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Liberal Democracy in Transition – The First 30 Years

This year marks 30 years since the first post-communist election in Poland and the fall of the Berlin Wall. Key events that started a dramatic transition process from totalitarian regimes towards liberal democracy in many countries. This brief presents stylized facts from this process together with some thoughts on how to get this process back on a positive track. In general, the transition countries that joined the EU are still far ahead of the other transition countries in terms of democratic development. The recent decline in democratic indicators in some EU countries should be taken seriously as they involve reducing freedom of expression and removing constraints on the executive, but should also be discussed in light of the significant progress transition countries entering the EU have shown during the first 30 years of transition. The brief shows that changes in democracy can happen fast and most often happen around elections, so getting voters engaged in the democratic process is crucially important. This requires politicians that engage the electorate and have an interest in preserving democratic institutions. An important question in the region is what the EU can do to promote this, given its overloaded political agenda. Perhaps it is time for a Greta for democracy to wake up the young and shake up the old.

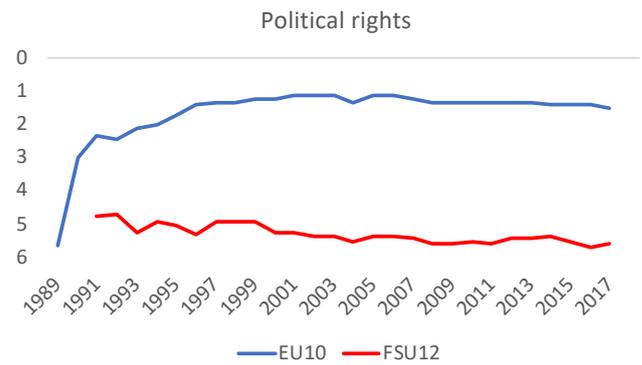
This brief provides an overview of political developments in transition countries since the first post-communist elections in Poland and the fall of the Berlin Wall 30 years ago. It focuses on establishing stylized facts based on quantitative indices of democracy for a large set of transition countries rather than providing in-depth studies of a small number of countries. The aim of the brief is thus to find common patterns across countries that can inform today's policy discussion on democracy in the region and inspire future studies of the forces driving democracy in individual transition countries.

The first issue to address is what data to use to establish stylized facts of democratic development in the region. By now, there are several interesting indicators that describe various aspects of democratic development, which are produced by different organizations, academic institutions and private data providers. In this brief, three commonly used and well-respected data providers will be compared in the initial section before we zoom in on more specific factors that make up one of these indices.

The big picture

The three indicators that we look at first are: *political rights* produced by Freedom House; *polity 2* produced by the Polity IV project; and the *liberal democracy* index produced by the V-Dem project. Figures 1-3 show the unweighted average of these indicators for two groups of countries. The EU10 are the transition countries that became EU members in 2004 and 2007 and include Bulgaria, the Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovakia, and Slovenia. The second group, FSU12, are the 12 countries that came out of the Soviet Union minus the three Baltic countries in the EU10 group, so the FSU12 group consists of Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

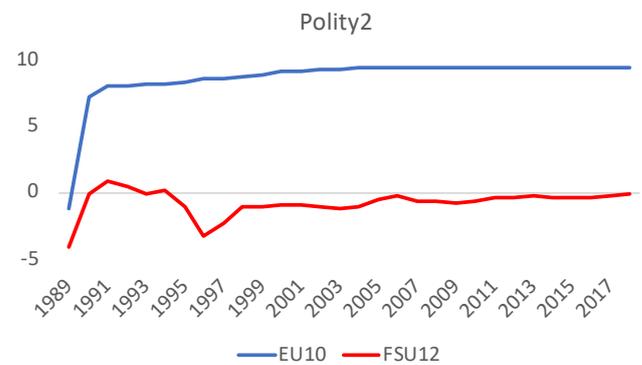
Figure 1. Freedom House



Source: Freedom House and author's calculations

Note: Scale inverted, 1 is best and 7 worst score

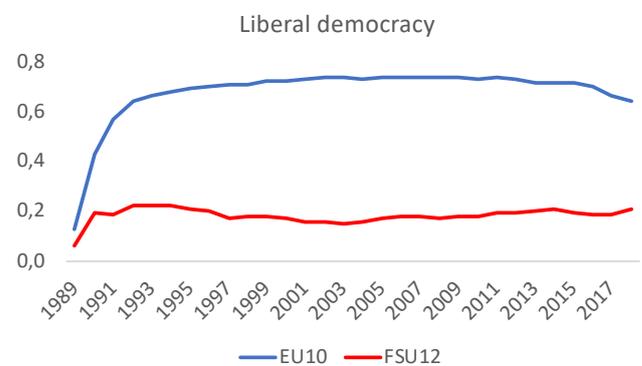
Figure 2. Polity IV project



Source: Polity IV project and author's calculations

Note: Scale from -10 (fully autocratic) to 10 (fully democratic)

Figure 3. V-Dem



Source: V-Dem project and author's calculations

Note: Scale from 0 to 1 where higher is more democratic

All three indicators convey the message that the democratic transformation in the EU10 group was

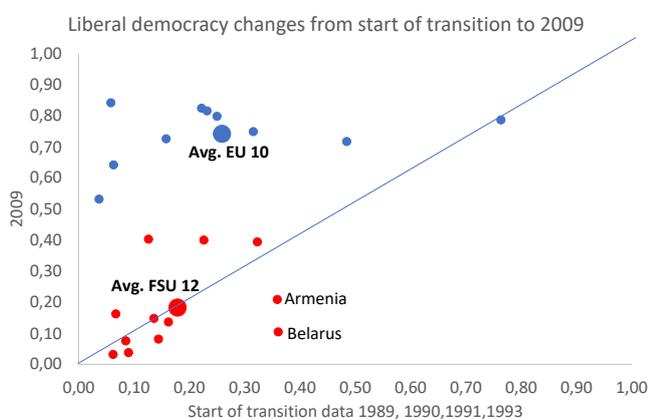


very rapid in the early years of transition and the indicators have remained at high levels since the mid 90s only to show some decline in the most recent years for two of the three indicators. The FSU12 set of countries have made much less progress in terms of democratic development and remain far behind the EU10 countries in this regard. Overall, there is little evidence at the aggregate level that the democratic gap between the EU10 and FSU12 groups is closing. While the average EU10 country is more or less a full-fledged democracy, the average FSU12 country is at the lower end of the spectrum for all three democracy measures.

The average indicators in Figures 1-3 obviously hide some interesting developments in individual countries and in the following analysis, we will take a closer look at the liberal democracy index at the country level. We will then investigate what sub-indices contribute to changes in the aggregate index in the countries that have experienced significant declines in their liberal democracy scores.

For the first part of the analysis, it is useful to break down the democratic development in two phases. The first phase is from the onset of transition (1989, 1991 or 1993 depending on the specific country) to the time of the global financial crisis in 2009 and the second phase is from 2009 to 2018 (the last data point).

Figure 4. Liberal democracy, first phase

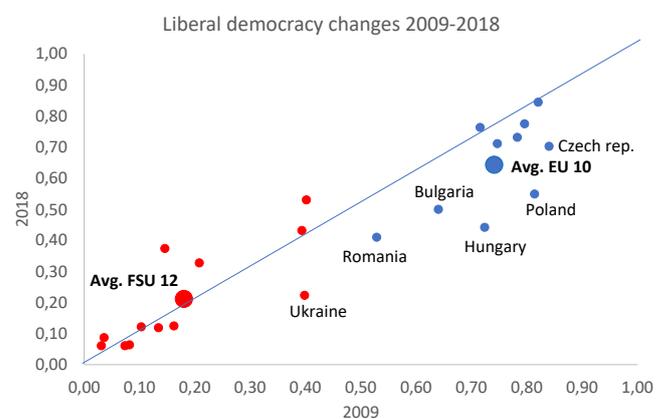


Source: V-Dem project and author's calculations

Figures 4 and 5 compare how the liberal democracy indicator changes from the first year of the period (measured on the horizontal axis) to the last year of the period (on the vertical axis). The smaller blue dots are the individual countries that make up the EU10 group while the red dots are the FSU12 countries. The 45-degree line indicates when there is no change between start and end years, while observations that lie below (above) the line indicate a deterioration (improvement) of the liberal democracy index in a specific country.

In the first phase of transition (Figure 4), all of the EU10 countries increased their liberal democracy scores and the average increase for the group was almost 0.5, going from 0.26 to 0.74. This was a result of many of the countries in the group making significant improvements without any countries deteriorating. The FSU12 group had a very different development with the average not changing at all since the few countries that improved (Georgia and Ukraine) were counterbalanced by a significant decline in Belarus and a more modest decline in Armenia.

Figure 5. Liberal democracy, second phase



Source: V-Dem project and author's calculations

The very rapid improvement in the liberal democracy index in the EU10 countries in the first phase of transition came to a halt and also reversed in several countries in the second phase of transition. Of course, as they had improved so much in the first period, there was less room for further positive developments, but the rapid decline in some of the countries was still negative

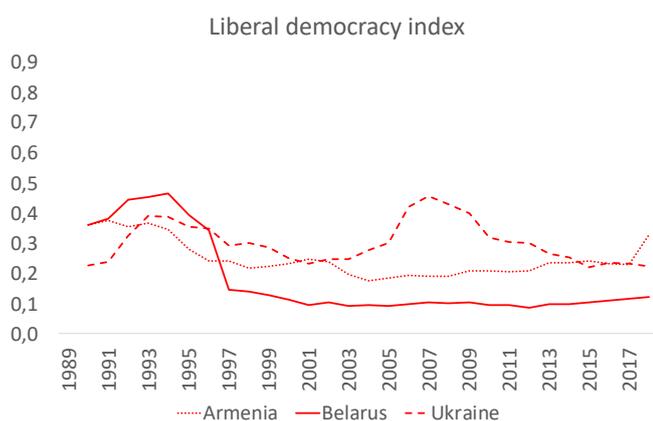


news. However, it does point towards that reform momentum was very strong in the EU accession process, but once a country had entered the union, the pressure for liberal democratic reforms has faded. Overall, the EU10 average fell by 0.1 from 2009 to 2018. This was a result of declining scores in several countries. The particularly large declines in this period have been seen in Hungary (-0.28), Poland (-0.27), Bulgaria (-0.14), the Czech Republic (-0.14), and Romania (-0.12). Again, the average FSU12 score did not change much, although Ukraine (-0.2) put its early success in reverse and lost as much in this period as it had gained earlier.

Country developments

Since much of the current discussion centers on how democracy is being under attack, the figures name the countries that have seen significant declines in the liberal democracy score in the first or second phase of transition. Figures 6 and 7 show the time-series of the liberal democracy index in the countries with significant drops at some stage of the transition process.

Figure 6. FSU12 decliners

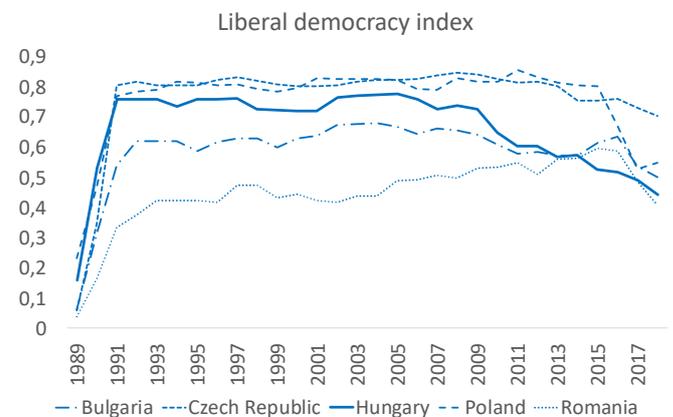


Source: V-Dem project and author's calculations

In many countries, the drop comes suddenly and sharply, with the first and most prominent example being Belarus. There, it only took three years to go from one of the highest ranked FSU12 countries to fall to one of the lowest liberal democracy scores. In Poland, Romania, Bulgaria

and Armenia, the process was also very rapid and significant changes happened in 2-3 years.

Figure 7. EU10 decliners



Source: V-Dem project and author's calculations

In the Czech Republic and Hungary, the period of decline was much longer and in the case of Hungary, the drop was the most significant in the EU10 group. Ukraine stands out as more of an exception with a roller-coaster development in its liberal democracy score that first took it up the list and then back down to where it started. For those familiar with politics in these countries, it is easy to identify the elections and change in government that have occurred at the times the index has started to fall in all of these countries. In other words, the democratic declines have not started with coups but followed election outcomes where in most cases the incumbent leaders have been replaced by a new person or party.

How democracy came under attack

We will now take a closer look at what has been behind the instances of decline in the aggregate index by investigating how the sub-indices have developed in these countries. The sub-indices that build up the liberal democracy index are: freedom of expression and alternative sources of information; freedom of association; share of population with suffrage; clean elections; elected officials; equality before the law and individual liberty; judicial constraints on the executive; and



legislative constraints on the executive (the structure is a bit more complex with mid-level indices, see V-Dem 2019a).

Table 1 shows how these indicators have changed in the time period the liberal democracy indicator has fallen significantly (with shorter versions of the longer names listed above but in the same order). The heat map of decline indicated by the different colors is constructed such that positive changes are marked with green, smaller declines are without color, declines greater than 0.1 but smaller than 0.2 are in yellow and larger declines in red. Note that the liberal democracy index is not an average of the sub-indices but based on a more sophisticated aggregation technique (see V-Dem 2019b). Therefore, the Czech Republic and Bulgaria can have a greater fall in top-level liberal democracy index than what is indicated by the sub-indices.

Table 1. Changes in liberal democracy indicators at times of democratic decline

	BLR	HUN	POL	UKR	ROU	CZE	BGR	ARM
Start of decline	1994	2010	2015	2007	2016	2008	2016	1995
Election year	1994	2010	2015	2007	2016	2008	2016	1995
Years of decline	3	9	3	8	2	10	2	2
Lib.dem.	-0.32	-0.28	-0.25	-0.23	-0.18	-0.14	-0.13	-0.12
Free expr/info	-0.32	-0.33	-0.26	-0.21	-0.16	-0.06	-0.11	-0.06
Free assoc.	-0.23	-0.13	-0.07	-0.23	-0.10	-0.05	-0.03	-0.09
Suffrage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clean elect.	-0.21	-0.22	0.00	-0.20	0.08	-0.04	-0.09	-0.38
Elect. Off.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law	-0.16	-0.06	-0.07	-0.29	-0.09	-0.01	-0.02	0.02
Jud.con. exec.	-0.63	-0.12	-0.28	-0.12	-0.41	-0.08	-0.10	-0.01
Leg.con. exec.	-0.64	-0.25	-0.12	-0.24	-0.36	-0.10	0.03	0.00

Source: V-Dem project and author's calculations

For the countries with the largest changes in the liberal democracy index, it is clear that both freedom of expression and alternative sources of information have come under attack together with reduced judicial and legislative constraints on the executive. Among the EU10 countries, Hungary and Poland stand out in terms of reducing freedom of expression, while Romania has seen most of the decline coming from reducing constraints on the executive. Not surprisingly, Belarus stands out in terms of the overall decline in liberal democracy coming from reducing both

freedom of expression and constraints on the executive in the most significant way. On a more general level, the attack on democracy does differ between the countries, but in the cases where serious declines can be seen, the attack has been particularly focused on information aspects and constraints on the executive. At the same time, all countries let all people vote (suffrage always at 1) and let the one with the most votes get the job (elected officials).

Policy conclusions

This brief has provided some stylized facts on the first 30 years of liberal democracy in transition and some details on how democracy has come under attack in individual countries. It leaves open many questions that require further studies and some of these are indeed ongoing in this project and will be presented in future briefs and policy papers here.

Some observations have already been made here that can inform policy discussions on liberal democratic developments in the region. The first is that changes can happen very rapidly, both in terms of improvements but also in terms of dismantling important democratic institutions, including those that provide constraints on the executive or media that provides unbiased coverage before and after elections. What is also noteworthy is that these changes have almost always happened after an election where a new person or party has come to power, so the democratic system is used to introduce less democracy in this sense. It is also interesting that in all of the countries, the most easily observed indicators of democracy such as suffrage and having the chief executive or legislature being appointed by elections are given the highest possible scores. In other words, even the most autocratic regime wants to look like a democracy; but as the old saying goes, "it is not who votes that is important, it is who counts".

The regime changes at election times that have led to declining liberal democracy scores have also in



many cases come as a result of the incumbents not doing a great job or voters not turning up to vote. In Belarus, it was enough for Lukashenko to promise to deal with corruption and rampant inflation that was a result of the old guard's mismanagement to turn Belarus into an autocracy; in Hungary, the change of regime came after the Socialist leader was caught on tape saying he had been lying to voters; in Romania, only 39% voted in the 2016 election; and in Bulgaria, around half of the voters stayed at home in the presidential election the same year.

In sum, both incompetent and corrupt past leaders and disengaged or disillusioned voters are part of the decline in liberal democracy that we have seen in recent years. It is clearly time for policy makers that are interested in preserving liberal democracy in the region and elsewhere to think hard about how democracy can be saved from illiberal democrats. Part of the answer clearly will have to do with how voters can be engaged in the democratic process and take part in elections. It also involves defending free independent media and the thinkers and doers that contribute to the liberal democracy that we cherish. The question is if the young generation will find a Greta for democracy that can kick-start a new transition to liberal democracy in the region and around the world.

For those readers that want to participate more actively in this discussion and have a chance to be in Stockholm on November 12, SITE is organizing a conference on this theme which is open to the public. For more information on the conference, please visit <https://www.hhs.se/en/about-us/calendar/site-external-events/2019/SITE-development-day-2019--the-long-shadow-of-transition-the-state-of-democracy-in-eastern-europe/>.

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