Institutional change and stability in post-communist countries

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Abstract:
This paper deals with institutional change of 27 political systems in post-communist countries, 1990-2002. We show that institutional change is limited, lock-in effects are strong, and change can be understood as addition of new institutional elements to an existing set of institutions. We are not able to provide evidence for a strong, ubiquitous and linear effect of socio-economic variables, variables that denote aspects of domestic politics or variables that denote political or economic integration once after the initial decisions on the post-communist institutional order have been taken in the early 1990s.
I Introduction

Between 1988 and the early 1990s in the former communist countries the previous political and economic systems have been abandoned, boundaries of nations have been defined, and new systems of government and electoral rules have been set. Almost all leading politicians proclaimed that they will consolidate a democratic order and a market economy. In that sense, these years have been critical junctures during which basic rules of the coming new order in the polity, economy and society have been set. At the same time, new parties and party systems emerged and new property rights have started to be implemented. The development of a new system of interest organizations lagged behind, but in all nations major interest groups such as trade unions existed, be it as a continuation of the former organizations, as reformed organizations or as totally new groups. Therefore in the period until 1994 the fundamentals of the coming political systems have been established in former communist nations. This does not preclude major institutional change thereafter, though.

In our paper we ask whether there was any change at institutional level since 1990-94 and how can it be explained. By comparing the situation at the end of the period (1998-2002) with the initial one, we investigate whether the present diversity is nothing but a function of the decisions taken in the formative phase of 1988-1994. Or is it also and to a considerable extent the outcome of the influence of international and supranational organizations, such as the EU? Alternatively, do socio-economic resources – such as the level of economic development – explain much of the variance? Finally, are domestic political and institutional constraints major explanatory variables?

There is a wealth of analyses of the institutional changes in post-communist countries. However, these studies are either restricted to a number of selected countries or they deal with few selected aspects of the institutions of the post-communist
countries. In this paper we want to contribute to this debate by a systematic analysis of the major institutions of the political systems in the post-communist countries. By implication this has to be a study based on a very limited number of quantitative indicators. Hence we do not claim to do any in-depth qualitative-historical analysis of institutional change in the countries under consideration. Rather, we try to describe the ‘lay of the land’ in terms of central tendencies and variations of the institutional orders of all post-communist countries and we look for systematic correlations between institutional change and major independent variables. We think this is a useful addition to the present stock of research, indicating whether findings from selected case studies can be generalized to the whole set of post-communist systems.

In addition to a methodological point, we attempt to contribute substantively to the debate by pointing to shortcomings of the state of research. We argue that the impact of international actors as well as the impact of domestic constraints and politics is overdrawn. Rather we will show that the institutional change of the 27 post-communist countries during the last 15 years can be largely understood as a process of layered institutional change after the crucial decisions have been taken. Layered change denotes the addition of new institutional elements to a given institutional set-up without bringing about a major ‘break’ in the short term (Thelen 2003). In contrast to simple theories of path dependency there is the possibility of substantial change that diverts institutions from a given path of development. And in contrast to simple political or socio-economic explanations, institutional change cannot be understood to a large extent as a linear function of a few major explanatory variables. Rather it is the result of a complex interaction of actors within institutions on a basis of a given institutional order and of given socio-economic opportunities and constraints. Hence we argue that the political institutions at the end of the period under consideration may be
substantially different from the institutions at the beginning, but they still reflect strongly their initial shape.

2 Hypotheses about institutional change in 27 post-communist countries

Institutions are ‘formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy’ (Hall 1986: 19). By definition, institutions tend to be sticky. If they change immediately when their environment changes they cannot fulfill their function of structuring behavior and expectations. This does not preclude institutional change, tough. With regard to political institutions this may be the case in extraordinary circumstances or ‘critical junctures’. Examples are revolutions, the foundation of a new political order after defeat in war, or the decline of a previous political system such as the case of the Soviet Union and its satellite states 1988-1994. Less dramatic are changes that can be understood as adaptations to lasting modifications of the environment. An example is the expansion of the western welfare state between 1950 and 1975 which can be explained as the outcome of sustained economic and political opportunities for social policy expansion.

In this paper we will analyze the major institutions of the political systems in 28 post-communist countries and their changes during the last 15 years. On obvious reasons we have to pick major institutions for which quantitative indicators can be used. We selected these four major institutional aspects of political systems:

(a) executives: presidents and parliamentary governments
(b) the party system
(c) parliaments
(d) the constitution in practice: democratic versus non-democratic governance

From these institutional aspects we chose several indicators which in our view are important or representative. The indicators, and the operational rules will be discussed in the section on research design.

Although institutions are by definition sticky, their stickiness varies. For the following analysis we use a dimension that indicates the flexibility of institutions. One pole of this dimension is the deep institutional core of the political system. These are those rules and norms in the various institutional dimensions that are least amenable to change, such as the rules defining the fundamentals of the political system commonly embodied in constitutions. On the other hand, institutional aspects such as the party systems or electoral systems are arguably more open to reform. They are much less impeded to react to environmental changes. One could label that the flexible end of this dimension.

If there is any institutional change we do expect that to occur more pronounced and more often at the flexible end, while the reform of the deep core may be less often observable.

There are several theories and hypotheses dealing with institutional change after the transition to democracy and capitalism in post-communist countries. We differentiate between four groups: The critical juncture plus equilibrium thesis, the thesis of socio-economic requirements and opportunities, the domestic politics and institutions thesis and the thesis of the impact of international and supranational organizations.

The first thesis can be sculled from the works on the transition to democracy, from theories of institutional change and from path dependence theory. In the literature
on transition it has been argued that the new political systems reflect the mode of transition (Karl and Schmitter 1991) the prior regime type and the usability of the state for new political order (Linz and Stepan 1996; Merkel and Puhle 1999). This transition period can be understood as a critical juncture which leads to a new institutional equilibrium. This equilibrium may be challenged thereafter in another crisis. But until this next critical juncture little change will occur (see for example Krasner 1988; Gourevitch 1986). This institutional persistence in the ‘equilibrium’ can be explained by institutional complementarities – the institutions just fit together enhancing each other mutually – or more convincingly by path dependency. In this perspective suboptimal institutions persist as the costs and risks of a complete institutional change are much too high for politicians (Pierson 2000). The problem with these arguments is that it is very difficult to pin down the point of time in which the critical juncture ends and the new equilibrium begins. In the literature on transitions there have been many attempts to specify the sequence of steps towards the new democratic equilibrium (Merkel 1999; O'Donnell and Schmitter 1989). One measurable indicator is the institutionalization of democracy, indicated by a new democratic constitution. This is done long before the consolidation of democracy is brought about. By consolidation we mean the efficient working of the state institutions, the emergence of effective parties and interest groups, the broad acceptance that democracy is ‘the only game in town’ and the emergence of a democratic civic culture. Depending on the operationalization of these criteria, the time point a new democracy is consolidated and the new equilibrium begins is earlier or later.

In the following analysis we assume that the new political systems have been established and to some extent consolidated by 1994. This applies to the democracies (for example Poland) as well as to non-democratic systems that claim to be democratic
(e.g. Turkmenistan). This decision can be substantiated on the basis of the Freedom House indicators of political and civil liberties. If we follow Freedom House and its rankings and distinguish between free and democratic countries (having a combined core of the political and civil rights index of twice 2.5 = 5 or less) and the remaining group of non-democratic countries, we arrive at these conclusions: 12 countries have been democratic on average in 2000-2002. Eight of them have been so on average in 1990-94, and 4 (Bulgaria, Croatia, Mongolia, Romania) have moved into that group from being non-democracies in 1990-94. If we consider, when these countries have crossed the threshold it was in 1991 (Bulgaria, Mongolia), 1995 (Romania) and 2000 (Croatia). Hence apart from Croatia, the democracies in the post-communist world of 2002 have been already democracies in 1995; while all of the non-democracies political systems of the post-communist world in 2002 have also been non-democratic in 1994. In contrast, none of the non-democratic systems of 1998-2002 has been democratic in 1990-94.

In the perspective of path dependence theory (Pierson 2000) it is extremely difficult and hence unlikely that significant institutional change happens after the overall institutional framework has been settled. Therefore the path dependency theory does not expect significant institutional changes after the major decisions on the political system have been taken in the period until mid-1990s.

An opposite prediction comes from a hypothesis relating institutions to socio-economic requirements, opportunities and constraints. This hypothesis is based on the assumption that institutions reflect the socio-economic conditions under which they have been founded and under which they operate. A prominent example is the notion by Lipset that democratic institutions require a certain level of economic affluence (Lipset 1981). Once a level of economic development is reached –such as in Argentina in 1975-
- countries do not fall back into autocracy (Przeworski 2004: 531). Likewise it has been argued that institutions reflect cultural norms, and they change as norms change (see for example Spendzharova 2005).

A third hypothesis about the determinants of institutional change in post-communist countries is based on the assumption that institutions reflect the political-institutional context in which they emerged. Arguably the major political conflicts in the post-communist world are centred (a) on the question of economic reforms and economic growth and (b) on the question of liberal-secular or religious-authoritarian definition of the relation between state, church, national identity and civil rights (Grzymala-Busse 2002: 53). Political parties have taken different stances towards these issues and therefore we expect that institutional development varies with the strength of political forces supporting them.

According to a fourth hypothesis, it is neither domestic politics and institutions nor socio-economic requirements and opportunities that determine institutional change of the new political system. Rather it is the question as to whether a country has become or will become a member of the European Union. Meeting the requirements of the EU accession countries have to undergo substantial institutional reform whilst other countries are not exposed to this external pressure (Spendzharova 2005; Verpoest 2004). In this perspective the major explanatory variable for institutional change is the status of being an EU accession candidate. Likewise one could argue that the stronger economic integration, the greater the pressure to adapt to Western styles of government.

All these hypotheses have serious shortcoming. The ‘lock-in’ hypothesis downplays institutional change after major decisions. However and without doubt there is some change, and often this change may consist in adding new elements to a given institutional order. That does not necessarily lead to a break; but it is more than a
continuation of trends. Kathleen Thelen (Thelen 2003) has labelled this a layered institutional change.

In contrast to the path-dependency hypothesis, the hypotheses pointing to socio-economic development, political power distributions and external influence assume that institutions react quickly and directly to changed environmental conditions. Considering the persistence of many political institutions in established democracies (Armingeon 2004) this seems equally inadequate. This applies in particular to the ‘deep core’ of the institutional system – such as constitutional rules – and less to the flexible end, such as party systems. In addition, countries with strong parties in favor of a liberal political system with a viable market economy have at the same time a high level of economic development and have a higher likelihood to be EU members or accession candidates. Therefore it may be difficult to single out the respective influence of socio-economic conditions, domestic politics and external pressure.

Considering these arguments and the data we have on institutional change in the West and the East, for the post-communist countries we do expect more change than the ‘lock-in’ hypothesis suggests but much less than the other three types of hypothesis predict. Finally we do not expect that there is a systematic and clear direct correlation between domestic politics, socio-economic conditions and external pressure on the one hand and institutional change on the other. Rather, following the idea of layered change, we predict institutional change that consists of nation-specific processes of adding new institutional elements to the existing core of the institutional order.

3 Research design

Countries, period of analysis, data: In this study we compare indicators for selected aspects of the institutional order for 27 post-communist countries for 1990 and
From this rule we have departed in two situations: for former Soviet Union countries we start inputting data from the year of independence (1991); and for institutional variables derived from Constitutions we input data starting with the year of adoption of the post-communist constitution.

The data come mainly from a comparative political data set on post-communist countries, 1989-2004 (Armingeon and Careja 2004). The codebook of this dataset contains information on all primary sources and operationalizations. Additional data on economic variables and quality of life are from World Development Indicators, and UNICEF MONEE database. [available online, http://www.unicef-icdc.org/].

**Operationalization of the dependent variables**

The dependent variables are the changes in institutions. Change is calculated similarly for all the variables as the difference of [value in 2002] – [value in 1990]. For nominal and ordinal variables we took the values for the initial and final years respectively. For metrics variables we used mean values of two periods of roughly 5 years: 1990 to 1994 and 1998 to 2002.

**Constitutions:** We measure the core or constitutional structure of the political system by two measures: a qualitative analysis of constitutions with regard to the selection, powers and relations of presidents, and parliaments. Secondly we use a summary index of the ‘deep core’. It is composed of these elements:

(a) Uni- or Bicameralism (See below)
(b) Subordination of upper chamber to lower chamber (yes or no)
(c) Flexibility of constitutions (majorities necessary: ordinary; more than ordinary but less the 2/3 or a referendum; 2/3 majority or equivalent; supermajorities)

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1 These are all countries formerly belonging to the Soviet Union, its Western Satellite states, excluding Serbia and Montenegro
(d) Type of political system (presidential, parliamentary, semi presidential dominated by parliament, semi-presidential dominated by president, other)

(d) Electoral system for upper chamber (no upper chamber; appointment/delegation; indirect by regional/state legislatures; directly by the people, other)

(e) Electoral system for the lower chamber (proportional, modified proportional, majoritarian, parallel, i.e. one part of the chamber is elected according to majoritarian and the other according to proportional rule)

This measures and their operationalizations follow Lijphart (Lijphart 1999). For each dimension we compared the 1990 to the 2004 values, and if there has been change, this has been coded ‘1’, otherwise ‘0’. The values of these six variables have been added up in an indicator ‘total change of the institutional framework’ ranging from 0 (no change) to 6 (change in every dimension).

Executive: We measure the position of the executive by several indicators:

(a) Presidential power index. Following T. Frye (Frye 1997) the index was developed based on the presidential powers stipulated in the constitution(s) of the countries under consideration. A list of 29 powers were taken into consideration. The following codes were given: 1 – if the president holds exclusively a given power; 0.5 – if the president is sharing a power with another body; 0 – if the president does not hold the power under question. For presidents indirectly elected, the score obtained was multiplied by 0.5.

(c) Type of cabinet. We use two measures for types of cabinet. The first measure is built on the criteria of the relation of the cabinet to the former political order: Is there continuity with the past, i.e. is the government led by former communist parties or their reformed wings? Or is there a complete break with the past; i.e. is government

2 For details see Armingeon and Careja 2004: Annex Presidential Power Index
recruited from the anticommunist opposition? Or is the government neither anti-communist nor communist, but rather shaped by a second major cleavage in the post-communist world, i.e. the national questions? The analysis of cabinets along party composition and ideology can be done for the countries in Central and Eastern Europe, Baltic and Balkans. For the other countries the formation and working of cabinets is very much under the influence of the president. Hence for these nations we have used two proxies to assess the degree of break with the past: the party affiliation of the prime minister and, if not available, the political orientation of the presidents. A second measure concerns the structure of the cabinet. We distinguish between six types of cabinets making up the first government after the abandonment of the communist rule and the last government for which we have data (see Woldendorp, Keman et al. 2000; Lijphart 1999): 1: Single Party Government: one party takes all government seats and has a parliamentary majority; (2) Minimal Winning Coalition: all participating parties are necessary to form a majority government; (3) Surplus Coalition: this compromises those coalition governments which exceed the minimal winning criterion but which are not all party governments; (4) Single Party Minority Government: the party in government does not possess a majority in Parliament; (5) Multi-Party Minority Government: the parties in government do not possess a majority in Parliament; (6) presidential cabinets. The latter are those governments that are formed and changed by the presidents, and are accountable to them. Unlike western democracies, where cabinets depend on presidents only in presidential systems, such cabinets are a frequent feature of post-soviet semi-presidential systems dominated by the president. These types of cabinet were collapsed in four categories of party government (see Lijphart 1999): (a) majoritarian governments (single party governments and minimal winning
coalitions), (b) surplus coalitions, (c) minority governments, (d) presidential governments.

Parliaments: For the structure of parliaments we focus on the relation between upper and lower chamber. We code countries whether they have a bicameral system or a unicameral system.

As a second measure we use an index of the predominance of presidents or parliaments. Following Andre Krouwel (Krouwel 2003) we measured the predominance of president or parliament in the system as the difference between the extent of presidentialism and extent of parliamentarism. Both are measured on a six item additive index (model of election of president, election of cabinet, vote of investiture, vote of confidence, introduction and veto of legislation, executive powers of the president) which are alternatively evaluated from the perspective of the president and of the parliament, following a zero-sum logic (powers of president are non-powers of parliament) (for details see Krouwel 2003: Appendix). We have taken the scores calculated by Krouwel and added our own calculations for the remaining cases not covered by him.

Party systems: For the party system we have devised these indicators:

(a) Following Ware (1996) we distinguished between party systems based on the combination of two criteria: number of parties and relative size in Parliament (share of seats). The categories are

1. single party - only one party wins places in Parliament
2. predominant party system - several parties contest elections and win seats in the Parliament, but the legislative is dominated by only one of them, i.e. they have at least 50% plus one seat. Opposition is scattered among several small parties.
3. two party system – one party wins nearly 50% of the seats,
4. two-and-half party system – the two main parties win around 80% of seats, and one of the small parties holds enough seats to keep the balance.

5. one big party and several much smaller – the big party wins almost 45%, but not 50%

6. two big parties and several small – the two big parties win together about 65%, but the largest party receives less than 45%

7. fragmented party system – more than two parties, the largest party wins less than 45% and the two largest win less than 65%.

Party system changes are recorded with a variable which counts how many times the party system has changes following each election. The higher the number of changes, the more unstable the party system tends to be.

(b) Another summary indicator for party systems is their extent of fragmentation (measured by the Rae index) or – after an algebraic transformation -- the number of effective parties. These indicators were calculated on the bases of electoral results and refer to the parliamentary parties only. Independents and small parties under the category “others” were excluded.

Electoral rules: Electoral rules were measured by the principle (majoritarian [first past the post] versus proportional), the number of deputies, and the Gallagher index of disproportionality between seats and votes. It was calculated for all the countries, except those which elect Parliaments on the basis of majoritarian system, since in these cases the share of votes received by parties was not available. As a general rule, the share of seats (votes) received by independents and small parties was excluded.

The quality of the democratic polity: For the constitution in practice –measuring the quality of the democratic polity -- we have a battery of indexes indicating political
and civil rights taken from Freedom House: the two seven-point scale indexes of civil liberties and political rights which we collapsed in one scale, running from 0 to six. Zero denotes a full democratic system, 6 denotes an authoritarian system.

Operationalization of the independent variables

The aim of the study is twofold: to observe where and when the institutional framework changed and to see what factors explain the change. We will test the impact of three categories of factors on institutional change: i. socio-economic, ii. domestic politics and iii. international pressures.

Socio-economic variables: The Modernization variables are taken from World Development Indicators (International Bank for Reconstruction and Development 2003). The battery of indicators we have selected comprises the share of rural population (share of total population living in rural areas), telephones (number of mainlines per thousand inhabitants), employment in services (share of total employment), GDP capita (in USD 1995 constant). Socio-structural change is captured by the Gini index, retrieved from Trans Monee Database.

Domestic politics: In order to describe the internal political conditions, we use political mobilization, war, political instability and orientation of the government.

Political mobilization is measured through two variables: turnout and anti-system mobilization (anti-communist vote in first free elections). While the first one allows to observe the trend in mobilization and in interest in politics along the whole period under analysis, the second variable informs about the degree of discontinuity with the communist past: the higher the anticommmunist vote, the more severe break with the past. Of course, it has happened that in some countries where the first elections were won by the opposition forces by a landslide, the reformed communist came in power at the second elections. But this situation can hardly be interpreted as a return to
communist rule. The return of reformed communists (socialists) to power was rather a
signal that the new rules of the game took hold – alternance in power, uncertainty of
winners and acceptance of defeat (Przeworski 1991). Therefore, we consider that the
anticommunist vote in the first free election is an appropriate measure for the break with
the past. Both measures are from Armingeon and Careja (2004)

War is a dichotomous variable which takes value 1 if the country was involved
in conflict (internal or at borders), while 0 if there was no conflict at all. We prefer to
use war as a measure of domestic political conditions, since most of the conflicts in the
region were internal (between the core and periphery or between ethnic groups).
Officially, there was no war between two countries.

Political instability is measured as the frequency of “change in government”. It
can be operationalized in two ways as (a) change of party composition of government or
(b) change of governing team. (One can imagine a change of the entire governmental
team, prime minister included without a change in party composition). Each of these
two modes of operationalization has its own rationale. There are indications that in the
post-communist countries parties did not achieve to build up stable linkages to social
groups and constituencies. Hence a changing composition of government in terms of the
complexion by governing parties may have even less impact on the representation of
societal groups in government than a change of the governing team. On these reasons
we have preferred the second operationalization, because different governing teams
(even if they represent the same party or the same coalition of parties) might have
different working styles, represent different societal interests, different personalities and
hence different policies. The variable represents average number of days of a
government in power in the period under interest (1990/1994 and 1998/2002). The
lower the number of days, the more governments in power over the given period, thus the more unstable the political system.

In order to verify claims that the orientation of governments has an effect on institutional change, we build a variable with four categories, based on parties’ ideological profiles. We have grouped parties in three categories (left, right, nationalist) and a residual category “presidential” where we placed the cabinets which are under control of presidents. The labeling for the Central and Eastern European Countries was done following as much as possible a single source (Bugajski 2002), while for the rest of countries we have asked country experts and used secondary sources. We then collapsed the four categories in two: left and right formed a “programmatic/ideologic” category and was assigned value 1, and nationalist and presidential cabinets formed a “non-programmatic” category (value 0).

International variables: We are using two variables for the international context EU membership (for the political dimension) and FDI (for the economic dimension). EU membership is a dichotomous variable, where 1 represents membership and 0 no membership; FDI is measured as FDI/capita in USD, the values are taken from World Development Indicators.

4 Findings

We present our findings in two stages: First we discuss whether and to what extent there have been changes of our selected indicators in the period 1990-2002; secondly we discuss the findings on the correlation of these changes with independent variables.
4.1 Findings: Changes

In the discussion of changes we structure the presentation by the difference between the deep core of the institutional order and the flexible end. We expect more changes in the latter than in the former.

Changes in the deep core: Deep institutional core refers to the institutional framework as it is designed and fixed in the constitutions such as the structure of parliament, electoral system for upper and lower chambers, the mode of election of president, the political system (presidential versus parliamentary), presidential powers and executive-legislative relationship.

To the extent that one accepts the proposition that constitutions are purposefully difficult to change, one can expect the basic institutional framework of a country to be relatively stable over long periods of time. In the case of former communist countries this expectation is confirmed. With few exceptions, which will be discussed in the following paragraphs, the institutional frameworks fixed in the constitution remain the same over the entire period.

Constitutions were changed in 9 out of 27 countries: Belarus (1996), Kyrgyzstan (2003, but was amended several times between 1993 and 2003), Albania – which until 1998 has used a draft constitution, Moldova (2000), Tajikistan (1999) and Croatia (2001). Hungary has amended on various occasions its old constitution, and in 2003 adopted all amendments in a “new” constitution. Romania (2003) changed its 1991 constitution to include some amendments required by the envisaged acquisition of EU membership. Poland between 1992 and 1998 has used the so-called small constitution, referring only to the basic state institutions. After 1998, Poland has adopted a full text Constitution. Changes of Hungarian, Romanian and Polish constitutions have not altered the institutional status quo. In all the other countries
changes were enacted to modify the balance of power between the political institutions.
In all but one country (Moldova) these constitutional changes did not change the type of system (presidential, semi-presidential or parliamentary), though. Rather the changes have been limited to structures within the respective subtype.

This analysis of the index of the change of the overall institutional of the institutional framework leads to similar results: In four countries (Belarus, Croatia, Moldova, Tajikistan) there has been substantial change (between 3 and five out of six institutional elements change), in five countries (Albania, Kyrgyzstan, Macedonia, Poland, Ukraine) has been some change (one or two of six institutional elements change), in the remaining 18 countries there has been no change.

Looking at selected elements, two countries moved from a uni- to a bicameral system (Belarus, Tajikistan) and gave the presidents the possibility to nominate some of the upper chambers’ members (8 out 16 in Belarus one fourth in Tajikistan). In Croatia the bicameral system has been replaced by a unicameral system.

The power of the president changed in four countries. In Belarus it increased substantially, in Moldova there was a significant decline\(^3\), while the decreases in Albania and Croatia are of a limited amount. A similar finding applies to the indicator measuring the predominance of presidents and parliaments respectively.

Hence with regard to the overall constitutional structure (‘the deep core’) there is little change. We would not expect a second political revolution after the end of the communist system. However, it is remarkable, that in most countries the constitutional solutions founded during transition persisted in the following 15 years. The constitutional switches have been crafted in a short period after the demise of the

\(^3\) This is due to the construction of our index, which divides by 2 the score of presidents in case they are indirectly elected. Comparative examination of the Moldovan president’s powers shows that excepting the different method of election, all the other powers of the president have been maintained.
communist systems and notwithstanding major changes in the environment of these political systems these decisions have not been revoked.

Changes in the flexible end: The electoral system, the party system, and the structure of the cabinet form the flexible end of political systems, where we expect to find more change.

Electoral systems. There is some limited change in electoral rules. Table 1 presents an overview of the changes in the electoral systems adopted in the post-communist countries. The most frequent changes took place in the size of the assembly and the principle. The principle of the electoral system (majoritarian, proportional) has remained unchanged but in three cases. Bulgaria has used a parallel system to elect its Grand National Assembly (400 places: 200 by proportional representation and 200 by first past the post) in 1990. After that, it adopted a proportional system for a much smaller Parliament (240 members). Kyrgyzstan is experimenting with various electoral formulas – its first parliament was elected under a majoritarian formula, its second parliament under a parallel formula (25% of 105 seats through proportional system, the rest through majoritarian system), and the last constitutional amendments reduced the size of the parliament to 75 members and switched back to majoritarian formula. Ukraine changed from majoritarian to parallel system in 1996. All the other changes of electoral system took place at the level of assembly size: Albania; Armenia; Belarus; Bosnia and Herzegovina; Kazakhstan; Moldova; Mongolia; Slovenia and Tajikistan. Romania and Croatia are two special cases. Romania’s size of Parliament fluctuates given the fact that the law has special conditions for the representation of ethnic minorities, and therefore, each year a different number of deputies from these groups is elected. Croatia did not specify an exact number of deputies to be elected, therefore the
size varied between 351 MPs in 1990, to 138 in 1992, and to 119 in 1995. Only in 2000 the electoral law fixed the number of MPs to 151.

Table 1: Change of number of parliaments and electoral rules
(no entry: no change)

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<tr>
<th>Country</th>
<th>Size</th>
<th>Principle</th>
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<tr>
<td>Albania</td>
<td>240 members in 1990, 140 in 1991, 155 in 1997 and 140 in 2001</td>
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<tr>
<td>Armenia</td>
<td>190 members in 1995, 131 from 1999</td>
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<td>Azerbaijan</td>
<td>-</td>
<td>-</td>
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<td>Belarus</td>
<td>250 members in 1995, 110 from 2000</td>
<td>-</td>
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<tr>
<td>Bosnia and Herzegovina</td>
<td>130 in 1990, 42 since 1996 (as provided by the peace accord)</td>
<td>-</td>
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<tr>
<td>Bulgaria</td>
<td>400 (1990); 240 (from 1992)</td>
<td>Parallel (1990); proportional</td>
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<tr>
<td>Croatia</td>
<td>fluctuates; 151 (from 2000)</td>
<td>-</td>
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<td>Czech Republic</td>
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<td>Hungary</td>
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<td>Kazakhstan</td>
<td>177 members in 1994, 77 from 1995</td>
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<td>Latvia</td>
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<td>Lithuania</td>
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<td>Macedonia</td>
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<tr>
<td>Moldova</td>
<td>104 in 1994, 101 from 1998</td>
<td>-</td>
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<tr>
<td>Mongolia</td>
<td>430 in 1990, 75 from 1992</td>
<td>-</td>
</tr>
<tr>
<td>Poland</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Romania</td>
<td>fluctuates</td>
<td>-</td>
</tr>
<tr>
<td>Russia</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Slovakia</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Slovenia</td>
<td>214 in 1990, 90 from 1992</td>
<td>-</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>181 in 1994, 63 from 2000</td>
<td>-</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td>Majoritarian; parallel (from 1996)</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Armenia and Albania have changed in time the proportion of MPs elected under the two systems that run in parallel. The reasons for the changes were the concerted pressures from international organizations (especially OSCE) and from internal
opposition to allow more space for proportional representation. Thus, in 1997 the Albanian People’s Assembly consisted of 115 MPs elected through majoritarian and 40 MPs elected through proportional rules, while in 2001 100 MPs were elected through on majoritarian seats and 40 on proportional seats. Armenia in 1999 elected 75 MPs through majoritarian electoral system and 56 through proportional electoral system, and – in an inverted way -- in 2003 75 MPs through proportional electoral rules and 56 through majoritarian electoral rules.

A second measure for electoral rules is the Gallagher index. It is a measure for the degree of disproportionality of the electoral system. We have compared the values of Gallagher for the first and last elections. Graph 1 displays the results. Comparing the countries for which we have data, the arithmetic means do not differ much (first free election: .71; last election (around year 2002): .67). However the international variation receded. The standard deviation of the latter period is only 55% of that of the former period. There has been a convergence towards lower disproportionality, Moldova being the major outlier from this trend.
Graph 1: Disproportionality of votes and seats (Gallagher) first post-communist election versus last election in the period around 2002

Party systems: The most simple way to compare party systems is the number of effective parties or the extent of fragmentation as indicated by the Rae index. As far as the arithmetic means and the standard deviation is concerned, statistics for both periods are similar. As graph 2 demonstrates there is a considerable correlation over time: Countries that started out with many (few) political parties tend to have many (few) political parties today.

A similar result is found if our fine–grained typology of party systems is applied: According to this measure, 12 countries have exactly the same party system after the
last election recorded in our database as they had after the first free elections; six
countries have abandoned their dominant party system and replaced it by some type of
multi-party system (Armenia, Croatia, Czech Republic, Lithuania, Romania, Slovenia).
Three countries experienced small changes between adjacent types of party systems
(Hungary, Macedonia, Slovakia). Three other countries concentrated their party system
from fragmentation to party systems with one big party and several smaller ones
(Kazakhstan, Poland, Russia). Two changed from multi-party systems to dominant party
systems (Georgia, Tajikistan). One country experienced strong fragmentation from a
party system with one big party and several smaller ones to a fragmented system
(Uzbekistan). In a nutshell the major changes have been abandoning dominant party
systems in five countries that joined the EU or intend to do so (plus Armenia). And in
two defect democracies a multi-party system has been replaced by a dominant party
system.
Graph 2: The fragmentation of the party system (Rae) (first post-communist elections; last election in the period around 2000)

*Cabinets:* Our first measure distinguished between cabinets that represent continuity with the communist past, complete break with this past, or the orientation towards the new issue of national independence:

i. *continuity with the past* (the leadership is retained by the former communist parties or their reformed wings): For the initial period after the abandonment of the former system this applies to Albania, Azerbaijan, Belarus Bulgaria, Lithuania, Mongolia, Romania, Turkmenistan, Ukraine. Kazakhstan, Tajikistan and Uzbekistan’s presidents were the last first secretaries of the Communist Parties in their countries before the fall of the Union. They increasingly promoted a more independent position for their countries and occupied a more authoritarian position for themselves. What has
changed nearly 15 years later? Azerbaijan, Tajikistan, Kazakhstan, Uzbekistan, Turkmenistan, Ukraine (until December 2004) continued in the same vein, with the leaders tightening their grip on power. Mongolia, Romania and Albania have been dominated by a reformed communist party which alternated for short period with the opposition. Only in Bulgaria and Lithuania the former communists have lost their impact, and the political life coagulates around completely new parties.

ii. **complete break from the past** (first government belongs to the anticommunist opposition) To this group belong Czechoslovakia, Czech Republic (after 1992), Hungary, Latvia, Poland, Russia (although the president was a known member of the Communist Party, he was one of the reformers), Slovenia. These countries displayed a pattern of alternance in power of right and left governments. The communist parties disappeared, and the left ideological space was occupied by social democratic organizations which tried to come as close as possible to the ideals of their western counterparts. In this group, Russia is the only country which moved towards a more authoritarian stance.

iii. **nationalists**: This characterization applies to the first cabinets in Armenia, Croatia, Slovakia (1992), Estonia, Moldova, and Georgia. Kyrgyzstan belongs in the same category. Although President Akaev has had a career in the Communist Party and represented Kyrgyzstan in the Supreme Soviet in Moscow, he was largely seen as a open minded reformer (Spector 2004). His election as president was seen as a complete break with the past and the best choice to set the country on a independent statehood course. The initial situation changed in the subsequent years. Estonian governments, although maintaining a nationalist tone, managed to direct the country towards Western Europe. After 1998/2000 Slovakia and Croatia governments quitted their nationalist
politics. Moldova quitted the stark pro-independence stance in favor of a more pro-Moscow attitude, while Georgia and Kyrgyzstan became increasingly authoritarian.\footnote{Years 2003 and 2004 witnessed significant changes in the orientations of Georgia and Moldova. While the in Georgia the Rose Revolution has ousted the authoritarian president and replaced it with a pro-western, reformist one, in Moldova, the governing communist party is distancing itself from Moscow and asserts its independence and its will to become a credible partner of EU. And in Kyrgyzstan changes seem to start in March 2005.}

Our second measure is the type of cabinet. As we expected given the persistence of constitutional decisions, there are no movements between presidential and other governments. But there is astonishingly little change between the three other types of cabinets. The modal types are majoritarian governments in parliamentary systems and presidential cabinets.

\textbf{Table 2: Types of cabinets (first and most recent cabinets)}

<table>
<thead>
<tr>
<th>Last government</th>
<th>First government</th>
<th>Surplus</th>
<th>Minority</th>
<th>Presidential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majoritarian</td>
<td>Bulgaria, Croatia, Estonia, Lithuania, Macedonia, Mongolia, Turkmenistan</td>
<td>Hungary</td>
<td>Latvia, Poland</td>
<td></td>
</tr>
<tr>
<td>Surplus</td>
<td>Slovakia</td>
<td>Albania, Slovenia,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority</td>
<td>Czech Republic, Romania</td>
<td>Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan, Ukraine, Uzbekistan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Democratic Polity: The democratic polity with regard to the practice of democracy (and not just formal institutions) is evaluated by the combined Freedom House indices of political rights and civil liberties.

Graph 3 shows the result of plotting the values of the early 1990s against the values of 2002. Please note that the lower the value the more democratic a country.

Graph 3: Combined Freedom House scores early 1990s (x-axis) versus 2002 (y-axis)

There are two clearly discernible groups: The Central Asian countries (with the exception of Mongolia), Belarus, Russia, and Ukraine moved towards the non-democratic end of the scale whilst the other countries moved towards the democratic
end. This development is obvious if the democratic quality of the polity at the end of the period under consideration is plotted against the change of democracy-scores (negative values indicating a move to democracy) as in graph 4.

**Graph 4: Democratic quality of the polity 2002 and change in democratic quality, 2002 – 1990**

4.2 Findings: Determinants of institutional change

Two what extent can these limited changes be related to socio-economic variables, variables that indicate the domestic political process and external factors such as economic or political integration?
For the correlation analyses we selected the following indicators of institutional change: the index total number of institutional changes, the presidential power index, the predominance of parliaments or presidents, the fragmentation of the party system, the disproportionality of elections, the extent of a democratic polity and whether there has been change in the type of governments between the first and the last governments (majoritarian, surplus, minority, presidential). For all these variables we used the operationalization of change (except number of institutional changes and change of type of government, both being change variables by the way of construction).

We correlated these variables with the different indicators of level (1990-94) and change of the independent socio-economic, domestic-political and external variables. Omitting the cases where strong correlations were caused by one or two outliers, the only significant correlations that can be interpreted substantially are discussed in the following paragraphs:

EU membership in 2005 or 2007 is correlated with changes in the type of government. In fact, seven out of eight countries that changed their type of governments are or have been EU accession candidates. One could interpret this in the sense that in the shadow of EU membership these countries showed more flexibility in the political process. In a similar vein, the change of the institutional framework is negatively correlated with the status of being a EU accession candidate. The rationale behind this is the fact that the accession countries have been already more democratic in the early 1990s; and the major changes in the whole groups of post-communist countries have been the change to a less democratic system – and this happened mostly outside the group of EU accession candidates.

The Rae-Index varies with the size and the change rate of the service sector. The more a society is a service society and the stronger the growth of the third sector, the
less the fragmentation of the party system. The key to this finding is the structure of party systems in the socio-economically least developed post-communist countries, where many seats in parliament are won by independent candidates. The Rae index (i.e. the summarized squared shares of seats, deducted from 1) is calculated over the existing parties and indicates high levels of fragmentation. Similar result is obtained when each independent member of parliament is considered to be a different party. Increasing electoral turnout is correlated with a move away from democracy. This correlation is brought about by the countries that became less democratic but at the same time mobilized additional voters. Alternatively these countries just have reported higher turnout rates, being a practice quite common in defect democracies.

We have assumed that institutional change reflects the preferences of governing parties. We expected that in countries where the governing parties had expressed clear ideological preferences (and therefore could be placed in broadly defined left right categories) one could observe a clear move towards more democratic institutions, while nationalist or presidential governments would have a more stalling effect. The government orientation is correlated only with change in parliaments structure (Cramer’s $V = -.39^*$) and with changes in political rights and civil liberties (Pearson’s $r = -.59^{**}$ and $-.49^{**}$, respectively). In other words, it is the governments based on programmatic parties which do not change the structure of the parliament and which improve their countries’ performance on political rights and civil liberties ratings. Surprisingly enough, the government orientation is not correlated with changes on economic liberalization, political democratization and rule of law indexes.

The upshot of this analysis is simple: There is little correlation between the socio-economic, domestic-politically and external variables and the change of political
institutions in the post-communist world. Even the EU turns out to have little effect apart from impeding countries to become less democratic.

How, then, can we explain variation and similarities of the institutional order of political systems in the post-communist world? The best predictor of today’s institutions is the institutions such as they have existed immediately after the abandonment of the old communist order. Table 3 depicts the correlation coefficients (Pearson’s r for metric variables, Cramer’s V for nominal data) for the institutions in the early 1990s and those in 1998-2002.

Table 3: Correlations of Variables in time (values of early 1990s with early 2000)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of government (majoritarian, surplus, minority, presidential)</td>
<td>.68**</td>
</tr>
<tr>
<td>Index of predominance of president or parliament</td>
<td>.98**</td>
</tr>
<tr>
<td>Presidential power index</td>
<td>.89**</td>
</tr>
<tr>
<td>Rae Index</td>
<td>.67**</td>
</tr>
<tr>
<td>Gallagher Index</td>
<td>.39</td>
</tr>
<tr>
<td>Freedom House index of political and civilian rights</td>
<td>.59**</td>
</tr>
</tbody>
</table>

** p <.01, *p<.05

However, these correlations – in particular those for the ‘flexible end’ – are far from perfect. But we cannot sufficiently explain this unexplained variance by linear configurations of socio-economic, domestic-politically or external variables. Hence a conceptual frame to analyze these processes of limited institutional change is the notion of ‘layered change’. In this paper we cannot provide further evidence for such processes. We need to go in more detail about the specific reforms and this is much beyond the scope of this paper.
5 Conclusion

In this paper we asked the question how the present institutional diversity of post-communist political systems can be explained. To what extent do today’s institutions reflect the major decision taken during the abandonment of the former communist regime? And to what extent is institutional diversity and change a function of socio-economic requirements and opportunities, of domestic politics, and external influences such as political and economic integration in the period after the abandonment of the former communist system?

We found that there was little institutional change since the early 1990s. This is true for the ‘deep core’ of the institutional order – such as constitutional rules. But it is also, although to a lesser extent, true for the flexible end of the institutional order such as electoral rules, party systems or mode of government.

We could not sufficiently explain the limited amount of change by a linear combination socio-economic variables and variables denoting domestic politics or external influence. In our view the most plausible way to understand these institutional developments is that of layered institutional change: Policy-makers start from the existing institutions and in a complex process they add new elements to the core of old institutions.

In particular, our analysis provides evidence for three propositions:

(a) The major institutional decisions of the early 1990s have a persisting impact on today’s institutional orders in post-communist countries. The changes after the early 1990s have been of very limited size.

(b) The EU has been much less important for the domestic processes such as cabinet formation or party system structuring in the accession countries than suggested
by many case studies. Rather, we have found evidence in favor of the hypothesis that
the EU just stabilized the new democracies and helped them avoiding to fall back to
authoritarian rule.

(c) The institutional changes after the early 1990s cannot be explained as a linear
function of a limited number of socio-economic variables.

There are two obvious objections against our conclusions: Our perspective could
be way too short or way too superficial. Our perspective could be much too short
considering the time required for institutional change. Doubtless, in another 15 years we
can say much more about the institutional changes after communism. On the other hand,
the period between 1990 and the early 2000 is not so short: 18 years after the
establishment of the new order, Germany faced the student’s revolts in 1968; and 15
years after the end of authoritarian rule, countries such as Spain, Greece or Portugal
have experienced some notable politico-institutional development.

The second objection against our analysis is superficiality. We should dig much
deeper to see change beneath formal institutions. The formal and big institutions will
not change; at least not in the short run. We do not deny that there may be much more
change beneath the surface than we have detected. However, considering that
democracy is government of, for and by the people, it is remarkable that the people did
not change much of the initial ‘grand’ decisions being taken by some elites during a
short period of critical junctures in difficult negotiations behind closed doors.
References:


