases variation in the quality of democracy. The analysis of parties and party systems in the Southeast Europe significantly contributes to our understanding of the workings of political parties and party systems in general not only because there is almost no study on parties and party systems of this region which is the new component of the Europe but also because it gives important clues about the ways in which parties and party systems influence the process of transition and consolidation.

**Impact of Party and Party System Institutionalisation on the Democratic Quality in Southeast Europe**

**Party Institutionalisation and Democratic Quality**

Based on the above conceptualisation and operationalisation, Table 1 summarises the level of party institutionalisation as well as the democratic quality scores of the southeast European democracies. The results suggest that the relationship between the quality of democracy and the institutionalisation of parties is much more complicated than previously analysed.

<table>
<thead>
<tr>
<th>Countries</th>
<th>Elections</th>
<th>PI (%)</th>
<th>The Quality of Democracy Score</th>
<th>Type of Democracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moldova</td>
<td>2001-2005-2010</td>
<td>90</td>
<td>7.02</td>
<td>Defective</td>
</tr>
<tr>
<td>Hungary</td>
<td>2002-2006-2010</td>
<td>89</td>
<td>8.28</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Macedonia</td>
<td>2006-2008-2011</td>
<td>86</td>
<td>7.6</td>
<td>Defective</td>
</tr>
<tr>
<td>Russia</td>
<td>2003-2007-2011</td>
<td>85</td>
<td>5.38</td>
<td>Highly Defective</td>
</tr>
<tr>
<td>Turkey</td>
<td>2002-2007-2011</td>
<td>85</td>
<td>7.74</td>
<td>Defective</td>
</tr>
<tr>
<td>Montenegro</td>
<td>2006-2009-2012</td>
<td>84</td>
<td>7.58</td>
<td>Defective</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>2001-2005-2009</td>
<td>80</td>
<td>8.72</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Croatia</td>
<td>2003-2007-2011</td>
<td>77</td>
<td>8.4</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Armenia</td>
<td>2001-2005-2009</td>
<td>76</td>
<td>5.26</td>
<td>Moderate Autocracy</td>
</tr>
<tr>
<td>Albania</td>
<td>2003-2007-2012</td>
<td>72</td>
<td>7.28</td>
<td>Defective</td>
</tr>
<tr>
<td>Romania</td>
<td>2000-2004-2008</td>
<td>70</td>
<td>8.52</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Serbia</td>
<td>2007-2008-2012</td>
<td>69</td>
<td>8.02</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Bosnia</td>
<td>2002-2006-2010</td>
<td>60</td>
<td>6.44</td>
<td>Defective</td>
</tr>
</tbody>
</table>

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89 Here it has to be acknowledged that except for Turkey all these countries are Post-Communist which is not typical of what we might have in other parts of the world.
90 Although Georgia and Ukraine meet the requirements of the case selection, they left out this study. This is because first the elections data for Georgia is very limited. Second, in the case of Ukraine the country is a clear outlier as to the party system institutionalisation scores due to the impact of strong ethnic divides on party system and therefore deteriorates data. Third, both countries are not part of southeast Europe so would impair consistency of the research.
As can be observed from Table 1, contrary to what scholars usually argue there seems to be no association between the democracy scores of countries and their party institutionalisation levels. For instance, Russia, defined as a highly defective democracy in the BTI, with a democracy score below 5.5, has highly institutionalised parties. This might be related to the fact that under certain circumstances electoral rules and regulations that support party institutionalisation might actually jeopardise democratic quality. Moldova is also another interesting case, whereby a high level of party institutionalisation does not correlate with democratic quality. More interestingly, countries like Croatia, Romania and Serbia seem to manage to move towards consolidation without the need for institutionalised parties. These findings clearly challenge the general assumption that party institutionalisation is necessary but not sufficient for the quality of democracy. However, this is not to say that there is no relationship between party institutionalisation and democratic quality at all, but the analysis of this relationship does require careful examination, taking into account what factors brought about institutionalisation in the first place.

**Party System Institutionalisation and Democratic Quality**

Since an increasing score on PSI scores indicates higher levels of institutionalisation, it is expected that the higher the PSI scores, the higher the quality of democracy. Table 2 displays party system institutionalisation and the quality of democracy scores for southeast European democracies.

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Table 2. Party System Institutionalization and the Quality of Democracy in the Southeast Europe

<table>
<thead>
<tr>
<th>Countries</th>
<th>Time Span*</th>
<th>PSI Score**</th>
<th>The Quality of Democracy Score</th>
<th>Type of Democracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>1993-2007</td>
<td>9.59</td>
<td>5.38</td>
<td>Highly Defective</td>
</tr>
<tr>
<td>Turkey</td>
<td>1999-2007</td>
<td>12.52</td>
<td>7.74</td>
<td>Defective</td>
</tr>
<tr>
<td>Armenia</td>
<td>1995-2003</td>
<td>13.98</td>
<td>5.26</td>
<td>Moderate Autocracy</td>
</tr>
<tr>
<td>Macedonia</td>
<td>1990-1998</td>
<td>18.10</td>
<td>7.6</td>
<td>Defective</td>
</tr>
<tr>
<td>Albania</td>
<td>1991-2001</td>
<td>18.88</td>
<td>7.28</td>
<td>Defective</td>
</tr>
<tr>
<td>Serbia</td>
<td>1997-2012</td>
<td>20.71</td>
<td>8.02</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Romania</td>
<td>1996-2008</td>
<td>24.83</td>
<td>8.52</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Bosnia</td>
<td>1990-2000</td>
<td>26.55</td>
<td>6.44</td>
<td>Defective</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1997-2009</td>
<td>27.80</td>
<td>8.72</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Moldova</td>
<td>1994-2005</td>
<td>31.54</td>
<td>7.02</td>
<td>Defective</td>
</tr>
<tr>
<td>Croatia</td>
<td>2000-2011</td>
<td>32.79</td>
<td>8.4</td>
<td>Democracy in Consolidation</td>
</tr>
<tr>
<td>Hungary</td>
<td>1998-2010</td>
<td>36.99</td>
<td>8.28</td>
<td>Democracy in Consolidation</td>
</tr>
</tbody>
</table>

* Polarization scores for the consecutive elections that take place less than 3 years of time are not taken into account. **The PSI scores are inverted in order for higher numbers to refer higher score of institutionalisation.

When looking at the table, it can be observed clearly that although their defections vary, all the countries that score less than 20 in terms of party system institutionalisation are defective. In other words, according to the findings, low levels of party system institutionalisation can be associated with low levels of democracy. Moreover, most of the countries with higher PSI scores are democracies in consolidation, with the exception of Bosnia and Moldova, in both of which ethnic cleavages tend to dominate the political system, which in turn might stabilise party placements along an ideological spectrum.\(^92\) Leaving aside these two exceptions, all transitional countries that have PSI scores higher than 20 are democracies in consolidation. In other words, while low levels of party system institutionalisation are certainly associated with less qualified democracies (e.g. Russia, Montenegro, Armenia, Macedonia and Albania), higher levels of institutionalisation indicate more qualified democracies (e.g. Serbia, Romania, Bulgaria, Croatia and Hungary). These findings support our initial conclusion that party system institutionalisation plays a much more critical role in advancing democracies, and there is almost a linear relationship between institutionalisation of party systems and the quality of democracy – as the former increases, the latter improves.

**Party and Party System Institutionalisation**

The relationship between party and party system institutionalisation also requires further clarification in order to answer the following questions: What is the essence of this

\(^92\) Both cases might require in-depth analysis.
relationship, how do these two processes interact, relate to and affect one another and how would this relationship be different under different circumstances? In the literature, there is considerable agreement on the necessity of party institutionalisation for party system institutionalisation. The logic is that the components of a system – the parties themselves – need to be capable of enduring over time,\(^93\) which in return increases the regularity of patterns of interaction among these political factions. Therefore, a positive relationship between party institutionalisation and party system institutionalisation is expected. In contrast to these expectations, the correlation coefficient is neither relevant (-0,021) nor significant and even the direction is negative (table 3).

<table>
<thead>
<tr>
<th>Party System Institutionalization</th>
<th>Party Institutionalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>-0,021</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0,946</td>
</tr>
<tr>
<td>N</td>
<td>13</td>
</tr>
</tbody>
</table>

These findings suggest that the relationship between two processes is much more complicated than has been portrayed before, to the extent that the institutionalisation of political parties could be even at odds with that of the party system. The contention here is that in order to understand the effects of party institutionalisation on party system institutionalisation, it is crucial to analyse the sources of party institutionalisation which indicate the essence of this relationship. For instance, in the case of Turkey, the very existence of strong ethnic and religious cleavages increased polarisation levels in the country, which in turn was one of the central causes of party institutionalisation. A high level of polarisation, on the other hand, impaired party system institutionalisation by curbing interparty trust. All these observations demonstrate that party and party system institutionalisation are related to one another, but the effect of institutionalised parties on party systems needs careful examination regarding the sources of party institutionalisation itself, which might have different implications under different circumstances.

It is also crucial to discuss the compound impact of party/party system institutionalisation on democratic quality so the interaction between party and party system institutionalisation. Table 4 develops a fourfold typology that shows how they relate to one another and their implications on democratic quality.

<table>
<thead>
<tr>
<th>Party Institutionalization/Party System Institutionalization</th>
<th>Low &gt;5</th>
<th>High &lt;5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low &lt;80</td>
<td>Armenia, Albania</td>
<td>Serbia, Romania, Bosnia, Croia</td>
</tr>
<tr>
<td>High &gt;80</td>
<td>Russia, Montenegro, Macedonia</td>
<td>Bulgaria, Moldova, Hungary</td>
</tr>
</tbody>
</table>

As observed in Table 4, average democratic quality scores rise as the parties and party systems institutionalised and are highest in countries where there are high levels of both party and party system institutionalisation. These findings suggest that both factors might have an impact on the level of democracy.

<table>
<thead>
<tr>
<th>Quality of Democracy</th>
<th>Party System Institutionalization</th>
<th>Party Institutionalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>0.535</td>
<td>0.045</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.06*</td>
<td>0.885</td>
</tr>
<tr>
<td>N</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

* = p < 0.1

However, these findings also require empirical assessment. In line what has been argued previously, a fairly strong and significant positive correlation (0.535) between party system institutionalisation and the quality of democracy is found, while there is no correlation between party institutionalisation and democratic quality (Table 5). This confirms our initial hypothesis that higher party system institutionalisation correlates with higher degrees of democratic quality.
Table 6 presents the results of the OLS regression used to model the quality of democracy. As can be observed from the table, it is clear that the impact of party system institutionalisation is significantly associated with the quality of democracy. The model shows that when controlling for party institutionalisation, party system institutionalisation significantly contributes to the democratic quality. This suggests that party system institutionalisation has a positive effect on democratic quality independent of party institutionalisation. However, it has to be borne in mind that the number of cases is limited.

**Conclusion**

Although there are numerous studies on the relationship between party/party system institutionalisation and democratic quality in the literature, almost no attempt has been made to seek causation or correlation between the two factors. Moreover, hardly any studies have analysed the relationship between party institutionalisation and party system institutionalisation. This paper addressed these issues and looked at their relationship and the effects of both on the quality of democracy by examining 13 transitional democracies.

Developing a new quantitative tool and applying it to real cases, it has been found out that party system institutionalisation plays a greater and more critical role in democratisation processes. So the more institutionalised a party system they have, the more likely it is for countries to develop a qualified democracy. Although more work needs to be done in order to produce more concrete results, it is reasonable to conclude that the nature of democracy differs according to whether the level of party system institutionalisation is high or low.

This study contributes to the literature in a number of ways. First, it offers a new way of quantitatively measuring party system institutionalisation which has not been employed before and which is in line with the conventional literature on party systems. Second, it not only differentiates between party and party system institutionalisation but also empirically analyses this relationship. Third, it demonstrates a fairly strong correlation between party

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system institutionalisation and democratic consolidation. Finally, it increases the number of cases under scrutiny by examining 13 transitional democracies. Using BTI scores, it also shows how different degrees of party system institutionalisation lead to different types of democracies.