

ATTILA ÁGH
Corvinus University

The Rocky Road of Europeanization in the New Member States: From the Democracy Capture to the Second Try of Democratization

Abstract: There has been recently a change of paradigms in the academic literature on the historical trajectory of the new member states (NMS). It has been in the last years switching from the success stories to the danger of peripheralization what I call the Rocky Road of Europeanization. Instead of positive evaluations of the first ten years in the EU, more and more “balanced,” “mixed” or even negative evaluations have appeared. These evaluations have been based on the huge datasets of the international ranking institutions like the Bertelsmann Foundation, The Economist Intelligence Unit (EIU), Freedom House, IMF, OECD, Open Society Institute and World Economic Forum. The huge datasets have facilitated the elaboration of the conceptual turning point in the evaluations of the NMS historical trajectory. This theoretical paper—relying on the above datasets—deals with the controversial development of democratization in NMS in the Quarter-Century of systemic change and after Ten Years of the EU membership. It tries to elaborate a new conceptual framework on the decline of the top-down democracy, leading to democracy capture or façade democracy, and on the return to the participatory democratization as a bottom-up process.

Keywords: problems of external and internal Europeanization, decline of democracy, formal and informal institutions, state and democracy capture, and participatory turn

Introduction: The Triple Crisis and the European Façade of Big Formal Institutions

The NMS have undergone a triple crisis in the Quarter-Century, which offers a proper analytical framework for the evaluation of their first decade in the EU with its cumulative effects. First, the NMS had a *transformation* crisis in the early nineties; and second, with the EU entry they fell into the *post-accession* crisis in mid-2000s, and third, the *global crisis* came immediately after the EU entry in late-2000s, altogether three deep crises within the Quarter-Century. In the 2000s the NMS managed some catching up process in the terms of the GDP-based “old economy,” but they have slowed down in the 2010s due to the global crisis and to the incoming innovation-driven “new economy” (Table 1).¹

¹ This “triple crisis” has been in the focus of my former papers (e.g. Ágh 2015a,b). I have described the NMS-8 democratization (Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania and Bulgaria) on a large database of the international ranking institutions (Ágh 2013). As the European Science Foundation (ESF) Forward Look research project on the NMS region points out there is an urgent need for “a conceptual breakthrough in terms of better framing the overall context of societal developments” (ESF, 2012: 12). In my former papers I regularly used the term of Bumpy Road, also in my conference paper on this topic (Central European Political Science Association, CEPASA conference, Vilnius, September 2015), but the situation in NMS has worsened, so I have switched to the term of Rocky Road.

Table 1

**Eurostat, GDP per capita in Purchasing Power Standard (PPS)
Catching up process between 2005 and 2014, EU28 = 100%**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BG	36	37	40	43	44	43	44	45	45	45
CZ	80	81	84	82	83	81	83	82	82	84
HR	58	58	61	64	62	59	60	61	61	59
HU	62	62	61	63	64	65	65	65	66	68
PL	50	50	53	55	59	62	64	66	67	68
RO	35	38	42	48	49	50	51	53	54	54
SI	86	86	87	89	85	83	83	82	82	83
SK	60	63	67	71	71	73	73	74	75	76

Eurostat, 1 December 2015 (<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=tec00114&plugin=1>)

The triple crisis has to be described not only in the narrow political aspects as the history of political events and institutions, but it can be characterised in its wider dimensions of the complex social history. These three subsequent crises (the triple crisis) have produced their heavy social price that has been responsible for the drastic decline or backsliding of democracy, good governance and competitiveness in NMS (Tables 2–3). In this “medical report” about the Quarter-Century of the NMS-8 countries—based on the recent summaries in the European Studies (see e.g. the edited volumes of [Rupnik and Zielonka 2013](#); [Epstein and Jacoby 2014](#); and [Bernhard and Jasiewicz 2015](#))—I have tried to synthesize the academic literature on the socio-economic and socio-political developments (see also [Ágh 2015a](#)).

Table 2a

Economist Intelligence Unit Democracy Index 2014

The rankings of NMS-8 in democracy between 2006 and 2014, 167 countries

	2006	2008	2010	2011	2012	2014
BG	49	52	51	52	54	55
CZ	18	19	16	16	17	25
HR	51	51	53	53	50	50
HU	38	40	43	49	49	51
PL	46	45	48	45	44	40
RO	50	50	56	59	59	57
SI	27	30	32	30	28	37
SK	41	44	38	38	40	45

Countries between the 25th and 76th rankings has been termed as “flawed democracies.”

This paper has a deep concern with the present decline of democracy in NMS as the *New Democracies in Crisis* (Blokker 2013) with a special focus on the informal institutions of civil society and on the role of participative democracy in the democracy-building. It has been emphasized in both the rankings and the academic overviews that the NMS countries have the same historical trajectory of democracy decline and catching up defects

Table 2b

Economist Intelligence Unit Democracy Index 2014

**The overall score of NMS-8 in democracy between 2006 and 2014, on the 1–10 scale (10 = best)
167 countries**

	2006	2008	2010	2011	2012	2014
BG	7.10	7.02	6.84	6.78	6.72	6.73
CZ	8.17	8.19	8.19	8.19	8.19	7.14
HR	7.04	7.04	6.81	6.73	6.93	6.93
HU	7.53	7.44	7.25	7.04	6.96	6.90
PL	7.30	7.30	7.05	7.12	7.12	7.47
RO	7.06	7.06	6.60	6.54	6.54	6.68
SI	7.96	7.96	7.69	7.76	7.88	7.57
SK	7.40	7.33	7.35	7.35	7.35	7.35

The overall score has been composed of (1) electoral process and pluralism, (2) functioning of government, (3) political participation, (4) political culture and (5) civil liberties.

EIU, The Economist Intelligence Unit (2015) Democracy Index 2014, http://www.eiu.com/public/thankyou_download.aspx?activity=download&campaignid=Democracy0115

Table 3

World Economic Forum, Global Competitiveness Index (GCI) NMS-8 between 2005 and 2015

Rankings in 122–148 countries

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BG	61	72	79	76	76	71	74	62	57	54	54
CZ	29	29	33	33	31	36	38	39	46	37	31
HR	64	51	57	60	61	76	80	81	75	77	77
HU	35	41	47	62	58	52	48	60	63	60	63
PL	43	48	51	53	46	39	41	41	42	43	41
RO	67	68	74	68	64	67	77	78	76	59	53
SI	30	33	39	42	37	45	57	56	62	70	59
SK	36	37	41	46	47	60	69	71	78	75	67

WEF, World Economic Forum (2015) Global Competitiveness Report 2015–2016, http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf

(European Catch-Up Index 2014). At the same time there are largely divergent patterns in the developments of the individual member states from Poland to Hungary.²

Outlining the new conceptual framework, the point of departure is that the formal democratization of the big institutions in NMS as an external Europeanization has opened up the legal space for the EU membership but it has meant only the precondition for the internal Europeanization. It has invited the citizens for political participation, but due to socio-economic exclusion and political marginalization people could not take this opportunity. The level of participation, including the electoral participation, has been very low

² In the mainstream literature, Poland represents the best case scenario in NMS and Hungary the worst case scenario. Still as Rupnik and Zielonka paper demonstrates, the common historical trajectory can be seen in both cases producing negative informal institutions. On the informal organizations or civil sector see EEA and Norway Grants Report (2014) Mid-Term Evaluation of the NGO Programmes under the EEA and Norway Grants (2009–2014), Part Two, Country Reports (e.g. Hungary pp. 28–47 and Poland pp. 95–119).

in NMS, especially in the EP elections, since the hard fact is that the social exclusion leads to the political exclusion, in several ways. The social deficit in NMS has been turned into political deficit generating the weakness of democracy, including that of good governance. Finally, just a big European façade of the big formal institutions has been created in NMS without the full architecture of democratic institutions.

The decline of democracy can be described—as the EIU does—in the simplest way by the contrast of formal and substantial (“informal”) democracy, which leads to the weakening, or finally crumbling, of the big formal institutions. This weakness of democracy has been more and more evident in NMS from the wide databases of the ranking institutions, since the split between the formal and informal institutions has been exposed for a long time by the EIU. As the *Democracy Index 2014* notes, “Democracy has also been eroded across east-central Europe. (...) although formal democracy in place in the region, much of the substance of democracy, including political culture based on trust, is absent.” (EIU 2015: 22). Earlier the old institutionalisms focused on formal institutions as “legalism” in a normative analysis, while new institutionalisms have emphasized the social and cultural embeddedness of development patterns for the institutional change. There has been a hidden agenda, indicated by Douglass North at the very start of NMS democratizations:

Although formal rules may change overnight as the result of political or judicial decision, informal constraints embodied in customs, traditions and codes of conduct are much more impervious to deliberate policies. These cultural constraints not only connect the past with the present and future, but also provide us with a key to explaining the path of historical change (North 1990: 6).

Actually, as it will be discussed later, the NMS countries have developed “low trust societies” (Table 4).

Table 4
WEF rankings in the institutions and in public trust in politicians

Table 4a
WEF rankings in institutions, NMS-8 between 2008 and 2015
Rankings in 134–148 countries

	2008	2011	2012	2013	2014	2015
BG	111	110	108	107	112	107
CZ	72	84	82	86	76	57
HR	74	90	96	93	87	89
HU	64	73	80	84	83	97
PL	88	52	55	62	56	58
RO	89	99	116	114	88	86
SI	49	55	58	68	75	67
SK	73	101	104	119	110	104

The twin process of Europeanization and Democratization for NMS meant initially the creation of the big formal institutions in the checks and balances system, followed later by the institution transfer from the EU. In order to get the formal membership the NMS countries have established all EU *formal* institutions, although not (yet) the proper *informal*

Table 4b

WEF rankings in the trust in politicians, NMS-8 between 2008 and 2015
Rankings 134–148 countries

	2008	2011	2012	2013	2014	2015
BG	112	95	85	97	130	110
CZ	117	134	139	146	138	107
HR	79	104	115	114	124	122
HU	94	130	128	129	113	120
PL	113	76	90	100	101	100
RO	106	119	133	141	109	112
SI	47	96	116	133	133	106
SK	115	132	136	139	121	113

WEF, World Economic Forum (2015) Global Competitiveness Report 2015–2016, http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf

institutions of civil society. This twin institution-building has created the formal institutions for (party) *competition* in the emerging NMS democracies, but it has only given some opportunity for (citizen) *participation*, if the proper informal—mobilizing and supporting—institutions with the patterns of civic political culture could have also been created in this process. It has been assumed that the establishment of the big formal institutions has accomplished the transition to democracy, so the NMS countries have become democratic and would stay democratic. The big Western constitutional institutions have been transferred to NMS without their socio-cultural environments, i.e. without a proper social embedment. Hence sustainable democracies have not yet emerged in the NMS region, since the meaningful political participation has still been missing in NMS (Demetriou 2013 with the NMS country chapters).³

As the analysis of the Bruegel Institute has warned, “the convergence dream” has failed (Darvas 2014, see also IMF 2014a,b). The twin phenomena of convergence and divergence between the EU as a whole and the NMS region have appeared in the global crisis from a new side, since in this period the clusters of socio-cultural patterns in modern human and social services have become decisive in the recent, extended meaning of economic competitiveness in the unfolding knowledge economy. The divergence between/among the domestic sectors of “new economy” in the NMS countries—e.g. innovation and education—have also suffered from the split between the external and internal Europeanization, resulting in a new “thin” Europeanization (Tables 5–6). Namely, in those policy fields belonging to the external-formal Europeanization and in the “old economy” some convergence can be noticed with the Core Europe. However, in those policy fields that belong to the internal-substantive Europeanization and to the member states’ competences, i.e. in the “new economy” as the human investments and social public services do, the divergence from the

³ The backsliding of the NMS democracy has been largely described and documented by the big international ranking institutions like the Bertelsmann’s *Next Generation Democracy Report* (Bertelsmann 2015: 8, 16, 23) and The Economist’s *Democracy Index 2014* (EIU 2015: 2, 18, 22). This process has been comprehensively analysed and assessed in the recent academic literature both from the perspectives of the 25 years of systemic change and the 10 years of the EU membership (see first of all the volumes of Blokker 2013; Rupnik and Zielonka 2013; Banac 2014 and Epstein and Jacoby 2014).

Table 5
R&D expenditure as % of GDP of NMS-8 between 2004 and 2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BG	0.48	0.45	0.45	0.44	0.46	0.51	0.59	0.55	0.62	0.65	0.80
CZ	1.15	1.17	1.23	1.31	1.24	1.30	1.34	1.56	1.79	1.91	2.00
HR	1.03	0.86	0.74	0.79	0.88	0.84	0.74	0.75	0.75	0.81	0.79
HU	0.87	0.93	0.99	0.97	0.99	1.14	1.15	1.20	1.27	1.41	1.38
PL	0.56	0.57	0.55	0.56	0.60	0.67	0.72	0.75	0.89	0.87	0.94
RO	0.38	0.41	0.45	0.52	0.57	0.46	0.45	0.49	0.48	0.39	0.38
SI	1.37	1.41	1.53	1.42	1.63	1.82	2.06	2.43	2.58	2.59	2.39
SK	0.50	0.49	0.48	0.45	0.46	0.47	0.62	0.67	0.81	0.83	0.89
EU	1.76	—	—	—	—	—	—	—	—	—	2.03
SW	3.39	—	—	—	—	—	—	—	—	—	3.16

Eurostat, 30 November 2015, best performer Sweden http://ec.europa.eu/eurostat/statistics-explained/index.php/R_%26_D_expenditure

Table 6
Expenditure on education as % of GDP of NMS-8 between 2004 and 2011

	2004	2005	2006	2007	2008	2009	2010	2011
BG	4.40	4.25	4.04	3.88	4.44	4.58	4.10	3.82
CZ	4.20	4.08	4.42	4.05	3.92	4.36	4.25	4.51
HR	3.87	3.98	4.04	4.02	4.32	4.42	4.31	4.21
HU	5.44	5.46	5.44	5.29	5.10	5.12	4.90	4.71
PL	5.41	5.47	5.25	4.91	5.08	5.09	5.17	4.94
RO	3.28	3.48	—	4.25	—	4.24	3.53	3.07
SI	5.74	5.73	5.72	5.15	5.20	5.69	5.68	5.68
SK	4.19	3.85	3.80	3.62	3.61	4.09	4.22	4.06

Eurostat, June 2015 (http://ec.europa.eu/eurostat/statistics-explained/index.php/Educational_expenditure_statistics)

mainstream EU trend has recently increased, since the NMS countries have been unable to switch to the “innovation-led growth.”

In the mid-2010s the bad news is that those drivers that are responsible for the high competitiveness have been hardly created or they have still been largely missing in NMS. There has been so far no sustainable social progress, and the increasing risk of peripheralization within the EU has appeared. The good news is that the new Europeanized social strata are on the move in NMS and for them Europeanization and Democratization have been more closely interwoven than ever before. Due to the global crisis the NMS region is now facing further drastic transformations within the EU, which may also be pushing to the direction of the internal Europeanization. Altogether, the first decade of the EU membership in NMS has been a very controversial development with many achievements and failures.⁴

⁴ Our research team has analysed the first ten years of EU membership in its various dimensions, see Ágh, Kaiser and Koller (eds), 2014. I have discussed the impact of global crisis on the EU in Ágh, 2014.

The Democracy Capture: the Emergence of Façade Democracy in NMS

With the change of paradigms in the NMS academic literature the terms of formal and informal institutions as well as those of state capture and oligarchization have come to the fore. However, in my view, the democracy capture is the best term expressing the basic transformation of turning the initial formal democracy into some kind of façade democracy that looks democratic from outside and on the surface, but it is increasingly authoritarian inside and in its real substance (Ágh 2015b). The democracy capture can be also described as “velvet dictatorship,” in which the new kind of authoritarian regime works without direct oppression. The velvet dictatorship has been based on the negative informal networks of the joint political and business elite on one side and on the media hegemony of the over-centralized power centre on the other. The essence of this system is that it has eliminated the actual workings of the checks and balances system and it has excluded the meaningful participation of citizens.

The elaboration of distinction between the formal and informal institutions belonged to the theoretically neglected issues for a long time. The first Quarter-Century has shown, however, that the establishment of the big formal institutions has been much easier in the NMS young democracies than that of the corresponding-supporting small informal institutions of civil society. Analysing the Eastern Enlargement Heather Grabbe already distinguished between the “hard policy transfer” of formal institutions and the “soft policy transfer” of ideas, norms and attitudes from the EU (2006: 36) and raised the issue of the balanced relationship between them. The democratization process in NMS, however, has proved to be much more controversial than expected, since it has produced a shocking asymmetry between formal and informal institutions, and finally even the big formal institutions have been eroded more and more. They have become to some extent a legal-formal façade of these Potemkin democracies, although in very different ways in the NMS countries. As Antoaneta Dimitrova argues, “If formal and informal rules remain different and do not align, institutionalization will not take place.” and the big formal institutions turn to be “empty shells without substance” (2010: 138–139).⁵

Actually, the formal institutions have not worked properly without a vibrant civil society and deeply ingrained democratic norms. Therefore nowadays there have been more and more warnings in the NMS academic literature about the erosion of the formal institutions. Many analysts have pointed out that the definitions of democracy with a “procedural minimum” in the workings of the big formal institutions have a limited explanatory power. Namely, summarizing the experiences of the first years of EU membership Paul Blokker has concluded that the EU has prioritized the formal institutions related to the rule of law, whereas overlooked the “sociological-substantive dimension to the building of constitutional democracy.” Blokker has repeated the distinction between the formal and informal

⁵ Given the huge literature on civil society, it is enough here to refer to the comprehensive overview of Heidebreder. This long report has also discussed the impact of the EU membership on the NMS civil society, and concluded that it has not yet followed the EU’s participatory turn (2012: 9–11). Thamy Pogrebinschi notes that “Higher demands for participation lead to higher political dissatisfaction when institutions do not properly accommodate them.” and this leads to a situation of “misalignment of citizens’ demands and political institutions’ supply” (Pogrebinschi 2014: 55, 58).

institutions in the terms of legal constitutionalism and civic constitutionalism. He has emphasized that the latter is the “dimension that involves democratic learning and deliberation, as well as engagement and participation” (2013: 2). Similarly, Lise Herman has analysed the erosion of the NMS democracies from the side of party-citizen dynamics and the socializing role of parties. She has concluded that a “culturalist” theory of democracy is needed, based on the comprehensive analysis of civil society to describe properly the process of democratic consolidation, which should have been a process of radical cultural change as a real participatory turn (Herman 2015: 14–17). The democratic political learning as the cognitive change of the NMS populations has turned out to be the main precondition of sustainable democratization, while the former mainstream theories have been unable to explain properly the current decline of democracy in NMS because they have usually preferred the minimalist concept of democracy. Therefore, these “minimalists” have considered the creation of the institutional façade sufficient for the establishment of sustainable democracy that has proved to be wrong.

Nowadays, these arguments of “democracy minimum” have come back in many NMS countries—and also by the EU authorities—as some kind of conflict avoidance. Even more so, the political elites in some NMS countries have been looking for the ideological protection in these minimalist theories in order to sell home and abroad their eroding democracies with the strong authoritarian features as full democracies, like the Hungarian case. Actually, in the NMS historical trajectory the informal institutions have developed a dual-face with their democratic and autocratic varieties. In the NMS countries step by step some negative informal institutions as clientele-corruption networks came to being and turned to be even dominating, so some varieties of façade or Potemkin democracy have emerged. Finally nowadays, as a reaction to this distortion of democratization, the new forms of democracy supporting informal institutions have been activated by the citizens’ resistance, as the substitutes for the declining-weakening big formal democratic institutions that will be discussed below.

This process of emptying the NMS democracy due to the weaknesses of the “positive,” democracy supporting informal institutions and to the emergence of “negative,” clientele-based informal institutions has been overviewed in the Rupnik-Zielonka paper (2013). They have offered fresh approach of the history of democratization by focusing on the conceptual frame of the negative informal institutions, and have identified the special NMS type of these institutions as the comprehensive system of “closed” party patronage (see also Kopecky 2012). The non-transparent clientele-corruption networks between politics and economy have undermined the big formal institutions, so they have been responsible for the declining democracy. Moreover, the overview of their comprehensive analysis leads further to the well-known theory of state/agency capture (see e.g. Innes, 2014), since it widens the picture on the decline of democracy and turns the attention to the process of oligarchization in NMS.⁶

⁶ The distortion of civil society may take several forms (see Amnesty International, 2015). There has been a large academic literature about “uncivil society” and/or “bad civil society.” This paper refers to the “negative” corrupt clientele networks that have dominated over the “positive,” democracy-supporting informal institutions in NMS. This type of negative informal institutions have been widely analysed by Rupnik and Zielonka (2013), while for the theory of state capture see Innes (2014).

Basically, for explaining the reasons of “democratic regression,” Rupnik and Zielonka have put the contrast of formal and informal institutions at the centre of their analysis. They consider that so far the “political scientists have devoted considerable attention to the study of formal institutions in the region such as parties, parliaments and courts. However, informal institutions and practices appear to be equally important in shaping and in some cases eroding democracy, and we know little about them.” (Rupnik and Zielonka 2013: 3). In fact, there has been more and more a “gap between the institutional design and actual political practices,” hence no sustainable democracy has emerged (Rupnik and Zielonka 2013: 7). They have pointed out the weaknesses of the former assessments by referring to the simple fact that the political debates across the NMS region have missed “the role of informal politics in undermining formal laws and institutions,” although the formal democratic institutions “perform differently in different political cultures because of informal codes and habits” (Rupnik and Zielonka 2013: 12). They have summarized the historical trajectory of NMS countries as the road from democratic transition to “democratic regression.” These countries had embarked on a democratic transition in the nineties, and while they were considered as consolidated democracies in the 2000s when they joined the EU, they have still slid back to democratic regression. Altogether, “Over years, students of Central and Eastern Europe have acquired a comprehensive set of data on formal laws and institutions, but their knowledge of informal rules, arrangements, and networks is rudimentary at best.” In such a way, the reason for backsliding of democracy is that the “informal practices and structures are particularly potent of Central and Eastern Europe because of the relative weakness of formal practices. Informal practices and networks gain importance when the state is weak, political institutions are undeveloped, and the law is full of loopholes and contradictions.” All in all, “cultural anthropologists are probably more suited than political scientists to study social networks.” (Rupnik and Zielonka 2013: 13, 14).

Thus, the new NMS literature has described the decline of democracy in the conceptual framework of oligarchization, corruption networks and state capture, in general as the historical trajectory “from corruption to state capture” (Corruption Research Centre ACRN-CRCB 2015, see also EC 2014 and Transparency International 2014). But in my view state capture has turned in some cases—first of all in Hungary—to “democracy capture” by the ruling elite producing a façade democracy. The informal clientele-corruption networks of oligarchs have produced a new kind of political system by turning the big formal institutions to the “sand castles” built on the moving sand. Or to a great extent they have been transformed to a mere façade, i.e. reducing this new political system to some kind of Potemkin democracy where the checks and balances system has been paralysed. The corruption in NMS is not marginal phenomenon, but it is the very essence of the kleptocracy system in the “normal” workings of the Potemkin or facade democracy. This system of power has de facto been based on the joint politico-business groups with a fusion between economy and politics. The social clientele networks can also be described like the modernized system of “feudal” dependence of “vassalage,” or as some kind of the subordination pyramid for mutual support and protection in exchange for certain privileges. In this cleptocratic system, the “vassals,” clients or subordinates have been organized into a large, nation-wide political family.

In this perverse world of democracy capture with a façade democracy everything is “legal,” including the corruption through the public tenders, since the rule of law has been turned into the “law of rule” or “rule by law.” The politico-administrative elite have merged—or at least have been “synchronized”—with the oligarchical business elite to form unified politico-business elite, which have legislated accordingly to make all their actions “legal.” Following the footsteps of the Southern member states, the European transfers in NMS have been diverted from their original functions and have mostly been distributed among the most influential oligarchs. The regulations for the EU transfers have not disturbed these clientele networks because they have been completely adapted to this system, and therefore with the EU transfers they have not only survived but even blossomed (Roth 2014).

Neither the domestic democratic forces nor the EU authorities have prevented the development of the negative informal institutions that has resulted not only in state capture, but also in the “capture” of EU transfers by the domestic oligarchs to a great extent. The decline of democracy began in the chaotic situation of the nineties when the emerging weak democratic state was not able to control the multidimensional—political, economic, social and cultural—transformations. Moreover, the pressure of global crisis has also weakened the states in NMS, and the ensuing state capture by these powerful politico-business elites has been accomplished by the democracy capture, i.e. by maintaining the democratic façade, but with some kind of oligarchic rule behind. The “law of rule” instead of “rule of law” has created a thin legislative façade as well as a non-transparency world to cover the corrupt business networks and the illegitimate political actions of the joint politico-business elite. These activities in the closed, negative informal organizations cannot be seen by the “outsiders,” so both the abuse of political power and the increasing wealth of oligarchs are mostly hidden from the population at large. It is not by chance that the transparency is the main weapon of the democracy supporting organizations that removes the pseudo-democratic façade and discovers the cleptocratic-clientelistic system behind.

These deficiencies of the declining democracies can be described and measured in the terms of classical twins of competition and participation. In the present stage of declining democracies the competition has been restricted to the parliamentary and municipal elections among the party elites with a relatively low participation, and in most cases participation has been reduced to electoral participation. The competition has been eroded by the high level of apathy and the missing state transparency. The citizens have remained without any meaningful information and strong motivation for the proper actions in the elections, and even more in their non-electoral civic activities. Thus, in NMS there has been no genuine participatory democracy after the Quarter-Century of Europeanization and Democratization.

The “Western Fallacy” of the Simplified Modernization Theory in NMS

Europeanization and Democratization has often called Westernization in NMS, and rightly so, because the NMS countries have wanted not only to catch-up with the West in socio-economic terms, but also to create a democratic order following the Western model

of democracy. This model is consensual both for the majority of the populations and for the analysts in NMS, but the real problem is how to get there. The major difficulty is that there has been a particular “Western fallacy” of the simplified modernization theory applied to NMS that presupposes a virtuous circle of legal-political, socio-economic and cultural-civic developments. This fallacy has been embraced by many NMS analysts and politicians, since it has provided an easy, quick and optimistic model. This evolutionary model of copying the “West” in the “East” as “blueprint thinking” assumed that the West offers not only a model of democracy, but also a Road Map leading to its model. This “Western Road” in the East presupposes from the socio-economic side that there is sustainable economic growth, which generates sustainable social development (strong middle class and solving the problems of social inclusion), and the ensuing prosperity creates sustainable participatory democratization. Similarly, from the legal-political side, the establishment of formal institutions generates strong informal institutions, and this mature civil society would play its proper role in mobilizing citizens for controlling-balancing the state.

Ernest Gellner emphasized already in the nineties the importance of participatory democracy with vibrant civil society for the new democracies. Therefore he warned from the view of civil society as a space of atomised individuals: “Atlantic society is endowed with Civil Society and on the whole, at any rate since 1945, it has enjoyed it without giving much or any thought. Much contemporary social theory takes it for granted in an almost comic manner: it simply starts out with the assumption of an unconstrained and secular individual, unhampered by sociological or theological bonds, freely choosing his aims, and reaching some agreement concerning social order with his fellows. In this manner, Civil Society is simply presupposed as some kind of inherent attribute of the human condition” (Gellner 1996: 10). Despite this warning, the Eastern carbon copy of the “Western Road” in NMS has suggested that democracy will work right after the establishment of formal institutions, solving the problems in a virtuous circle, since political-legal, socio-economic and cultural systemic changes will support each other, even in the short run with a series of positive, reinforcing feedbacks. However, this conceptual framework has proved to be false for the “Eastern Road” because it has taken into consideration neither the specific problems of NMS as the local-regional path dependence, nor the negative externalities coming from the EU and globalization. The former mainstream literature assumed that the formal institutions created the informal ones “automatically” in a positive spiral. But in fact, a negative spiral was set in motion, in which the missing informal institutions have eroded the formal ones. The civil organizations and civic attitudes themselves have been weakened by the series of socio-economic crises in NMS, whereas the strong negative informal institutions have been organized by the emerging politico-business clientele networks.

The recent democratic innovations, however, thanks to the re-emerging role of “epistemic communities” of political analysts, have elaborated a new conceptual framework. This concept has relied on the analysis of social capital and trust in political institutions that have been neglected in NMS theories in the long period of harsh optimism. Basically, due to their inherited mental structures people act habitually, namely the learned behaviours as cognitive templates represent specific informal institutions. Trust enables and facilitates cooperation, especially in the conditions of uncertainty or rapid changes, but trust may be

destroyed by negative experiences, it may turn to distrust, suspicion or even hatred. In the “low trust societies” the trust is predominantly embedded in the personalized relationships and informal social networks, while in “high trust societies” the systemic or generalized trust is more developed and it is present in both public and private institutions and organizations. Basically, in the low trust societies there is a clear-cut separation between private and public. The private is the space of security, trustworthiness and solidarity, whereas the public is perceived as a dangerous inimical arena of uncertainty. In terms of Robert Putnam, bonding social capital (inward and person-oriented) and bridging social capital (outward and institutions-oriented) has to be distinguished. In these societies the bridging social capital is blocked by reciprocal suspicion and it cannot reduce uncertainty and provide predictability, while bonding social capital is restrained by the legacies of private networks and closed communities, due to the long, hostile history of oppressive statehood (see the large literature on this issue in Roth 2014).

Based on these inherited informal rules and institutions, and reinforced to a great extent by the negative effects of global crisis, the low trust in public institutions and politicians is very typical in NMS, they are “low trust societies.” Actually, in the formally EU-integrated NMS societies the interplay of the newly established Western-type formal institutions and the old Eastern-type informal institutions produces big institutional dysfunctions. In the thicker definition of inclusive institutions the path dependency, the inertia of institutions and behaviours has played a very important role, combined with the destructive role of socio-economic crises. Thus, a sophisticated process-tracing of the institutional setting is needed to elaborate the critical junctures in the punctuated development to capture the rapid bursts of institutional change in the EU accession followed by long period of stasis during the membership. Even more so, the new institutional set up has generated an institutional drift from the Western model since the 2000s to some kind of “crony capitalism” with systemic corruption and authoritarian renewal that can be best observed nowadays in Hungary.

Consolidation theories in the 2000s presupposed that NMS reached the point of no return, since the civic culture was developed enough and sufficiently embedded to securing a certain resistance to crisis. But the developments since the late 2000s have proved that instead of consolidation there has been a recurring crisis pattern in this region. This is partly due to the global crisis, that has hit seriously the NMS countries, but mostly to the inherent weaknesses of civil society, since there has been not enough resistance in society to the authoritarian turn represented by the clientele networks discussed above. The Western Road theorists have ignored both the impact of the socio-economic crises and the negative feedbacks between the economic, social and political systemic changes, undercutting each other. So the sunny side narrative by the 2010s has increasingly turned to a shadowy side narrative in the academic literature evaluating the Quarter-Century. The socio-economic crises have had a detrimental effect on democratic norms and on the EU identity of the NMS populations, hence the old narrative has lost its analytical value.

All in all, the Western fallacy of the easy and rapid Democratization through the establishment of the big formal institutions has proven to be not only false but also misleading for the NMS countries. The transfer of EU institutions has generated no automatism, since the inherited social networks—based on the former non-democratic habits and practices—have

prevailed and they have been more and more activated by the successive socio-economic crises in the Quarter-Century.⁷

Conclusion: The Bottom-up Democratization in NMS as a Second Try

The democratization in NMS has had so far a *top-down* historical trajectory that has not been completed in the First Try, therefore it has to be changed into the *bottom-up* democratization in the Second Try. The informal politics has recently come to the fore worldwide, but especially in NMS with an opening perspective of redemocratization. The EEA and Norway Grants Agency has presented a Report about the last five year period (2009–2014) of the democracy supporting civil organizations in NMS. The Grants Report is an assessment of the Agency's activities, but it has provided a larger view on the situation of the NMS civil society in general. The Agency's key task is to support "vibrant civil society" by "making democracy truly functional" and by "strengthening the functioning of democratic institutions" (Grants Report 2015, First part: 1). The "innovation challenge" is particularly important in this respect, since "working for social change requires innovation in thinking and acting to respond to the new realities." The Report considers that there have been some positive signs of remobilization of civil society in NMS: "While the national NGO sectors are facing their challenges with innovation, the nature of civic action is rapidly changing worldwide. There is a new energy of individuals and groups beyond traditional NGOs—informal groups, bloggers and informal platforms in social media. (...) A critical challenge for both donors and NGOs is how to grasp the new dynamics, how to tap into this new energy for social change of various pop up civic initiatives, new interactive spaces and communities." (Grants Report 2015, First part: 5).

The activities of the democracy supporting civil organizations are instrumental in dismantling the state and democracy capture by elaborating and implementing democratic innovations and organizing-mobilizing mass movements for the participatory democracy. In such a way, the informal institutions have become the real battle ground between the democratic and antidemocratic forces in NMS because they have gained more and more influence. The informal institutions with their democratic innovations have been acting as "icebreakers," since they have provided special political and policy instruments for the breakthrough towards the re-establishment of democracy. It is not by chance that in some NMS countries they have been qualified by the authoritarian governments as "agents of foreign powers."

Altogether, the reports of the international and national informal institutions have dispipated the myth of the "consolidated democracy" in NMS, and they have discovered that these facade democracies have been based just on the illusions of the effective competition and political participation. The joint politico-business elites have used many legal tricks for the restriction of opposition and they have manipulated the official communications by using and abusing "the politics of historical memory," i.e. creating enemy images by the

⁷ The current „dual crisis”—the Ukrainian and refugee crisis—in the EU has changed the domestic politics of the NMS countries to a great extent. The NMS governments have used some kind of "Scare Strategy" that has reinforced the enemy images among the populations. This new situation needs a separate analysis.

falsification of history. Thus, with the erosion of the formal checks and balances system of the formalized macro-institutions, the balancing and mobilizing role of the democracy supporting informal micro-institutions have been upgraded. They cannot replace the big formal institutions but they can offer powerful correction mechanisms against the backsliding of democracy, and above all, mobilizing networks for a participatory democracy. The civic organizations have become the most important actors in democratic innovations, including the scientific-expert innovations, initiated by the research of the academic community in NMS.

In the system of the external-internal linkages the democracy supporting international NGOs and/or policy institutes have played an important role world-wide, e.g. International Institute for Democracy and Electoral Assistance (IDEA 2014). They have been specialized in democratic innovations and their implementations, and their importance has recently increased, especially in the countries with big democracy deficits. Accordingly, the national institutions for supporting the democracy in NMS have taken either part directly in the global institutional networks as the Transparency International, Helsinki Committee and the likes, or they have emerged in their national specificity of the civic, local, minority and gender issues, although in most cases these two kinds of NGOs have been closely interwoven and the “national” NGOs usually also get some support from the international NGOs. Overcoming the widespread apathy, the participatory turn is very high on the agenda in the NMS countries. After the long period of “top-down democratization” producing the decline of democracy the “bottom-up democratization” may offer a Second Try in NMS for redemocratization.⁸

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⁸ In this paper I have focused on the general NMS-8 developments as the decline of democracy. I do not deal with the recent Hungarian development, since I have recently prepared a special paper with the title *Redemocratization efforts in Hungary as a second try: Civil society organizations and mass movements* (in press). I have also some current papers about the Hungarian party system (e.g. Ágh 2015c).

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Biographical Note: Attila Ágh is a Professor of Political Science at Budapest Corvinus University. He was the Director of Research Centre “Together for Europe” and the President of the Central European Political Science Association. He was also a visiting professor at many universities from Aarhus to Los Angeles. His research interest is comparative politics in the Europeanization of Central Europe.

E-mail: agh.attila41@gmail.com