

## GOOD-BYE BREAKDOWN PROPHECIES, HELLO POOR DEMOCRACIES

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The panel title predicts a next phase of democratization, and suggests the nature of its task ahead. The comparative context of the conference, in turn, encourages participants to search for analogies between Southern and Eastern democratic development. Neither predictions, nor the search for Latin American analogies are without tradition in the post-communist transition literature. Prior to forecasting new phases it may be useful, herefore, to summarize and critically assess some lessons of that tradition. This is what I briefly try to do below. I confront earlier transitology expectations with the contradicting political trends, and ask : why has it failed, what I call the *“post-communist breakdown of democracy literature”* to correctly evaluate the chances of democracy taking root in the East <sup>1</sup>.

### Three “schools of pessimism”

“Irony of the ironies, it may be the earlier literature by American academics on the ‘breakdown od democracy’ in Latin America rather than the recent literature on the ‘transition to democracy’ that speaks most directly to the situation in Eastern Europe” (Jowitt 1992, p. 220). Jowitt is but one of many theorists who expressed doubts concerning the feasibility of Eastern democratization. *Irony of the ironies* : scenarios of destabilization or breakdown under post-communism seem more profoundly elaborated by now, than those of the *collapse of communism* had ever been.

At least three “schools of pessimism” can be classified.

Those belonging to the first, point at conditions, that communism had failed to create —*at missing preconditions* of democracy— as obstacles to stable politics <sup>2</sup>.

Other scholars, in turn, blame communism less for its failure to create the proper conditions, than for leaving behind a *legacy inimical* to democratic stability.

While it is easy to argue, that many ingredients of fully developed liberal democracies have been in short supply, and the legacy is not the best, all this is not enough to prove, that democracy cannot take root in East in any form. In this context it is helpful to consider O’Donnell’s warning about characterizing polities by “indicating what attributes ... they do not have, along with a descriptive narration of thier various political and economic misadventures”, because this approach “may imply a teleology” (O’Donnell 1993, p. 1356).

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<sup>1</sup>By East I means the East-Central European countries, excluding the post-soviet republics, Serbia, and Bosnia-Herzegovina in this paper.

<sup>2</sup>Countries in the process of transforming to democracy in the region allegedly lacked institutionalized political parties, professional leaders, responsible elites, a capable and egective state apparatus organized civil society, an entrepreneurial class, to mention only some items from a long list.

Finally, the argument most frequently used in post-communist breakdown literature is the alleged *incompatibility* of simultaneous economic and political transformation. It is this type of argument, and its criticism to which now I turn.

### All bad things go together ?

While representatives of the *incompatibility claim* refer either to the finding, that economic crises have often threatened democratic stability, or to the contradicting logic of political and economic reforms, their views vary regarding both the *social origin* of the perceived threats, and the *consequences* <sup>1</sup>. Various analyses forecasted anti-democratic mobilization of *frustrated reform-elites*, *marginalized millions*, or of *propertied classes*. The expected outcomes range from *violent mass-protest to political destabilization, populism, and diverse forms of authoritarianism*. Not infrequently, the Southern experience served as analogy, point of reference, or at least negative contrast. Analysts sometimes quote evidence on Latin American “*IMF-riots*”, a “singular, and unprecedented wave of social unrest in response to domestic policies of ... governments for dealing with the foreign debt” (Walton 1991, p. 299).

However, this breakdown-literature has been seriously challenged by the regional political trends *running counter* to many of its predictions.

Against the background of a crisis, *deeper, and longer*, than the Great Depression, none of the expected, catastrophic political outcomes has so far occurred. To the contrary : the East has continued its *longest region-wide*

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<sup>1</sup>While Przeworski is mainly worried about “inevitable authoritarian temptations” and the vaning acceptance of democracy by “financially bankrupt governments”, and frustrated *reform-elites*, Ost says : “The danger of new dictatorship in Eastern Europe comes from the bottom, not from the top. It comes from those *millions of people, marginalized* by the wager on the elite, who become receptive to demagogues...” (Przeworski 1991, p. 189-190 ; Ost 1992, p. 49 ; italics by B.G.). Bunce partly shares Ost’s concerns : “whereas the military represents the greatest threat to democratic consolidation in the south, in the east it is, most likely, angry publics” (Bunce 1994, p. 42). Comisso, Dubb and McTigue in turn conclude, that while popular sectors are too often blamed for being “more weakly committed to a competitive political order, than are entrepreneurial elements and more well off segments of the population”, in reality it is rather the *propertied classes*, whose disruptive behavior (in the form of collusive cartels, capital flight, and tax evasion) may be the key barrier to economic restructuring, and, as a consequence, political stability (Comisso, Dubb, McTigue 1992, p. 27-28)). As to the fearful outcome, many observers have expressed worries about “the escalation and intensification of collective protest” (Ekiert 1993, p. 31) ; “outbursts of anomic movements, strikes and mass manifestations” that “can sweep away the whole politic” (Ágh 1991, p. 119) ; the more gradual, but no less dangerous erosion of democratic support (Przeworski 1991, p. 190 ; Vorozheikina 1994, p. 1) manifesting itself in the vaning support to parties, governments, institutions, and the regime. Some point at “the progressive anomization of post-communist societies ... that, in the last instant, will become the catalyst of violence” (Misztal 1995, p. 21). Moreover, deprivation originating in the economic crisis and reforms had been not infrequently mentioned as the ultimate reason of “a great upsurge across central and eastern Europe of nationalism and ethnic violence, racism and xenophobia” (Walton, Seddon 1994, p. 327 ; Ost 1995, p. 178). Related to the above fears, a group of analysts forecasted various forms of authoritarianism, as the plausible future regime-type in East. Along with the possible mobilization “of political forces of a reactionary, populist, authoritarian, and chauvinist kind” (Offe 1993, p. 660) fears of Eastern future regimes resembling “Franco’s Spain or the Greece of the colonels, Peron’s Argentina or Chile under Pinochet” (Lomax 1993, p. 5) ; “populist scenario” (Hausner 1992, p. 128-129) ; or “populist authoritarianism” (Ost 1992, p. 50) ; the “dictatorship of intellectual elites” (Lomax 1993, p. 9 ; Kéri 1991, p. 126-148) ; or an “authoritarian renewal” in the form of a reform-dictatorship of “tyrannical majorities” (Ágh 1994, p. 11) have been expressed.

*experience with democracy* of not only the postbly its entire 20th century history. Moreover, by now, even the greatest evil, *the transformation recession seems to be on the wane*. With the exception of post-soviet republics, growth has begun to resume : certain countries have the fastest rates in all Europe. Certainly, in future, Eastern democracies may still get into trouble. If this, however, occurs, the explanation can be anything but the transformation recession, or the initial shock of economic reforms.

As a consequence, it seems justified to put down in past tense : *the breakdown-literature failed, and psot-communist democracies turned out to be "crisis-resistant"*.

However surprising, there is nothing in it, that happened for the first time in history. The closest case of similar political trands belying theorists' pessismism, is just, and again : Latin-America. While in the 80s the region's "worst economic crisis since the Great Depression" similarly "provoked regional specialists to paint a dismal picture of the future of Latin American democracy", the fact is, that despite recurring IMF-riots every new Latin democracy survived the decade (Remmer 1991, p. 778-779).

How to explain, that social science did not capitalize on this experience, the negative forecasts got soon repeated, and had to again in the East-European case ?

One explanation may be, that the *theoretical perspectives* underlying the prophecies are questionable. In fact, a closer look at the foundation of the failed predictions reveals some *deficiencies*, and an *ideological bias*.

To begin with the latte, let us recall an analogous, past Latin American story : the decline of development economics in the 60s. Its representatives cultivated the discipline "... not as narrow specialists, but impelled by the vision of a better world. As liberals, most of them presumed, that 'all good thing go together' and took it for granted that if only a good job be done in raising the national income of the countries concerned, a number of beneficial effects would follow in the social, political, and cultural realms". However, by the 60s, despaired by the uncomprehensible fact, that economic development entailed a turn to abhorrent dictatorships, their expectations changed to *the reverse* of the maxim 'all good thing go together'. "Now, that political developments had taken a resoundingly wrong turn, one had to prove, that the economic story was similarly unattractive" (Hirschman 1981, p. 20-22). Lead by their political frustration, development economists became tough critics of the economic development strategy they had so enthusiastically promoted, and assisted before.

The pessimism of the 80s and 90s might stem from the opposite of this logic. In contrast to the development economists' case, it is certainly not the political, but primarily the economic transformation process, that might have frustrated socially minded transitologists. To turn specifically to post-communism analyses, I assume, that most *breakdown-prophecies* *reflext an anti-neoliberal strategy bias, and a disbelief regarding the positive outcome of neoliberal economic reforms*. In other words : it is primarily the mistrust in the regnant *economic strategy*, that spreads pessimism regarding the chances for the generally favoured *political outcome* : democratic stabilization. MAny scholars seem to share the view succinctly formulated by Ost : "the danger to political liberalism comes from the reliance on economic liberalism" (Ost 1995, p. 178).

Clearly, the important issue is not, if the values justifying the mistrust are, or aren't to be shared. The question rather is, whether the biased approach is capable of a proper conceptualization of Eastern transformation realities. I have doubts in this respect.

One point of my criticism is, that ideological bias of transitology further manifests itself in a normative, and activist, rather than analytical approach, which I call "*advisorism*". Furthermore, as I argue, several tenets of contemporary post-communist transformation literature base on a *selection* of questionable theoretical underpinnings, criticized below under labels like "*economic determinism*", "*universalism*", "*globalism*", and finally, *teleology*.

### **Advisorism**

It is just striking, how often recent *political science* analyses end up with not just political, but *economic policy* conclusions, recommendations, or implications for action. Presuming that the dark political scenarios could be avoided "if only a good job be done" in getting neoliberal economic blueprints imbued with social sensitivity, transitology appears to have elaborated a comprehensive set of *economic conditions of democratic stabilization*. The list includes adequate *welfare provision, less haste, more speed* in economic transformation, various tactics of reform *sequencing*, and *compensation*, involving *employee-organizations* in market restructuring, *employee ownership* forms, *neocorporatist* strategies. My point here is not that many advices occur, when efforts in the proposed direction are already underway. Rather, I want to point at the more problematic reverse side of economic policy advisorism : the strikingly little credit given by political scientists to the autonomy of political sphere. This takes me to the *major theoretical weakness* of many recent transitology analyses.

### **Economic determinism, universalism, and globalism**

Many transition analysts share the view, that "The durability of the new democracies will depend ... to a large extent on their economic performance" (Przeworski 1991, p. 189). The intriguing question, however, is : *to what extent*, and upon *what else* than "economic performance" democracies depend. Exactly this is the problem political scientists should address in the specific Eastern context. The now dominant view, that politics is best to be approached through the economy, doesn't seem to help much to understand why could democracies survive even as hard times as the post-communist transformation recession was. More attention, therefore, should be paid to alternative theoretical perspectives : like the one that suggests, "that in the less politically stable regions of the world, 'democratic goods' may factor heavily into the calculus" of citizens, or those that "point to the possible limits of generalizations derived from the study of economically stable and prosperous nations" (Remmer 1991, p. 779).

Even economic determinist notions, however, could be applied with a lot more conceptual openness and sensitivity, than is the case now. Though the simplistic idea of an *inverse relationship between economic performance and political instability or protest* repeatedly has been challenged by theorists (Tocqueville 1995 ; Hirschman 1981 ; Remmer 1991 ; Acuna, Smith 1994) much of the post-communist breakdown literature still stubbornly sticks to this "developmentalist" common sense. The message, stepped by in the breakdown prophecies is, that

hard times might not be the most favourable ones for collective action. On the contrary : crises greatly weaken “people’s resources in making their interests heard. This may well outweigh the added incentive to do so” (Rueschemeyer 1992, p. 23). The field, where conventional, or innovative political science explanations would seem legitimate is further narrowed by the apparent *universalism* inherent in economic determinist reasoning. In the East-Europeanist transitology there is a tendency to explain every aspect of the Eastern systemic cataclysm by the economic malaise : the Czech-Slovakian velvet divorce, the breakdown of Yugoslavia, “the great upsurge across central and eastern Europe of nationalism, ethnic violence, racism, and xenophobia” (Walton, Seddon 1994, p. 327). Finally, not infrequently it is told, that everything supposedly happening in the East —widespread popular protest, political destabilization, unrest, waning support to the system— is just but an integral part of a *global* process : of the global *political* response to global *economic* adjustment (Walton, Seddon 1994, p. 290). My conclusion is, that the approach based on the above, theoretically questionable principles, might in itself hinder both the reliable prediction regarding the fate of democracy in general, and an “adequate conceptualization of the varied type of democracies that have been emerging” (O’Donnell 1993, p. 1356).

### **A “low-level equilibrium” between the economic, and the political**

I think, it is only a definite break with the assumption of a *direct* relationship between economic decline and the *durability* of democracy, which allows us to think in more fruitful ways on the political impact of economic performance, and, specifically, the transformation crisis. We explicitly have to ask : in which form, other than precipitating systemic collapse, economic crises or dismal economic performance may impact upon politics ?

To come to adequate concepts, I think, East Europeanist transitology has to seriously reconsider lessons from two new streams of Latin American political economy research : one on the *political impact of economic crisis* in Latin America in the 1980s, and a second on *emerging new democracy subspecies, poor democracy-types*.

The conclusion of the first body of literature is : “Whereas research on Latin America and other parts of the Third World has repeatedly linked economic reversals with democratic collapse, the Latin-American experience of the 1980s suggests that economic crisis should be described less a threat to democracy, than as a challenge posing risk as well as opportunities”. The main finding is, that though the “decade of lost growth” in Latin America “provoked electoral instability, and turnover”, it did not result either in a growth of political extremism, or political instability and the breakdown of democracies (Remmer 1991, p. 794-795). Recent evidence on East-European elections, and political parties seems to be in conformity with those findings (Tóka 1995).

Equally important, in the post-communist context, I think, is the message of the second group of Latin Americanists : it is much less the mere existence, or durability, than *some crucial, qualitative aspects of democracy* —its representativeness, the liberal component, its exclusionary or inclusionary features— which are left with the mark of economic crisis, and poverty. This way, it is possible, and conceptually fruitful to think about new democracy subspecies,

that are enduring under conditions of economic poverty, and hard times (O'Donnell 1993 ; Lechner 1994 ; Acuna, Smith 1994).

What is most instructive in the approaches above is, that rather than (mis)led by pessimistic expectations, or optimistic teleology, they break the path towards the *direct* conceptualization of an *enduring "low-level equilibrium" between the economic, and the political*. With this, entirely new theoretical perspectives open up exactly in the field, where the criticized body of East Europeanist literature appears to be conceptually ill-equipped : that is, recognizing and understanding the *unknown, new politico-economic combinations* that are about emerging first in South in the 80s, and then the East in the 90s.

Much of the task of conceptualization is still ahead of us in the East-European context. One has to ask, why is it that low-level equilibria became *possible*, and why they may prove *enduring*.

To answer questions like this requires an in-depth comparative inquiry about those systemic features, that have made new democracies *crisis-resistant* : even more in the East, than in the South. While this certainly is a most interesting topic to think about, anything more, than pointing at some relevant directions of inquiry would go far beyond the limits of this short essay.

Based on my earlier research (Greskovits 1994 ; 1995a ; 1995b) what I specifically think is, that supported by the atomizing impact of crisis, it is the very socioeconomic *legacy of communism* initially, and the structural, and institutional *consequences of the implemented neoliberal reforms* later, that may help explaining : why (1) *loyalty* and *exit* rather than *voice*, and (2) *stabilizing* rather than *disruptive forms of political protest* have emerged as the dominant social responses to economic grievances. Structural, institutional, and cultural factors putting a brake on politically destabilizing collective action, in turn, paved the way for the emergence of the *low-level equilibrium* between incomplete democracy, and imperfect market economy, which, I think will define the characteristics of Eastern political economies in the foreseeable future.

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