

Institutional Design and Democracy in Post-Communist Countries

Florin Fesnic
University of Illinois at Urbana-Champaign
July 2006

Summary

In this paper, I present a theory about the institutional determinants of democracy, arguing that the party system format is a central determinant of democracy. In turn, institutional engineering largely shapes the party system. Parliamentary systems and party list proportional representation are more conducive to a strong party system with competitive, programmatic and institutionalized political parties, and consequently to democracy. To show this, I look at a subset of post-Communist polities, those with a majority Orthodox population, thus controlling for the effect of religion. When we look at the relationship between economic development (another important explanatory variable) and democracy, we see that in this group the relationship is actually negative. I offer an institutional explanation for this paradox: less economically developed Orthodox countries have made better institutional choices than more economically developed Orthodox countries.

What makes a country democratic? Explanations of democracy typically fall into one of three categories: structural, cultural, or institutional. The first focuses on economic development, which is considered either a determinant of or a condition for sustaining democracy. Cultural explanations look at the predominant religion of a polity, contrasting the effect of various religions on democracy. Finally, institutional explanations argue that institutional design is important: some types of institutions are more conducive to democracy than others.

In this paper, I focus on the latter explanation. I argue that institutional choice is a critical determinant of democracy, and offer evidence to support the claim that institutional designers in emerging democracies should consider a parliamentary regime and party list proportional representation rather than presidentialism and a majoritarian, single member district based electoral system. The former types of institutions are critical in the development of a strong party system with programmatic, competitive, and institutionalized political parties; in turn, such a party system is crucial for democracy.

To illustrate this point empirically, I analyze the role of institutional choice in explaining democracy in the post-Communist region (Eastern Europe and the former Soviet Union). If we look at the relationship between economic development and democracy for all cases in this group, the relationship is positive, as we would expect. Nonetheless, if we divide the group into subgroups based on majority religion, the relationship between economic development and democracy is no longer as clear. For countries with a majority Orthodox population, the relationship is in fact negative. Since the effect of religion or culture is essentially controlled across polities in this group, and

the relationship between economic development and democracy is the opposite of what we would normally expect, there must be another variable accounting for this paradox.

I offer an institutional explanation, arguing that lesser developed countries in the majority Orthodox group have made institutional choices more conducive to democracy – namely, powerful legislatures and party list proportional representation – which have helped them to overcome their comparative structural disadvantage. Conversely, the more economically developed countries have chosen majoritarian political institutions – strong presidencies and electoral systems that are either purely majoritarian or have a strong majoritarian component – and these choices, in turn, have had a negative effect on democracy.

This paper makes two contributions to the discussion of the impact of institutional design in emerging democracies. First, unlike most previous works, which focus on only one or the other of the two institutional variables (either the nature of executive-legislative relationships or the type of electoral system), I argue that a more sensible and fruitful approach is to analyze both. Second, nearly all institutional analyses of the post-Communist region are either single-case studies or large-N analyses. Although I start with a large-N analysis, the stronger confirmation for my claims about the effect of institutions comes from the examination of a subset of post-Communist countries, those with a majority Orthodox population. While the claim may appear counter-intuitive, I will show that by looking at this specific subset of cases, rather than all available cases, we gain additional leverage.

Economic development and democracy

The emphasis on socioeconomic development as a condition conducive to democracy is rooted in the modernization approach. Scholars working in this tradition, such as Lipset,

Lerner, and Deutsch, have shown a strong statistical association between economic development (GNP per capita) and democracy (Almond, 1991, p. 469). According to Lipset, 'democracy is related to the state of economic development [...] the more well-to-do a nation, the greater the chances that it will sustain democracy' (Lipset, 1959, p. 75). While critics have pointed out significant problems and limitations of modernization theory, Lipset's core theoretical insight has proved extremely resilient (Diamond, 1992, p. 468). Thus, rather than questioning the thesis itself, in recent years the focus has shifted towards a search for a better specification of the exact nature of the relationship (is democracy endogenous or exogenous to development?), and looking for a (causal) mechanism linking the two.

Diamond sees 'a strong *causal* relationship between economic development and democracy' (1992, p. 485; emphasis in original). Lipset's own works in recent years has moved in the same direction, claiming that the former determines the latter (Lipset, Seong, and Torres, 1993; Lipset, 1994). Przeworski et al. disagree, claiming that democracy is exogenous to economic development; development indeed has a positive effect, but only on the survivability of democracy (Przeworski and Limongi, 1996; Przeworski et al., 2000). Other scholars (Brinks and Coppedge, 2001; Boix and Stokes, 2003) challenged these results, and found a significant, positive impact of per capita GDP on democracy. Brinks and Coppedge, for instance, argue that Przeworski et al. should have operationalized democracy as a continuous, rather than dichotomous, variable, in which case they would have found that development not only sustains democracy but also has a causal impact on it as well.

Currently scholars agree on one point: there is a positive relationship between development and democracy. Yet neither the endogenous, nor the exogenous versions of modernization theory can account for a situation when, looking at a group of countries, we see progress toward democracy among the less economically developed, and democratic backsliding among the more economically developed. Nonetheless, this is exactly the scenario that we have witnessed in the last fifteen years among the post-Communist countries with a majority Orthodox population.

Democracy and religion

Are some religions more conducive than others in fostering democracy? Many scholars believe so. Huntington claims that there is a strong correlation between Western Christianity and democracy, while on the other hand, 'democracy [is] especially scarce among countries that [are] predominantly Muslim' (Huntington, 1991, p. 73). Inglehart also sees a connection between a society's predominant religion and its propensity for democracy: 'religious traditions helped shape enduring national cultures that persist today' (Inglehart, 1997, p. 95). In turn, some cultures (those of Protestant countries in particular) are more conducive to democracy than others (Inglehart, 1997, pp. 70-107).

According to Kitschelt, religion does have an important impact on the nature of the political regime. Nonetheless, he argues that this influence is primarily indirect, affecting democracy 'through its organizational reach and its interaction with state formation [...] Religious practice then becomes an indirect measure of state formation' (Kitschelt, 2001, p. 9). Western Christianity favored the development of rationalized state structures, while Islam prevented such institutional development. Finally, Fish (2002) sees the subordination of women as the most significant feature of Islam that makes it inhospitable for democracy.

In a large-N¹ analysis of the relationship between economic openness and political regime (democracy), Fish (2003) uses a dummy variable as a control for Islamic religious tradition. This variable is statistically significant and has a substantial (and negative) impact on democracy in all specifications of the model. In similar analyses limited to the post-Communist region, Kitschelt (1999; 2001) finds that a variable that assigns 'the highest value to Western Christianity, an intermediate score to Eastern Christianity, and a low score to Islam is almost perfectly correlated with structural political legacies' (Kitschelt, 2001, p. 9).

Although scholars disagree on the exact nature of the underlying causal mechanism linking religion and democracy, and some scholars question whether there is a connection between the two variables in the first place (e.g., Stepan, 2000), the predominant view is that Western Christianity offers a fertile soil for democracy to take root while Islam offers only a barren environment. That being the case, the group of post-Communist countries with a majority Orthodox population appears to be a promising setting to test the impact of other variables like political institutions. Eastern Orthodox Christianity does not stand out as either inherently favorable or unfavorable for democracy (Fish, 2005, pp. 92-98), covering the grey area between the very high chances for democracy in Western Christian post-Communist polities and the very low chances for democracy in Muslim post-Communist polities.

Institutional design and democracy

Institutionalists argue that there is a significant connection between the type of political institutions and democracy. Most institutional analyses focus on the effects of two

¹ The number of cases varies between 104 and 149, depending on model specification.

institutions: executive-legislative relationships (whether the regime is presidential or parliamentary) and the type of electoral system (majoritarian or proportional).

The 'perils of presidentialism'

The debate over the 'perils of presidentialism' was launched by Juan Linz's essay (1990), re-published later in an expanded form (1994). Some scholars supported Linz's claims (Stepan and Skach, 1993; Lijphart, 1999), some qualified them (Shugart and Carey, 1992; Mainwaring and Shugart, 1997), and some rejected them (Horowitz, 1990). Currently, most scholars appear to back his original thesis; moreover, real-world developments in recent years, including those in the post-Communist region, add further credence to it. Large-N studies controlling for the effect of other variables such as economic development indicate that the negative relationship between presidentialism and democracy is not spurious but genuine (Przeworski et al., 2000; Brinks and Coppedge, 2001). Similarly, single case or small N studies suggest that presidentialism is the main culprit in the emergence of 'delegative democracies' in Latin America (O'Donnell, 1999; Coppedge, 2002) and Eastern Europe (McFaul, 1999; Fish, 2001a).

Scholars have identified three ways in which a strong presidential system is dangerous for democracy. First, such a system provides opportunities for the president to exaggerate his/her popular mandate and make excessive use of power. Such 'delegative democracies' rest 'on the premise that whoever wins the election to the presidency is thereby entitled to govern as he or she sees fit, constrained only by the hard facts of existing power relations' (O'Donnell, 1999, p. 164).

In *The Dynamics of Democratic Erosion*, Fish looks for a common factor accounting for the regression in those post-Communist polities that have slid back toward

authoritarianism in recent years. After considering a number of alternative explanations and finding that none of them holds sufficient explanatory power, he concludes that 'superpresidentialism, or a constitution that invests formidable power in the presidency, turns out to be the greatest antagonist of the consolidation of democratic gains' (Fish, 2001b, p. 54).

Second, presidentialism tends to encourage weakness and fragmentation in the party system. As Linz put it, 'presidents have to favor weak parties [...] The weakness of parties in many Latin American democracies therefore is not unrelated to the presidential system but, rather, a consequence of the system' (Linz, 1994, p. 35). Compared to parliamentary systems, presidential systems lack a central incentive for party coagulation: the office of prime minister. In parliamentary systems, the candidate for this office is typically the leader of the largest party in the legislature. In stark contrast to this, presidential candidates often have only weak links to political parties, and sometimes they are complete outsiders. The leader of the main Russian liberal party described the situation this way: 'in a normal democratic country, parties fight for places in parliament in order to win the right to form the government; in Russia, the government creates parties so that it can form the parliament it needs' (Yavlinski, 2001, p. 80).

In their analysis of the relationship between the president's legislative powers and party strength in Latin America, Shugart and Carey (1992, pp. 174-82) observed a strong and negative relationship between the two variables. The lesson is clear: presidential strength comes at the expense of party system development. In his comparison of the evolution of party systems in parliamentary and presidential systems in Eastern Europe, Filippov (1999) found a trend toward consolidation in the former group (that is, a gradual

decrease in the effective number of legislative parties). He identified an opposite trend in presidential systems, where the number is actually increasing. Another finding was that, on average, the effective number of legislative parties was higher in presidential systems than in parliamentary systems by about two (Filippov, 1999, p. 21).

Third, presidentialism fosters clientelistic, patronage-oriented political parties, whereas parliamentarism is more conducive to programmatic, issue-oriented parties (Kitschelt and Smyth, 2002). These differences in the nature of political parties are further reflected in the nature of policies implemented in presidential versus parliamentary systems. Frye (1999) found a strong relationship between the degree of presidential powers and the degree of concentration of economic benefits.

In summary, presidentialism threatens the liberal component of democracy by opening up possibilities for the incumbent to act in an authoritarian, populist, and delegative fashion. It also weakens and fragments the party system, which is an essential component for the proper functioning of democracy and for ensuring horizontal accountability. Finally, presidentialism promotes corruption and clientelism, thus compromising democracy by giving preferential treatment to some members of the polity over others, and fostering clientelistic rather than programmatic political parties.

Electoral systems, party system institutionalization, and democracy

The electoral system is the second institutional feature with a central role in shaping the party system and, through it, how democratic the regime itself is. The electoral system determines (i) the number of parties represented in the legislature and their degree of cohesiveness, (ii) whether the linkages between representatives and citizens are

clientelistic or programmatic, and (iii) whether the president has an easier or harder time in subordinating and controlling the legislature.

Scholars studying electoral systems have consistently found that single-member plurality elections tend to constrain the number of parties (Duverger, 1954). Post-Communist polities challenge received wisdom, showing that proportional representation is more effective in constraining the number of parties, provided that a threshold is in place (Moser, 1999). In these countries, the degree of party institutionalization is as important as the electoral system in determining the number of parties. Moser shows that the more institutionalized party systems in Central Europe have followed the standard pattern of party consolidation over time in reaction to the incentives of the electoral system, while the less institutionalized party systems, found in the former Soviet Union, have not.

A non-proportional electoral system, in a purely majoritarian or parallel² form, does not merely prevent the coagulation of a coherent, institutionalized party system. It also favors clientelistic citizen-politician linkages. According to Kitschelt, 'the personalization of candidate competition through electoral rules facilitates clientelism, whereas rules that focus the contest on teams of politicians promote programmatic linkages' (2000, p. 859). Therefore, it is no surprise that the single-member district representatives of political parties behave more like independents (Filippov, 1999, pp. 10-11). Adding to this the weakness of parties and the large number of independents elected

² Although the parallel electoral system employed in Russia appears similar to the mixed electoral system employed in Hungary or Albania, their effects on party development are quite different. While in both cases, one part of the legislature is elected through party list proportional representation and the rest of it is elected in single-member districts, only in the latter type of electoral system does one outcome influence the other (thus the label "mixed"). Consequently, Hungary's and Albania's mixed electoral systems are more conducive to party development than is Russia's parallel electoral system.

in single-member districts in the first place, the result is that members of the legislature are easily bought off and controlled by the president. Such behavior only adds to the dysfunction of the party system and further lowers the quality of democracy.

Explaining Democracy in the Post-Communist Region

The post-Communist region is an excellent setting for testing the impact of structural, cultural, and institutional variables on democracy. It offers a relatively large number of cases, as well as variability in terms of economic development, religion, and institutional design. It also provides variability on the dependent variable: the twenty-eight countries in the region range from fully liberal democratic polities to closed autocracies.

When Communism collapsed (1989-1991), there was already in place a substantial amount of variation in the level of economic development of these polities. Their GDP per capita ranged from a \$9,700 high in Slovenia to a \$500 low in Mongolia.³ Thus, we can look at the level of economic development around 1990 and see whether it is a good predictor of democracy fifteen years later. I operationalized the dependent variable, democracy, by using the reversed Freedom House scores, such that a score of zero means fully authoritarian and a score of six means fully democratic.

Figure 1

Figure 1 appears to indicate a significant impact of economic development on democracy. The slope⁴ of the bivariate regression is substantial (0.75), predicting a three-fourths of one point increase in the Freedom House score for every \$1,000 increase in

³ Data is available in the Appendix.

⁴ In bivariate regression analysis, we are mostly interested in two numbers, the slope (which, assuming causality, measures the impact of the independent variable on the dependent variable), and the fit (the adjusted R square). The slope measures the amount of change in the dependent variable for every unit change in the independent variable – the larger the impact of the independent variable on the dependent variable, the steeper the slope. The adjusted R square measures how well the two variables are correlated – the number can range from zero (no correlation) to one (perfect correlation).

GDP per capita (I excluded Slovenia as an extreme outlier). On the other hand, the fit is rather modest, with an adjusted R square of 0.27. Moreover, when we divide the countries into groups based on predominant religion, the relationship between development and democracy disappears altogether. We see a 'Western' (i.e., Catholic and Protestant) cluster in the upper-right of the figure and a Muslim cluster in the lower-left, with countries with a majority Orthodox population located in between the other two groups.

These results are consistent with the conclusions of scholars such as Kitschelt (1999), or Fish (2001b), who also noted such clustering of post-Communist polities. Countries with the same level of democracy tend to share the same religion, to have similar levels of economic development, and to possess the same type of political institutions. All countries in the fully democratic group are also more economically developed than the rest, are either predominantly Catholic or Protestant, use proportional representation and have parliamentary systems. Conversely, Islamic countries, which are the least democratic in the entire group, are less developed economically and have majoritarian political institutions (Fish, 2001b).

Based on previous findings about the effects of economic development, religion and institutional design on democracy, such results are not surprising. As Huntington argues, 'to occur historically, an event almost has to be overdetermined theoretically. Such is the case with democratization' (1991, 37). And indeed, both the high level of democracy in the Western group and the lack of democracy in the Muslim group do appear overdetermined. The one result which seems anything but overdetermined, in fact, even counter-intuitive, is the negative relationship between economic development and

democracy in the Orthodox group. Since the effect of religion⁵, whatever this effect may be, is controlled within this group, political institutions are a likely candidate to explain such a paradoxical result.

Figure 2

To measure the powers of the legislature in each post-Communist country, I use Fish and Kroenig's Parliamentary Powers Index (Fish, 2005, p. 206). Figure 2 shows that legislative powers are an excellent predictor of democracy in post-Communist countries – the more powerful the legislature, the more democratic the country. Moreover, if there were quite a few outliers in Figure 1, there are none in Figure 2. This applies equally to those countries that, based on their level of economic development, appear as democratic underachievers (Russia and Belarus), and those that look like democratic overachievers (Mongolia, Albania, Romania and Bulgaria).

Economic underdevelopment is not the only feature of the four countries in this latter group, which, at the time of their transition, appeared to make them unlikely candidates for democracy. Their previous regimes were, prior to the fall of Communism, considered among the most conservative and impervious to change of all the countries in the Soviet bloc (Huntington, 1991, p. 287; Kitschelt, 1992, pp. 38-40), to the point where Linz and Stepan (1996) devised a separate category for Romania's previous regime, 'totalitarian sultanism,' the type of regime they considered the least conducive to democracy once a transition occurs.

⁵ Western influence in Ukraine, arguably larger in this country than in the rest of the Orthodox group (Huntington, 1996) does not disconfirm the institutional explanation of democracy. If anything, it confirms it, because non-institutional factors (the argument that Ukraine's political culture is partly Eastern, partly Western) will lead us to expect this country to be more democratic than it is.

Therefore, while these four cases constitute a rather heterogeneous group, several variables would lead us to expect all of them to be far less democratic than they are. Around 1991, Mongolia and Albania were the least economically developed countries in the entire Communist bloc. However, Mongolia is as democratic as the Western group, the countries that were the most developed economically and most culturally fit for democracy (at least according to the prevalent view about the relationship between predominant religion and democracy). Similarly, Albania is more democratic than any of the other member of the Muslim group, even though it started the transition as the poorest of all of them. Moreover, an alternative explanation such as the prospect of EU membership is probably overstressing in the case of Albania, and is hardly relevant in the case of Mongolia.⁶

These four cases do have one thing in common that is conducive to party development, and therefore conducive to democracy: their political institutions. Mongolia, Albania, Romania and Bulgaria have strong legislatures; additionally, all of them use either party list proportional representation or electoral systems which are a functional equivalent of proportional representation. More specifically, Romania and Bulgaria use party list proportional representation, and Albania is using a mixed system, similar to the German system. Finally, although Mongolian voters elect their

⁶ While the lure of EU membership may well have become important in the case of Romania and Bulgaria in recent years, scholars saw it as playing a minor, if any, role in these countries in the early 1990s. For instance, Huntington contrasted the prospect of EU membership in sustaining democracy in Hungary, the former Czechoslovakia and Poland, with the absence of such influence in Romania, Bulgaria and Mongolia (1991, p. 274). Therefore, the prospect of EU membership appears to be a consequence as much as a cause of democracy in Romania and Bulgaria. Most likely, these countries started making progress toward democracy first, and then consequently become candidates for EU membership. Once that happened, it turned the process into a virtuous circle, with further democratization and increased prospects for EU membership reinforcing each other.

representatives in single-member districts, the details of its electoral law favor party development. That is

the provision that effectively grants political parties a monopoly on the authority to nominate candidates. Unlike in many other postcommunist countries, blocs, movements, associations, enterprises, and sundry other groups do not enjoy the authority to nominate candidates; only parties do. Formally, candidates may run as independents, but the rules practically ensure that all serious aspirants are put forward by a political party. Consequently, less than 10 percent of the members of parliament elected in 1990 lacked a party affiliation, just one deputy elected in 1992 did, and no members of the current parliament do (Fish, 1998, p. 134).

If we ignore the role of institutions, the fact that that Bulgaria and Romania are more democratic than other post-Communist countries with a majority Orthodox population, such as Belarus and Russia, is puzzling. At the time of transition, Belarus and Russia had a comparative advantage in terms of economic and social development over Romania and Bulgaria. They had higher GDPs per capita (for instance, Russia's GDP per capita in 1991, \$3,700, was more than twice Romania's 1991 GDP per capita, \$1,600) and, equally telling, they were ahead in terms of social development (e.g., urbanization and access to clean water). Wealth, urbanization, and good quality of life are conducive to democracy (Lipset, 1959; Dahl, 1971, pp. 62-67). As was the case with economic development, Russia and Belarus scored better than Romania and Bulgaria in terms of social development.

In Russia, about three-fourths of the population lives in urban areas; in Romania, only a bare majority do (55 percent). If we think of the urban/rural population ratio as a proportion of the more to the less reformist segments of the society, the numbers are roughly 3:1 for Russia, 2:1 for Belarus and Bulgaria, and almost 1:1 for Romania. Moreover, if we take into account a quality-of-life measure such as access to clean water, the gap between Russia and Belarus, on the one hand, and Romania, on the other, is even

larger. While virtually all the population in the first two countries has access to clean water, only about half do in Romania (Bulgaria's percentage is comparable to Russia's and Belarus'). Taking into account these measures of economic and social development, we should expect Russia and Belarus to be at least as democratic as Bulgaria, and more democratic than Romania.⁷

However, that is clearly not the case. Why are Bulgaria, Romania and Mongolia 'the postcommunist region's [...] pleasant surprises in the realm of democratization'? (Fish and Brooks, 2000, p. 63). My explanation is institutional, akin to Fish and Brooks', who find it 'difficult to locate anything other than political parties to account for the Bulgarian, Romanian and Mongolian advantage in democratization' (2000, 63). But this raises an additional question, one that Fish and Brooks do not address. If the party system of these countries is so well developed, why is that the case? Based on everything we know about the impact of institutional design on party development, the type of electoral system and the executive-legislative relationships appear as the most likely candidates to explain this result.⁸

Figure 3

Indeed, that is exactly what we see in Figure 3, which offers an even stronger confirmation of the results in Figure 2. Perhaps neither democracy in the more economically developed, predominantly Catholic or Protestant post-Communist countries in Central Europe, nor the authoritarianism prevalent in the less economically developed,

⁷ The urbanization rates for these four cases were: Russia, 73 percent; Belarus, 71; Bulgaria, 70; and Romania, 55 (UNDP 2005 Annual Human Development Report data, www.undp.org). For the percentage of the population with access to clean water, the numbers were, Belarus and Bulgaria, 100 percent; Russia, 94 percent; and Romania, 57 percent (UN Statistics Division, www.unstats.un.org);

⁸ In his most recent analysis of the relationship between institutional design and democracy, Fish makes a convincing argument that 'vesting power in a legislature spurs party development, which in turn bolsters democratization' (Fish, 2006, p. 16). However, he continues to ignore the role of the electoral system on party development.

predominantly Muslim post-Soviet countries of Central Asia, is a result of institutional choice. Or maybe institutions have only reinforced the effects of other variables such as prior economic development and predominant religion. Finally, it is also conceivable that the clear pattern observed in the choice of institutions was not an accident, and it is democratic propensity which explains the choice of institutions, rather than the other way round.

However, when we only compare the countries with majority Orthodox populations, the effect of religion, if there is one, is controlled. Economic and social development is negatively correlated with democracy, while the effect of institutional choice runs in the expected direction. Furthermore, institutional choice is not only an excellent predictor of democracy in the majority Orthodox group of countries. It is also a good predictor of democratic progress (and democratic backsliding). Figure 3 indicates changes in Freedom House score for each country in this group. This number is obtained by subtracting the first Freedom House score after the fall of Communism (the 1990 score in the case of Romania and Bulgaria, the 1991 score for post-Soviet countries), from their latest score (2005). Thus, a positive score indicates progress toward democracy, and a negative score indicates democratic backsliding.

Bulgaria and Romania, the countries that have chosen strong parliaments and party list proportional representation, are the most democratic in the group; moreover, democracy has advanced in these countries since the early 1990s. Conversely, democracy has eroded most substantially in Belarus and Russia, the two Orthodox countries that have chosen the type of institutions most inimical to party development, that is, strong presidencies, as well as single-member districts for electing their legislature (the entire

legislature in Belarus, half of the legislature in Russia). Fully consistent with an institutional explanation, these two polities are the least democratic in the entire group.

The substantial democratic progress of Romania and Bulgaria, and the equally significant democratic backsliding of Belarus and Russia, are phenomena at odds with modernization theory. In the early 1990s, all these countries had similar Freedom House scores. The exogenous version of modernization theory would predict little or no change; the endogenous version would predict democratic progress in the more economically developed countries, Russia and Belarus, rather than in Romania and Bulgaria. This divergent trajectory of the two groups of countries also calls into question an endogenous account of institutional choice. Let us assume that Romania's political elites chose institutions conducive to democracy simply because they were more democratically inclined than their Russian or Belarusian counterparts. But if that was the case, Romania should have also been more democratic than Russia or Belarus from the very beginning. If institutions did not play any role, it also raises the question of why we observe changes after the initial choice of institutions, with Romania and Bulgaria becoming more democratic, and Russia and Belarus becoming less democratic.

Neither a structural, nor an elite-centered account offers a fully satisfactory explanation for the divergent trajectories of these countries. However, the sequence followed in the divergent path of the two groups, the overachievers and the underachievers, is consistent with an institutionalist explanation. The impact of institutions, whether harmful or beneficial, requires a time lag in order to take effect. In the initial phase of the transition to post-Communist regimes, institutions are endogenous to the political process; over time, however, 'institutions lose their endogeneity and

become external conditions impinging on the democratic process' (Kitschelt et al., 1999, p. 12). Therefore, if the explanation for the growing gap between overachievers and underachievers is indeed institutional, we would first expect the initial differences in the levels of democracy in the less developed group (overachievers) and the more developed group (underachievers) to be initially accounted for primarily by structural factors (such as level of economic development); subsequently, institutional factors (more conducive to democracy in the former group than in the latter) become an increasingly better predictor. And that was indeed the case.

Conclusion

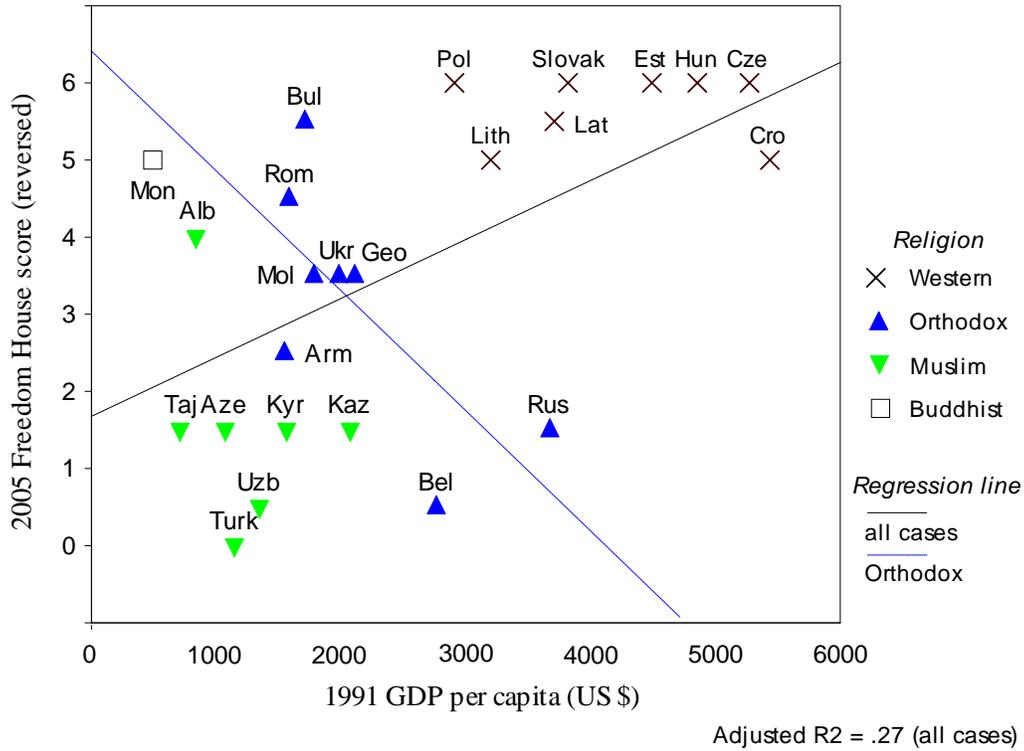
In this paper I have explored the question of what factors account for the large variability in democracy observed across the twenty-eight countries in the post-Communist region. Both the success of democracy in Western Christian countries and the failure of democracy in Muslim post-Communist countries appear overdetermined, and come as no surprise. If anything, the difficulty is to assess the relative weight of various factors contributing to the respective outcomes. However, the direction of democratic variability within the Orthodox group is puzzling. Whatever the nature of the political impact of this religious tradition, its effect is essentially controlled for in this group, and we observe a strong negative relationship between the level of economic and social development at the time of transition and democracy fifteen years later. Moreover, we saw the lesser developed countries becoming more democratic, and the more developed countries becoming less democratic. Modernization theory, in either its endogenous or exogenous form, cannot account for this paradox.

Adam Przeworski defined democracy as 'a regime in which incumbents lose elections and leave office if they do' (2004, p. 3). If we use this as our yardstick, we see the Orthodox post-Communist countries falling into three categories. First, we have countries such as Bulgaria and Romania, where the incumbents lose regularly (and have left office every time they did). These are the countries that have chosen the type of political institutions most conducive to party development, that is, strong legislatures and party list proportional representation. Then we have countries such as Belarus and Russia, which have made the opposite choice, political institutions inimical to party development, namely, strong presidencies and legislative elections that are conducted entirely (Belarus), or at least partially (Russia), in single-member districts. These are the countries where the incumbents never lose elections. Finally, we have countries such as Ukraine⁹ and Georgia, whose institutional choices fall somewhere in between those of the other two groups. Their legislatures are stronger than those of Russia and Belarus, but weaker than those of Romania and Bulgaria. Consequently, Ukraine and Georgia had more ambiguous democratic trajectories. In these countries, it was possible, but very difficult, to defeat the incumbents; when that happened, it took a revolution for them to accept their defeat.

I argue that these outcomes were largely shaped by institutional choices. Political institutions are an important determinant of democracy, and a polity can make great strides toward democracy by making some institutional choices rather than others, with parliamentary systems and party list proportional representation particularly recommending themselves.

⁹ Ukraine's move in the direction of a parliamentary regime and a party list proportional representation electoral system is too recent to assess its effects.

Figure 1. Economic Development, Majority Religion, and Democracy in the Post-Communist Region



We see a positive relationship between economic development and democracy for the whole group (continuous line); however, the relationship between economic development and democracy in the group of countries with a majority Orthodox population (dotted line) is negative.

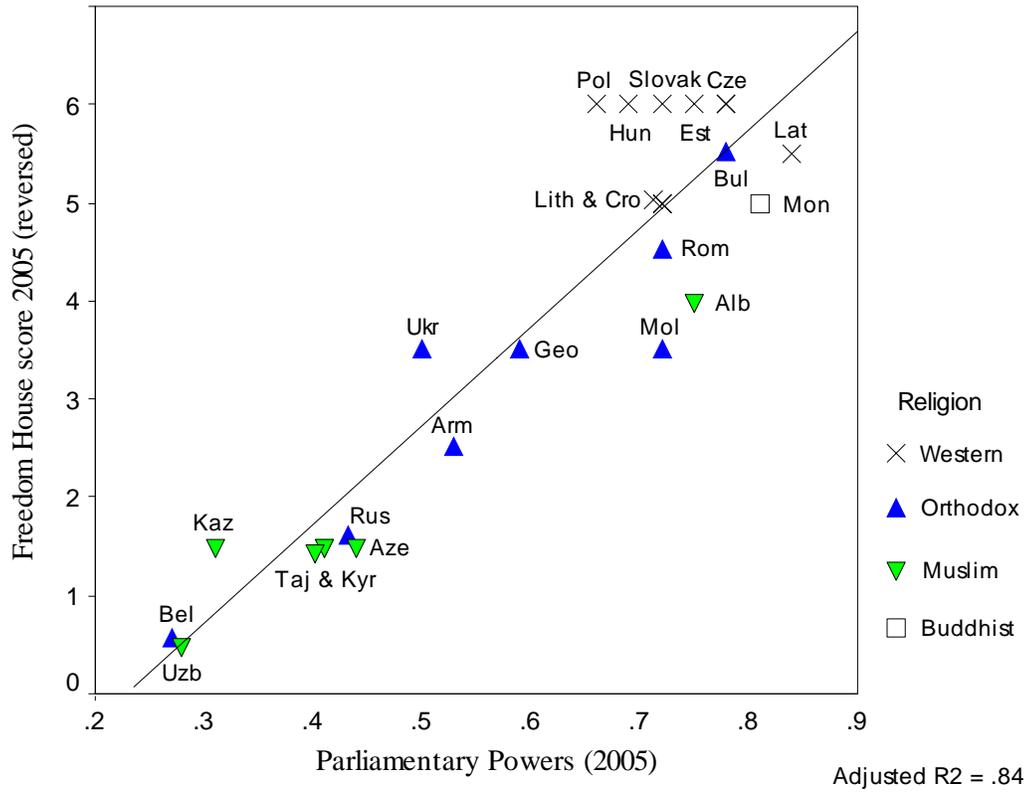
Note: Slovenia excluded as an extreme outlier; missing data for Bosnia, Macedonia, and Serbia-Montenegro.

Data sources:

Freedom House (www.freedomhouse.org; accessed January 15, 2006);

United Nations Common Database (UNCDB, http://unstats.un.org/unsd/cdbdemo/cdb_help/cdb_quick_start.asp; accessed January 15, 2006)

Figure 2. Institutional Design, Majority Religion, and Democracy in the Post-Communist Region



The relation between legislative powers, predominant religion, and current level of democracy in the post-Communist region (23 cases)

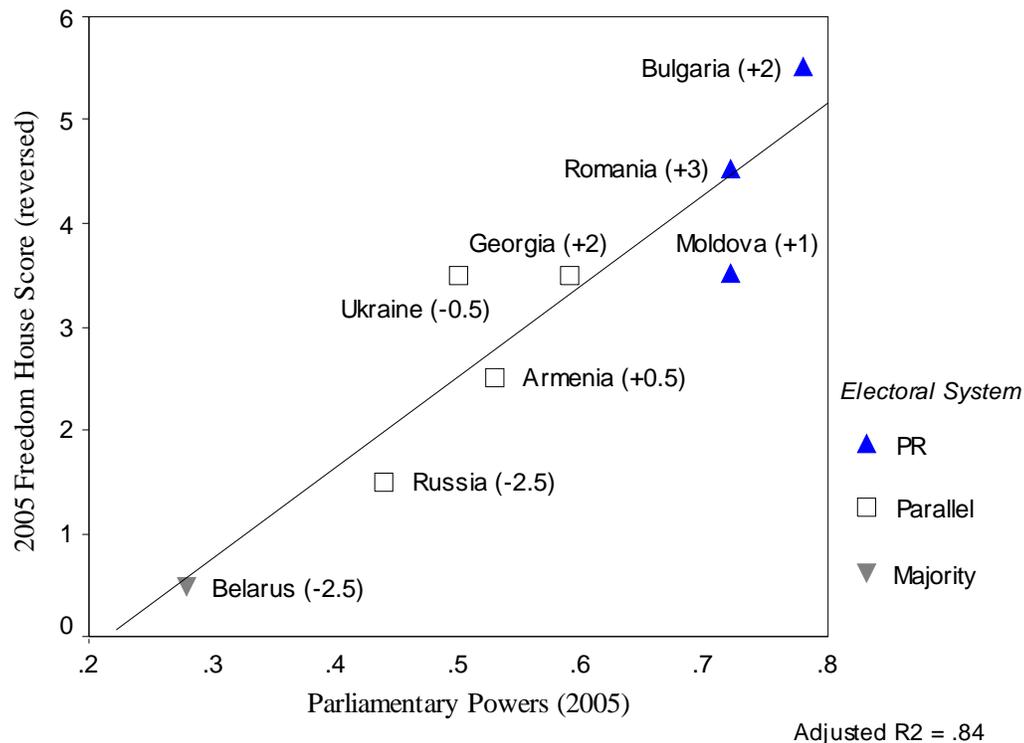
Note: Slovenia excluded as extreme outlier; missing data for Bosnia, Macedonia, and Serbia-Montenegro; no score for Turkmenistan (no functional legislature; see Fish, 2005, p. 206)

Data sources:

Fish, 2005, p. 206 (Table 7.4)

Freedom House (www.freedomhouse.org; accessed January 15, 2006);

Figure 3. Democracy and Democratic Progress as a Function of Institutional Design
(Post-Communist Countries with a Majority Orthodox Population)



Relation between institutional design (powers of the legislature and the type of electoral system), current level of democracy, and democratic progress or backsliding in post-Communist countries with a majority Orthodox population

The numbers in parentheses indicate the changes in Freedom House scores since the transition (1990-91). Each number is obtained by subtracting the first Freedom House score after the fall of Communism (the 1990 score in the case of Romania and Bulgaria, the 1991 score for post-Soviet countries), from the latest score (2005). Positive scores indicate progress toward democracy; negative scores indicate democratic backsliding.

Note: Ukraine has moved in the direction of a parliamentary regime and a party list proportional representation electoral system. Nonetheless, these changes are too recent to assess their effects (the first election of the entire legislature through party list PR, as well as the first selection of the prime minister by the parliament, rather than the president, has occurred in March 2006).

Data sources:

Birch, 2003, pp. 29-31 (Table 2.1)

Fish, 2005, p. 206 (Table 7.4)

Freedom House (www.freedomhouse.org; accessed January 15, 2006);

References

- Almond, Gabriel. 1991. "Capitalism and Democracy." *PS: Political Science and Politics*, Vol. 24, No. 3 (September):467-474.
- Birch, Sarah. 2003. *Electoral Systems and Political Transformation in Post-Communist Europe*. Houndmills, Basingstoke and New York: Palgrave Macmillan.
- Boix, Carles, and Susan C. Stokes. 2003. "Endogenous Democratization." *World Politics* 55, (July): 517-549.
- Brinks, Daniel, and Michael Coppedge. 2001. "Patterns of Diffusion in the Third Wave of Democracy." San Francisco, CA: APSA.
- Coppedge, Michael. 2002. "Venezuela: Popular Sovereignty versus Liberal Democracy," Notre Dame, IN: The Kellogg Institute Working Papers.
- Dahl, Robert A. 1971. *Polyarchy: Participation and Opposition*. New Haven, CT and London: Yale University Press.
- Diamond, Larry. 1992. "Economic Development and Democracy Reconsidered." *American Behavioral Scientist* 35, 4/5 (March/June): 450-499.
- Duverger, 1954. *Political Parties. Their Organization and Activity in the Modern State*. New York: John Wiley & Sons.
- Filippov, Mikhail. 1999. *Parliamentary Stage of the Electoral Cycle and Party System Formation*. Atlanta, GA: APSA.
- Fish, M. Steven. 1998. "Mongolia: Democracy Without Prerequisites." *Journal of Democracy* 9, 3: 127-141.
- Fish, M. Steven. 2001a. "Authoritarianism Despite Elections: Russia in Light of Democratic Theory and Comparative Perspective." San Francisco, CA: APSA.
- Fish, M. Steven. 2001b. "The Dynamics of Democratic Erosion." In Richard D. Anderson, M. Steven Fish, Stephen E. Hanson, and Philip G. Roeder. *Postcommunism and the Theory of Democracy*. Princeton, NJ: Princeton University Press.
- Fish, M. Steven. 2002. "Islam and Authoritarianism." *World Politics* 55 (October): 4-37.
- Fish, M. Steven. 2003. "Economic Policy Doctrine and Political Regime," in Nauro F. Campos and Jan Fidrmuc (eds.), *Political Economy of Transition and Development: Institutions, Politics and Policies*. Dordrecht: Kluwer.
- Fish, M. Steven. 2005. *Democracy Derailed in Russia: The Failure of Open Politics*. Cambridge: Cambridge University Press.
- Fish, M. Steven. 2006. "Stronger Legislatures, Stronger Democracies." *Journal of Democracy*, Vol. 17, No. 1, pp. 5-20.
- Fish, M. Steven, and Robin S. Brooks. 2000. "An improbable success story in the Balkans. Bulgarian Democracy's Organizational Weapon." *East European Constitutional Review* 9, 3 (Summer): 63-71.
- Frye, Timothy. 1999. "Changes in Post-Communist Presidential Power: A Political Economy Explanation." Paper presented at the "Constitutional Design 2000" Conference, Notre Dame, IN: University of Notre Dame Kellogg Center.
- Horowitz, Donald. 1990. "Comparing Democratic Systems." *Journal of Democracy*, Vol. 1, No. 4, 73-79.
- Huntington, Samuel P. 1991. *The Third Wave. Democratization in the Late Twentieth Century*. Norman, OK: University of Oklahoma Press.

- Huntington, Samuel P. 1996. *The Clash of Civilizations and the Remaking of World Order*. New York: Simon & Schuster.
- Inglehart, Ronald. 1997. *Modernization and Postmodernization. Cultural, Economic, and Political Change in 43 Societies*. Princeton, NJ: Princeton University Press.
- Kitschelt, Herbert. 1999. "Accounting for Outcomes of Post-Communist Regime Change. Causal Depth or Shallowness in Rival Explanations." Atlanta, GA: APSA.
- Kitschelt, Herbert. 2000. "Linkages between Citizens and Politicians in Democratic Polities," *Comparative Political Studies* 33, 6/7: 845—879.
- Kitschelt, Herbert. 2001. "Post-Communist Economic Reform. Causal Mechanisms and Concomitant Properties." San Francisco, CA: APSA.
- Kitschelt, Herbert, Zdenka Mansfeldova, Radoslaw Markowski, and Gabor Toka. 1999. *Post-Communist Party Systems. Competition, Representation, and Inter-Party Cooperation*. Cambridge: Cambridge University Press.
- Kitschelt, Herbert, and Regina Smyth. 2002. "Programmatic Party Cohesion in Emerging Postcommunist Democracies." *Comparative Political Studies* 35, 10: 1228-1256.
- Lijphart, Arend. 1999. *Patterns of Democracy. Government Forms and Performance in Thirty-Six Countries*. New Haven, CT and London: Yale University Press.
- Linz, Juan. 1990. "The Perils of Presidentialism." *Journal of Democracy* 1: 59-69.
- Linz, Juan J. 1994. "Presidential or Parliamentary Democracy: Does It Make a Difference?" in Juan J. Linz and Arturo Valenzuela (eds.) *The Failure of Presidential Democracy*. Baltimore, MD: Johns Hopkins University Press.
- Lipset, Seymour Martin. 1959. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *American Political Science Review* 53: 69-105.
- Lipset, Seymour Martin. 1994. "The Social Requisites of Democracy Revisited." *American Sociological Review* 59 (February): 1-22.
- Lipset, Seymour Martin, Kyoung-Ryung Seong, and John Charles Torres. 1993. "A comparative analysis of the social requisites of democracy." *International Social Science Journal* 136 (May): 155-75.
- Mainwaring, Scott, and Matthew S. Shugart. 1997. "Juan J. Linz, Presidentialism, and Democracy: A Critical Appraisal." *Comparative Politics* Vol. 29, No. 4: 449-471.
- McFaul, Michael. 1999. "The Perils of a Protracted Transition. What Went Wrong in Russia?" *Journal of Democracy* 10, 2: 4-18.
- Moser, Robert G. 1999. "Electoral Systems and the Number of Parties in Postcommunist States." *World Politics* 51, 3 (April): 359-384.
- O'Donnell, Guillermo. 1999. *Counterpoints. Selected Essays on Authoritarianism and Democratization*. Notre Dame, IN: University of Notre Dame Press.
- Przeworski, Adam. 2004. "Democracy and Economic Development." In In Edward D. Mansfield and Richard Sisson (eds.), *The Evolution of Political Knowledge*. Columbus: Ohio State University Press. (Available on line at <http://www.nyu.edu/gsas/dept/politics/faculty/przeworski/papers/sisson.pdf>).
- Przeworski, Adam, Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi. 1996. "What Makes Democracies Endure?" *Journal of Democracy* 7, 1: 39-55.
- Przeworski, Adam, Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi. 2000. *Democracy and Development: Political Institutions and Well-Being in the World 1950-1990*. Cambridge: Cambridge University Press.

- Shugart, Matthew Soberg, and John M. Carey. 1992. *Presidents and Assemblies: Constitutional Design and Electoral Dynamics*. Cambridge: Cambridge University Press.
- Stepan, Alfred. 2000. "Religion, Democracy, and the 'Twin Tolerations'" *Journal of Democracy* 11, 4 (October): 37-57.
- Stepan, Alfred, and Cindy Skach. 1993. "Constitutional Frameworks and Democratic Consolidation: Parliamentarism versus Presidentialism." *World Politics* 46 (October): 1-22.
- Yavlinsky, Grigory. 2001. "Ten Years After the Soviet Breakup: Going Backwards." *Journal of Democracy* 12, 4 (October): 79-86.

Appendix. Economic Development, Legislative Powers, and Democracy:
Twenty-eight Post-Communist Countries, 1991-2005

<i>Country (Majority Religion)</i>	<i>1991 GDP/capita (US \$)¹</i>	<i>Legislative Powers (2005)²</i>	<i>2005 Freedom House score (reversed)⁴</i>
Albania (M)	842	.75	4
Armenia (O)	1,541	.53	2.5
Azerbaijan (M)	1,067	.44	1.5
Belarus (O)	2,761	.28	0.5
Bosnia (M)	N/A	N/A	3.5
Bulgaria (O)	1,716	.78	5.5
Croatia (C)	5,432	.72	5
Czech Rep. (C)	5,270	.78	6
Estonia (P)	4,487	.75	6
Georgia (O)	2,115	.59	3.5
Hungary (C)	4,857	.69	6
Kazakhstan (M)	2,073	.31	1.5
Kyrgyzstan (M)	1,562	.41	1.5
Latvia (P)	3,703	.84	5.5
Lithuania (C)	3,191	.72	5
Macedonia (O)	N/A	.78	4
Moldova (O)	1,776	.72	3.5
Mongolia (B)	498	.81	5
Poland (C)	2,900	.66	6
Romania (O)	1,576	.72	4.5
Russia (O)	3,668	.44	1.5
Serbia-Mont. (O)	N/A	N/A	4.5 ³
Slovakia (C)	3,825	.72	6
Slovenia (C)	9,659	.78	6
Tajikistan (M)	718	.41	1.5
Turkmenistan (M)	1,154	N/A ³	0
Ukraine (O)	1,979	.50	3.5
Uzbekistan (M)	1,338	.28	0.5

M = Muslim; O = Orthodox; C = Catholic; P = Protestant; B = Buddhist

Data sources:

¹United Nations Common Database (UNCDB,
http://unstats.un.org/unsd/cdbdemo/cdb_help/cdb_quick_start.asp; accessed January 15, 2006)

²Fish, 2005, p. 206 (Table 7.4)

³No score for Turkmenistan (no functional legislature; see Fish, 2005, p. 206)

⁴Freedom House (www.freedomhouse.org; accessed January 15, 2006); the original scores are reversed, such that a score of zero means fully autocratic and a score of six means fully democratic.