



- ◎ **DE-EUROPEANIZATION AND DE-DEMOCRATIZATION TRENDS IN ECE: FROM THE POTEMKIN DEMOCRACY TO THE ELECTED AUTOCRACY IN HUNGARY**

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DE-EUROPEANIZATION AND DE-DEMOCRATIZATION TRENDS IN ECE: FROM THE POTEMKIN DEMOCRACY TO THE ELECTED AUTOCRACY IN HUNGARY

Attila ÁGH¹

The decline of the “deficit democracies” in East-Central Europe has accelerated during the global crisis. Nowadays it is rather difficult to find the proper term for these hybrid polities between democracy and non-democracy. The main tendency is the growing gap between the formal democracy and substantial democracy that has been hollowing out the democracy and deepened into De-Europeanization and De-Democratization. This tendency has been the most evident and visible in Hungary as a worst-case scenario, since after the 2010 elections a genuine Potemkin democracy has emerged in Hungary with a democratic façade but with a quasi “one-party rule” behind that has turned by the 2014 elections into an elected autocracy. In the other ECE countries this decline has been much less marked, but the fusion of economy and politics has still taken place with the increasing public-political role of oligarchies, reaching even the government level. The decline of democracy - with this emptied Potemkin democracy and its oligarchical elite party politics - has generated deep dissatisfaction of the ECE populations and it has led to the collapse of the first party systems in the series of the “critical elections.”

Key words: de-democratization, de-Europeanization, informal institutions, state/agency capture, democracy capture, chaotic democracy, elected autocracy.

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1 INTRODUCTION: THE AGE OF UNCERTAINTY IN THE ECE COUNTRIES “IN-BETWEEN”

The decline of democracy has been a common tendency in the ECE polities in general and in the ECE party systems in particular. Nowadays the ECE countries are “in-between”, i.e. somewhere between democracy and non-democracy. Although this historical trajectory has been largely described in the international scholarship, it has still remained a very much-contested issue among the ECE academics due to the high national sensitivities and the apologetic efforts of the incumbent governments. The international political science has discussed the ECE region in terms of declining democracy at least since the 2007 Special Issue of *Journal of Democracy* (Rupnik 2007). On the occasion of the Ten Years of the EU Membership the ECE democracy decline has recently been reviewed by the 2013 Special Issue of *East European Politics and Society* (Rupnik and Zielonka 2013) and by the 2014 Special Issue of *Journal of Common Market Studies* (Epstein and Jacoby 2014).²

This decline has been confirmed and well-documented by the big ranking institutions, like the Bertelsmann Foundation, The Economist Intelligence Unit (EIU) and the Freedom House (FH, with Nations in Transit, NIT Reports) and the likes. At the first glance, indeed, there has been a growing gap between the formal democracy and substantial democracy from the very beginning of systemic change as widely documented by the Freedom House and the EIU year by year. This gap has led to the increasing tension between the level of socio-economic development and the policy performance of these countries, indicated by the contrast between the situation index (SI) and management index (MI) of the Bertelsmann Transformation Index (BTI). These comprehensive assessments have also been supported by the data on the growing corruption in ECE by the Transparency International and many other international institutions on the low trust in political elites. Finally, this basic contradiction has generated the decreasing competitiveness, described in the annual reports of the World Economic Forum (WEF) and the Institute of Management Development (IMD), so this “matrix” of historical trajectory has been completed by their worsening global rankings. Thus, despite the national sensitivities in the ECE countries and the apologetic views of the loyal experts around the national governments, the “medical check-up” of these countries has indicated serious socio-economic and political crisis as a converging assessment of all relevant international policy institutes.³

Moreover, the international media has also reported from the ECE countries about the electoral landslides and the high corruption scandals, and about the demonstrative actions of the oligarchs in and around the governments. These events have been accompanied by the decreasing popularity of the ECE parties and governments and by the increasing apathy, mass protest, radicalism and

² I continue here my analysis on democracy decline (Ágh 2014b) and I have recently written a paper on the transformation of the ECE party systems (Ágh 2014d). There has been a huge literature on democracy, but there has also been recently an increasing literature on dictatorships, or on the relationships between democracy and dictatorship as well. For the theory of electoral autocracy see e.g. Schedler (2006), on populism in general see e.g. Laclau (2007), Mudde (2014), Krouwel (2012), Giusto et al. (2013) and Melzer and Serafin (2013). In the comprehensive study of democracy, the book of Papadopoulos (2013, 2–3) discusses the “hollowing-out of democratic politics” (with a reference to Guy Hermet), which has been very characteristic for the ECE developments.

³ This paper relies mostly on the Bertelsmann country reports, the Economist Intelligence Unit (EIU) and Freedom House (FH), World Economic Forum (2012, 2013) analyses, and the OECD (2013a,b, 2014) and Transparency International (2014) Reports.

Euroscepticism among the populations generating a huge trust gap between the elite and the citizens. The loyal analysts in ECE can close their eyes before these developments, they can bagatelle them and/or enlist only the achievements, but in such a way “the lack of the deep substance of democracy remains largely and voluntarily unobserved” in ECE (Papadopoulos 2013, 2). The denial of this negative tendency just aggravates the situation, since it prevents to discover the causes of democracy decline. In the international political science, however, there has been a large variety of possible explanations with competing conceptual frameworks and terminologies for characterising this special situation in the “East” as hybrid/deficit democracies, semi-authoritarian systems, the tendencies of national-social populism, Euroscepticism, social de-anchoring, crony or patrimonial capitalism/democracy, informal politics/networks, unorthodox parties etc. All these terms and theories point to the same direction by describing the same situation of the democracy decline, backsliding or “regression of democracy” from various sides.

As a result, in the political science the study about the Democratization and Europeanization of the ECE countries has entered the Age of Uncertainty. There are big troubles around the democracy definitions, between the positive-optimistic and negative-pessimistic assessments of their recent developments. Many new terms have been whirling around with basically different – thin and thick - criteria of democracy and with the ensuing contradictory evaluations. The mainstream analyses have used the polite terms as hybrid, deficit or half-democracy, since some negative issues are too evident, first of all in the ECE parties and party systems. The increasing corruption and decreasing trust in politics and politicians can be already seen on the surface, but they have been treated in most cases separately and not in their organic connections as the *systemic features* that demonstrate the “deep decline” in the new democracies. In order to avoid the negative evaluations, many studies go back to the minimalist definition of democracy as the electoral democracy with “free” and “fair” elections and with the basic human rights. Supposedly this allows for qualifying these polities as democracies, but at the high price by neglecting both the “unfair”, illusionary, non-representative character of the elections and the actual socio-political exclusion of large masses, which also prevent them enjoying their “individual freedoms”.

However, beyond these shy and loyal explanations, it is obvious that in the broad set of the literature based on a systematic review of the main positions, nowadays more and more international criticism concerns those regimes that are as a result of “hybridization” somewhere “in-between”. These regimes are placed somewhere between democracy and non-democracy, and the latter may be termed as illiberal democracy, semi-authoritarianism, competitive authoritarianism and quasi dictatorship. On one side, according to the recent political science literature these hybrid regimes, that have been combining characteristics from both democracies and dictatorships, can also be found in ECE. On the other side, not only democracies but also the various soft kinds of dictatorships are still a widespread phenomenon even in Eastern Europe. Many dictatorships, in order to legitimise the regime, allow for some sort of manipulated and/or controlled elections e.g. as electoral autocracies and competitive authoritarianisms. Hence democracy and dictatorship have been nowadays under-theorised, given the fact that dictatorships could have embraced some core elements of democracy, while democracies could have been hollowed out by developing some authoritarian features. It is not enough any longer separating only the two main forms of regime types from each other in a simplistic way as analytical devices, i.e. describing democracy merely as the opposite to dictatorship. The theory of democracy needs a new systematization

by providing definitions of both democracies and non-democracies as theoretically funded conceptualization with all sub-types in-between, since the usual analyses often lack the traits of the holistic or systemic approach. However, democracies and dictatorships, and their hybrid variants or sub-types in-between, can only be systematized by nuancing the earlier radical, mutually exclusive distinction between democracies and dictatorships. The systematization implies also that the emergence of hybrid democracy a process, but earlier only the transition to democracy was studied, whereas nowadays the systematization includes *the transition from democracy to the authoritarian regimes*. The various regimes as in-between sub-types have also to be geographically-regionally clustered e.g. in the ECE case (Lidén 2014, 50, 53).

Altogether, it is rather difficult to find the proper term for these hybrid polities between democracy and non-democracy in ECE. Basically, there are two models of explanation of democracy decline that may be described in the terms of the EU convergence and divergence. Democratization and Europeanization are, indeed, the two sides of the same coin, although De-Democratization (De-Dem) and De-Europeanization (De-EU) are also the same. The first model is evolutionary and optimistic, and it was dominant for a long time in the ECE literature. This explanatory model presupposes that the ECE countries have basically converged with the EU. There has also been a catching up process in economic, social and political terms, although with some hesitations, weaker forms and partial setbacks. The second model is backsliding-oriented and pessimistic, and it has recently become more influential. This new innovative model argues that the ECE countries have basically diverged from the Western trajectory, and therefore their EU membership has just reproduced the age-old East-West Divide “at a higher level”. The second model in fact treats the controversial ECE development as a particular kind of underdevelopment in the semi-periphery. The above mentioned two Special Issues on the Ten Years (Rupnik and Zielonka 2013; Epstein and Jacoby 2014) represent an opening towards the innovative second model that will be further discussed and developed in this paper.⁴

This new approach raises additional questions about the opposite processes of the Democratization and “De-Democratization” (De-Dem) as well as the Europeanization and De-Europeanization (De-EU). In this approach the “relative” De-Dem and De-EU means lagging behind in the EU when the convergence still dominates. The “absolute” De-Dem and De-EU are the process, in which already the divergence dominates in many policy fields. The *relative* De-Dem and De-EU presupposes that the distance between East and West may even be growing, but they still go in the same direction and on the same road. In this case, despite the continued lagging behind instead of catching up, altogether the evolutionary-convergence model works. However, the *absolute* De-Dem and De-EU suggest that even if there are new developments and achievements in some fields, the basic historical trajectory is the divergence from the mainstream Western Road that appears also in the losing global (economic) competitiveness and in the distorted socio-political structures in ECE. This situation has strengthened the broad arguments that “history

⁴ Of necessity, there is a temptation here for comparative politics, to compare the ECE countries with their similar trends and key indicators. Not simply comparing countries but comparing several variables in a cluster across countries like the weak party-society relationship and the very low trust in party political elites. Poland has often been mentioned – first of all by the Polish authors – as an exception but in fact it is part of the same regional tendency. By the way, Poland has also been mentioned high on the list of “crony capitalism” (The Economist 2014), and the Polish political system has been very critically analysed in the comprehensive paper of Rupnik and Zielonka (2013).

matters” and “political culture matters”, even the stronger argument of “path dependency” (Pierson 2004) that has been widely discussed in the recent international literature (see e.g. Benoist 2011; Kailitz 2013; Lilla 2014; Moeller and Skaaning 2013; Pappas 2014).

Correspondingly, in the first decade of systemic change the relative De-Dem model must have been working rather well, but in the second decade it became much less appropriate to evaluate the ECE development. In the third decade, however, the missing crisis-resilience during the global crisis has proven that the absolute model has only been suitable for the adequate assessment, since the historical deviation has been manifest as the basic divergence between East and West. In the ECE regional trajectory a special kind of hybrid democracy has emerged with more and more non-democratic features because the state/agency capture has been accomplished in the form of democracy capture. It has been discovered in the recent literature that the state/agency capture by the business and party oligarchs has led to a chaotic democracy with a relative power paralysis of the ECE states that has provoked the temptation that the leader in a guided democracy restores law and order. Therefore, I would like to elaborate further the second model in this paper towards theorising the democracy capture, in which a quasi-monopolistic power centre uses the formal institutions of democracy only as a Potemkin wall, a democratic façade to legitimise the regime inside and outside.

2 QUO VADIS EAST-CENTRAL EUROPE? - THE ECE FERRY MOVING EASTWARDS?

2.1 The relative De-Dem: the changing faces of modern democracy

The current democracy debate since the late 2000s has transformed completely the theoretical landscape of European Studies. This debate has embraced all states in the world and it has been basically about “the quality of democracy” with a high complexity of indicators by many international ranking institutions. It has grown out partly from the domestic developments of the most developed – first of all Nordic – states as their new quality of democracy, partly from the pressure of global crisis that has produced a “crisis resilience test” for all states based on their global competitiveness strictly connected with their particular type of democracy. The issue of the quality of democracy was raised even before the crisis, but it received a new, extended meaning of crisis-resilience by the social sustainability and investment to social and human capital. Thus, sustainability with social progress and social cohesion represented the new paradigm also for the EU, and this new approach was combined with the evaluation of global competitiveness in the individual member states. The EU proceeded with its “beyond the GDP” program before the outbreak of the global crisis and completed it with the elaboration of the EU2020 Strategy and with the introduction of the new statistical devices to measure human and social capital. Obviously, due to the global crisis all these novelties have been later even more strengthened in the ensuing debates.⁵

⁵ I discussed the democracy debates at length earlier (Ágh 2013; Ágh 2014b). I concentrate in this paper on the present situation of the democracy debate (see Munck 2012). No surprise that the study of Lidén (2014) about the transition to authoritarianism has grown out from the Nordic school of the quality of democracy, since this issue has become topical in the 2010s with the sensational return of authoritarianism worldwide. It is not by chance that this time the *Democratization* Journal has published a Special Issue *Unpacking Autocracies: Explaining*

Worse of all, despite new demands for global competitiveness in human and social capital the ECE countries have not been able to switch from the GDP based traditional economies to the social progress based economies, accordingly they have not shown sensitivity for the new criteria for democracy. Just to the contrary, the ECE economy has performed worse in the period “beyond GDP” than before, since – instead of the knowledge triangle - the social exclusion-disintegration-fragmentation triangle has grown. In a word, by the mid-2010 the democracy has been drastically “hollowed” out for the large part of the ECE populations. It has become a legal formality of the electoral democracy and basic human rights with a democratic façade of fighting-competing oligarchies, instead of the European mainstream of democracy with the multilevel governance (MLG) and multidimensional governance (MDG) as summarized in the EU2020 Strategy.⁶

Thus, this third debate in the period of the running globalization has expressed the shared experiences of the ECE countries and it has discovered their common weaknesses. First, the tremendous changes in ECE have not come organically from inside but arrived from outside as a tsunami or “imported crisis”. The transformation crisis originated from the collapse of the East-West confrontation in the bipolar world, the post-accession adjustment crisis was generated by the EU entry process, and finally the competitiveness crisis broke out due to the global fiscal crisis. There have been only half-made, controversial reactions of the ECE countries to these external challenges in the triple crisis: first the democratic transition had not been properly completed; second, the “anticipatory” Europeanization and later the “adaptive” Europeanization had remained unfinished; and third, the global crisis explored the vulnerability of the ECE countries and it has deeply fragmented the ECE societies. The EU has only exerted a limited effect on these new member states because there has been a large capacity of the national administrations to modify, accommodate and neutralize or even resist the Europeanization pressure. An evergreen statement in the European Studies is that the EU had much more capacity to pressure the NMS in the pre-accession stage than afterwards, in the membership period. It has also been often repeated that the resistance of the ECE populations to these permanent and disturbing transformations has produced a “reform fatigue”.⁷

As it has been mentioned above, there are two seminal books on the Ten Years, representing the turning point in the ECE literature towards the divergence model. In the 2013 volume the essence of the third debate has been formulated very markedly as an introduction to the “absolute” De-Dem in ECE: “Today the

Similarity and Difference (edited by Köllner and Kailitz 2013) on the autocracies with the papers of Gerschewski (2013), Kailitz (2013) and Moeller and Skaaning (2013).

⁶ See WEF (2012). The story of the absolute and relative losers in the triple crisis needs a separate analysis, for the detailed ECE data see Ágh (2013a), for the failure of catching up see Ágh (2014a, 207). In the everyday terms it has to be noted that the civil society has been weakened very much due to the global crisis, since the middle strata have become “precarious”, they have no reserves any longer and they face the risk of unemployment. So in a “5+55+40%” type society people have no time and energy to participate in civil society action. According to the Eurobarometer 81 (July 2014), the lesser half of the ECE populations has a fear to falling into the poverty. The definition of “citizen” in democratic society includes not only formal-legal liberties but also some kind of material-financial independence and security, which does not exist in ECE.

⁷ It has been a very controversial issue what are the main factors responsible for the divergence of ECE from the European mainstream. Although the external factors or the negative externalities have also been very crucial and responsible for the increasing Core-Periphery Divide, this paper still concentrates on the negative role of the domestic factors and processes.

focus of political and academic debates is no longer on democratic transition or consolidation but on the quality of democracy.” (Rupnik and Zielonka 2013, 11) even in ECE. Consequently, the optimistic and evolutionary approach of democratization as the relative De-Dem model from the first two stages of democracy debate cannot be applied nowadays for the recent situation of the ECE countries. Also the short and formalistic Copenhagen criteria preparing the accession cannot be considered as sufficient for the evaluation of the Quarter-Century development in ECE either. The new criteria for democracy are even more important within the EU for ECE given both its often-mentioned “crisis” and the increasing Core-Periphery divide. Consequently, the academics have “refuted the kind of optimistic determinism, suggesting that the collapse of communism and the victory of Western liberalism would make a swift convergence between the east and west of Europe the most natural development.” (Rupnik and Zielonka 2013, 19).

Instead of swift convergence of ECE – that I called earlier as the *Sleeping Beauty* scenario - there has been a new kind of divergence within the EU, creating a special kind of ECE development path for the “Eastern Periphery” with a *Decent Cinderella* scenario. So instead of the relative and De-Dem model, the latest analyses have turned to the absolute De-Dem model. Originally, the ECE populations reacted to the collapse of the authoritarian rule with a “revolution of high expectations”, so under the label of democracy they expected a Western welfare state “overnight”, therefore after the Quarter-Century the disappointment has been tragic. In brief, in the divergence model with the deeper analysis of the absolute De-Dem suggests that the changes have only scratched the surface, since the complex transformation have led to a power vacuum with a fragmented, low capacity, weak state as a chaotic democracy and a sleepwalking modernizing elite. This paper tries to summarize this basic historical deviation in ECE in the terms of the absolute De-Dem that has generated also an absolute De-EU, in order to emphasize that the expected evolutionary and linear processes have not taken place. Just to the contrary, the actual processes of Europeanization and Democratization have been combined and counterbalanced by the opposite tendencies in the Quarter-Century of systemic change and in the Ten Years of the EU membership.

3 THE ABSOLUTE DE-DEMOCRATIZATION: FAÇADE DEMOCRACY AND STATE CAPTURE IN ECE

No doubt, an external observer or an outsider may get an impression at the first glance that everything looks nice in ECE, since the ECE political system given its democratic façade seems to be democratic. But at a closer look at least the contrast between the formal and the substantial democracy becomes visible, since the hardware (institutions) and software (patterns of political culture) of democracy collide. The formal institutions of democracy should have been built on the citizens’ political culture in the participative democracy, since it could have filled them with content, but the citizens’ political culture is still missing. Thus, there has been no “housewarming party” so far in the building of new democracies. The formal democratic institutions have remained the “Palace of Winds” (Jaipur), just a decorated façade looking at a street. In the ECE façade democracies the formal institutions have been constructed but they have not been embedded into the society as a whole, as the term of “Sand Palaces”, the “institutions built on the moving sand” have indicated in the literature.

Nevertheless, the turbulent events in ECE in the last decade due to the collapse of the first party systems, and their short-lived governments, have pointed towards the accelerated decline of democracies. With the emergence of the second party systems in ECE after the “critical elections” the state capture through the deepening of the oligarchization has become even more evident, since the huge socio-economic actors have turned more and more powerful also in politics. It has opened a new horizon in the analysis of democracy decline towards the conceptual framework of state/agency capture. Moreover, the international and domestic tendencies have collided in ECE, because the ECE countries, instead of meeting the new criteria for democracy during the above discussed third debate, have even declined more and more to the Potemkin democracy with this increasing oligarchization. This new, controversial situation in the ECE democracy has been deeply analysed in the Rupnik-Zielonka paper (2013) offering fresh overview of the twenty-year history of democratization in ECE. They have described this conflict between the new external criteria for democracy and the internal democracy decline in ECE by using the conceptual frame of informal institutions. The overview of their comprehensive analysis may lead us further to the well-known theory of state/agency capture that widens the picture on the decline of democracy, since it incorporates also the main tendency of oligarchization in ECE. These “informal networks” have led, in my view, finally to the complete “democracy capture” by the powerful joint political-business groups.

The point of departure in the analysis of Rupnik and Zielonka is that the ECE countries had embarked on a democratic transition in the nineties and were considered consolidated democracies in the 2000s when they joined the EU. But the pendulum according to Rupnik and Zielonka has swung back to some kind of authoritarianism and therefore these new democracies have to be assessed after a Quarter-Century as semi-authoritarian. The ECE countries have developed a reform fatigue, and they have not been ready for the new political transformations, therefore they have become vulnerable first to a populist turn then to an authoritarian turn of their elitist, oligarchy-prone parties in their over-centralized states. This backsliding of democracy or “democratic regression” has come as a surprise for most analysts who defined democracy very narrowly in the spirit of nineties as just some formal institutions in the young democracy. Namely, 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).

Hence, Rupnik and Zielonka, for explaining the reasons of backsliding, have put the contrast of formal and informal institutions at the centre of their analysis. They have pointed out the weakness of the former assessments by the simple fact that the political debates across the 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”. As a result, “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.” The formalist-legalist approach is misleading, since “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. (...) The rule of law is replaced by the rule of

informal ad hoc arrangements orchestrated by people who have no accountability operating in a mode of dirty togetherness.” Therefore, “cultural anthropologists are probably more suited than political scientists to study social networks.” (Rupnik and Zielonka 2013, 12–14).

Rupnik and Zielonka have identified the special ECE type of the informal institutions as the non-transparent networks, basically between politics and economy, which are detrimental to democracy (*uklad* in Polish). Their analysis deserves special attention because it goes beyond the narrow horizon of the formalist-minimalist definition of democracy in the old spirit of nineties with electoral democracy and the likes. This approach offers the proper conceptual tools with the informal institutions to discover the present façade democracy as the product of “democratic regression”. Explaining the backsliding of democracy, Rupnik and Zielonka have made a clear reference to the economic hardships in ECE during the global crisis. They have stressed first of all its dire socio-political consequences, the deep split between winners and losers that resulted in splitting the countries, since “There are two Polands as there are two Hungaries.” In the increasing socio-economic crisis the ECE populations have fallen prey to populist agitation by some governments and/or parties in the form of “the politics of memory and historical justice”. Rupnik and Zielonka have summarized the historical trajectory in ECE in such a way that although the formal-legal constitutional order was arranged right after the systemic change, the state and its agencies have still been captured later by the oligarchs as the rent seeking actors through their informal networks. Thus, there has been more and more a “gap between the institutional design and actual political practices”, hence the democratic resilience of the ECE populations to the populist attacks has been weak in the global crisis, therefore, no sustainable democracy has emerged: “we have recently also witnessed setbacks in some Central European countries (in Poland under Kaczynski twindom, in Hungary under Viktor Orban or in Romania under Viktor Ponta).” (Rupnik and Zielonka 2013, 7, 13).⁸

The “autocratic temptation” or “authoritarian drift” with Orbán returning to power in 2010 and the ensuing “slide into authoritarianism in Orban’s Hungary” is the main worry in the Rupnik and Zielonka paper because “The disturbing question is the ease with which consolidated democracies such as Hungary can experience ‘democratic regression’, reminding us that democracies by their very nature are never ‘definitely established’. As Poland was under Kaczynski twins, Hungary today is probably an explicit version of the possibility of democratic regression and populist temptation in established democracies.” (Rupnik and Zielonka 2013, 21). This conclusion of the paper gives a possibility for developing further their analysis with the remark that “There is a continuous, diffused overlapping of various functions and interests between the media, business, and political circles.” (Rupnik and Zielonka 2013, 15–16). Indeed, the oligarchization has embraced and colonized all social sectors by

⁸ I call these parties conquering the economy (the world of business) and the public-private media through their organized informal networks as Golem parties but I do not enter their analysis here by describing the party-colonization of society. I just refer here to the growing literature of oligarchization and crony capitalism, especially to the paper of Jávora and Janics (2013) on the role of the organized informal networks in the state-party level the systematized corruption. The extreme version of oligarchization has taken place in the post-Soviet region (except for the Baltic states) where huge oligarchs have directly grasped the political power as it can be seen now even in Ukraine. So the term of oligarch appeared in the Western media first about the post-Soviet business magnates, and later on about their less marked counterparts in ECE and elsewhere. Oligarchy means obviously the power structure of few people in power, in business and politics combined.

turning them into the complete party empires that I call democracy capture. Particularly, Rupnik and Zielonka have made a reference to the media tycoons and the suppression of media freedom in ECE, and in this case Hungary is again an eminent case in their analysis.⁹

The state capture as the basic problem runs across the Rupnik-Zielonka paper in the assessment of ECE democracies, since in their view the state in ECE “has become a hostage of various groups and interests trying to dominate its institutions and extract resources from it. These groups are not formally organized, but operate along cultural rather than administrative codes. Access to them is restricted and reflects social or family bonds rather than official affiliations. There is virtually no public control over their functioning.” They return to this issue repeatedly, given its high salience: “These networks operate differently in diverse socio-political settings, but they are never transparent, institutionalized, or subject to accountability.” As a conclusion, “The state becomes weak, unfair and volatile when partisan interests prevail over common good.” (Rupnik and Zielonka 2013, 16). However, this informal network-based approach with the strong reference to state capture has to be completed with the oligarchization process to form a “thick” theory of state/agency capture in ECE. I call the weak, “captured” state, which is powerless against the world of fighting-competing oligarchies in many fields or even acts as their own machinery the stage of “chaotic democracy”.

The chaotic democracy has emerged because the basic transformations in the economy and politics have been asynchronous, therefore they have contradicted to each other as the non-correspondence between the strong, aggressive economic and weak, perverse political transformations. Due to the missing social consolidation and under the pressure of the aggressive economic transformations there has been the relative power gap. The weak state could not cope with the many parallel transformations as a complexity management, therefore even the formal institutions have eroded due to the emerging “informal networks”, and the informal institutions and/or networks as a dominant force have penetrated more and more into the other social sectors. This emergence of the chaotic democracy due to the state capture by the oligarchization is an “iron law” in ECE. It explains the ECE historical deviation from the Western mainstream development following the systemic change. The key issue is the relative power vacuum in the new system of the chaotic “post-communist” democracy that emerged right after the collapse of the state socialism or “communism”. There has been a big, complex and all-embracing institutional transformation in the Quarter-Century of systemic change, above all in the first decade after the collapse of the former system. Without going here into the historical periodization of the Quarter-Century, just looking at the transformation process in general, one can realize that the new institutions have been fragile, fragmented and controversial. In such a way, the weak, subdued “underdog” state has become the characteristic actor in ECE in the last years.

Thus, the new “statehood” has not been able to control and steer this multiple transformation process, given its high complexity, as well as the overwhelming

⁹ The special case of agency capture as media capture and/or media colonization has been properly described by Bajomi-Lázár with a distinction between colonized state media, versus media capture by parties: “The concept of ‘media colonisation’ is both narrower and broader than that of ‘media capture’. It is narrower in that it focuses on state media and party control, and largely ignores private outlets and business groups’ influence. And it is broader in that, in addition to the distortion of information, it also associates other purposes with control over media, notably the extraction of resources” (2013, 76).

external pressure and the deep domestic heterogeneity. The state and its institutions could not provide social and public security, neither at the state nor at the local levels. So the ECE populations have developed a mixed feeling about this transformation as a chaotic, non-transparent process above their heads and it has been distorted indeed to a great extent into “absolute” De-Dem and De-EU. The processes of Democratization and Europeanization have not just slowing down, but the state capture by the oligarchization has been actually damaging democracy and turning away from – if not against - the mainstream European integration more and more. In fact, it has reached the form of democracy capture, since the tradition of “far-reaching politicization” as the aggressive political patronage of the core executives as the main tendency has prevailed in ECE. It is not by chance that due to the political patronage the protracted political crisis has produced “poor governance” also in the global crisis management with the fragile governments in ECE.¹⁰

Basically, the socio-economic transformations have been deeply polarizing the ECE societies. Simply said, in the rapid privatization there have been two opposite processes, some people have become rich quickly, some other have been deeply impoverished. The new weak state machinery in its relative power vacuum could not control this privatization cum pauperization or empowerment-disempowerment process that has generated the economic and political “criminalization” of society on both sides, for winners and losers. These two kinds of very different “criminals” have met in the increasing number of mafia-type “criminal enterprises” as the “employers”-bosses and the “employees”-executing staff. Many types of the negative or “shadowy” informal networks have been organized with a large variety of their criminality levels as being harmful or detrimental to the public interests in different ways and to different extent. There have been many nuances of criminality, from the circumventing the regulations through serious violations of laws to the violent actions under the Penal Code. Nonetheless, all these informal networks or mafia-type organizations have undermined the rule of law in the new democracies and they have hollowed out the democracy for the large part of population. In the West, in the developed countries these socio-economic transformations were much slower, more regulated by the states, and finally the newly emerging private enterprises with social mechanisms have been completely put under the strong state control. In the Third Wave of Democratization, however, this has not been the case. Just to the contrary, the East-Central European type of the drastic and rapid social transformation with a relatively impotent state has produced an aggressive oligarchization. It was first more balanced, the oligarchs were somewhat more restricted and covered from the public, but during and after the global crisis they have begun to play a direct public and political role that has deeply shaken the ECE societies.¹¹

The ECE parties – as their secret or shadowy history - have also played a big role in the oligarchization process in several ways, with their strengths and

¹⁰ There has been a huge literature on the political patronage, see Kopecky et al (2012, 415), Meyer-Sahling (2011) and Nakrosis and Gudzikas (2013). It would be a long list to mention the business oligarchs playing direct political role in ECE, and the cases of leading politicians in jail like Janez Jansa and Ivo Sanader on one side, and e.g. the collapse of the Necas government on the other. No surprise that, because of the full distrust in parties, there has been a “personal politics” in the ECE populations as a search for independent, “honest” personalities, see the 2014 Slovenian parliamentary elections.

¹¹ Of course, the family relations have been vital in these informal networks at the first stage, but later on these oligarchic “informal organizations” have moved much beyond the nepotism, although these relations have been the core units. It can be widely seen in Hungary, starting with Orbán relatives in high political and business positions and ending up with the profitable networks of Fidesz mayors in small villages.

weaknesses alike. At the formal-legal level parties have been relatively well regulated and have been very strong as the monopolistic actors in the political life. But in the social dimension the parties have been very weak as the non-attractive actors in social life with very weak linkages to civil society. And since the parties are weak with no social support of a large membership behind and they are financially fragile without the membership-fees, so formally-legally they are of necessity dependent on the state financial assistance. Moreover, the state financial support is not enough for their workings, first of all in the campaign periods. Since there is no “Chinese Wall” between politics and business in general with a proper legislation, so both parties and the individual politicians are open towards the business world offering many temptations. Accordingly, the business networks are open to politics due to their black, shadowy or semi-official actions in this loosely or controversially regulated period of socio-economic transformations by a weak and non-transparent state. This creates ideal conditions for the fusion of the “exlex-leaning” business groups and the socially vulnerable parties, and/or their official government/parliamentary representatives, to create the “criminally”-organized or “mafia-type” informal networks. The main playing ground between politics and business is the public procurement. Thus, the competitive young democracy without the solid social background for the competing parties and with weak, impotent state invites the downgrading and/or emptying of the substantive democracy. At the same time the formal, façade democracy in this troubled period of rapid socio-economic transformations has been kept thus it can be characterised by a relative power vacuum of the young and impotent state with a “democratic” façade. The decline of the competitive ECE democracy has been financed by either directly the oligarchs or by the large contributions of the business sector through the politically omnipotent but socially vulnerable parties. This situation has led to the competitive/elected autocracy, first in moderate and indirect way before the global crisis, but after the global crisis in a more brutal and direct way.

The agency capture leads to the fusion of business and politics in the twin forms of the “party state capture” or to the “corporate state capture” (Innes 2014). It involves the merger of politics and public administration by the close party patronage, as well as the colonization of all social sectors through the political invasion or penetration into civil society organizations. This “informal” history of the ECE parties has resulted in a hierarchical socio-political model with the subordination of all social sectors to politics, including large parts of the everyday life of citizens. Formulated in the mildest way, the oligarchization in ECE has been a sleepwalking of the democratic political elites or parties, since instead of the well-organized, “both responsive and responsible” state, a weak, fragile and quasi impotent state has emerged in ECE that has been unable to withstand the pressure of global crisis from outside and the overwhelming populist temptation and oligarchization from outside. Given this obvious historical deviation of ECE from the European mainstream the volume on the “Eastern Enlargement Ten Years On” has pointed out that there has been no “Transcending the East-West Divide”. Consequently, “the continent’s traditionally persistent divisions” have survived in the new forms. All in all, “Notable achievements of EU enlargements notwithstanding, the volume points to the continuing important differences between east and west and highlights the issue areas in which the EU transcends but also reinforces the centuries-old partition.” (Epstein and Jacoby 2014, 1).¹²

¹² On the responsive and responsible parties see the Special Issue of West European Politics Vol. 37, Issue 2. Responsiveness is when political parties and leaders “sympathetically respond to the short-term demands of voters, public opinion, interest groups and the media”, while

Thus, Europeanization and Democratization have been running across the entire period of Quarter-Century in ECE, but only in a controversial mixture of the processes of De-Europeanization and De-Democratization with the endemic corruption and overwhelming political patronage in public administration. This basic tendency of the recent ECE polities developing to the Potemkin democracies with oligarchization has to be taken in consideration for the analysis as the fusion of economy and politics resulting in the widespread dissatisfaction of population with the emptied democracy, including the established parties and elite politics. This tendency has been the most evident and visible in Hungary, since after the 2010 elections a genuine Potemkin democracy has emerged in Hungary with a democratic façade and with a quasi “one-party rule” behind. In Hungary even the formal façade of democracy has been corroded after 2010. In the other ECE countries this declining tendency has been much less marked, but in all ECE cases the substance of democracy and/or its social foundations have been significantly eroded and the fusion of economy and politics has still taken place with the increasing direct public-political role of oligarchies, reaching even the government level.

4 THE “HUNGARIAN DISEASE” AS AN ANTIDEMOCRATIC CHALLENGE TO THE EU

4.1 The completion of Potemkin democracy in Hungary in the early 2010s

All these above discussed issues of the state/agency capture lead, indeed, to the “perfect” Hungarian case as an “ideal type” or the worst-case scenario of the decline of democracy and the transition to semi-authoritarian system. The “chaotic democracy” in Hungary before 2010 with the weak and fragmented formal institutions and the strong informal political-business networks was the best background for the emerging “Fidesz-world” as a Golem party to create its mafia-type organization that embraced – and step by step colonized – all economic, social, political and cultural sectors by 2010. Thus, in 2010 there was a big turning point in the Hungarian history, since after a Quarter-Century of systemic change the first party system collapsed at the 2010 elections and thereby a second party system came to being. This paper does not focus on the formal institutions or on the formal-legal side of the polity, since the emergence of the second party system was not just a routine change in the Hungarian party system either as the usual change of governments. It was not a simple “political event” in the narrow sense of the word, but a complete, comprehensive change of the Hungarian legal-political and socio-economic system as well. Before 2010 the Fidesz-Golem with its informal networks penetrated into the entire society, to all sectors from the economy to the media, and accomplished already a series of agency captures. In such a way, by 2010 it was not (only) a political party but it was a real party Golem as a complex, all-embracing and well-organized economic and social actor that was represented and organized by a hierarchically constructed political party and one almighty personal leader from above. After 2010 Fidesz, with the emerging second party system, has completed this process of agency captures through the complete state capture

responsibility is when they “take into account (a) the long-term needs of their people and countries” and “(b) the claims of audiences other than the national electoral audience” (Baldi et al. 2014, 237). The long-term approach takes into consideration also the international “claims”, first of all those of the EU membership.

from the position of an overwhelming government monopolizing all political power. With the two-thirds majority enabling Fidesz to the constitution making the full “democracy capture” has been accomplished. Hence, not only the Fidesz party but the political system as a whole – and even more the entire Hungarian socio-economic system – has to be treated in the spirit of the above discussed conceptual framework of the informal institutions, state/agency capture that has led through the democracy capture to the Potemkin façade democracy.¹³

The second Orbán government in the first part of legislative cycle (2010–2012) made the complete overhaul of political system for a hegemonic party. In the second half of its term (2012–2014) the government concocted a manipulative electoral legislation to crafting a constitutional majority again through “democratic” elections. Altogether, this declining democracy as “populism from above” tended towards a new kind of authoritarian rule as the elected autocracy. The second Orbán government fundamentally weakened the checks and balances system, and replaced the heads of its basic institutions with the loyal Fidesz party soldiers. The main political weapon of this Golem party was the legal instrumentalism of the state machinery, using the legal rules for direct political purposes, since the two-thirds majority was in fact a constitutional-making majority and therefore all the anti-democratic actions of the second Orbán governments were strictly made “legal”. Therefore, I have called above this process of converting all-important democratic rules through majoritarian democratic legal means into a non-democratic political system as democracy capture. Thus, the Fidesz-Golem reregulated the entire Hungarian legal structure in the period of the second Orbán government. It produced much more acts in this legislative period than usual (728 acts) that were amended very often (466 amendments) because there were many low quality acts legally and/or they were changed frequently and immediately with the new demands and the changing circumstances. Finally, the Orbán government passed also a new Constitution – termed by Kim Scheppele (2013) as “unconstitutional constitution” - in the spirit of legal traditionalism and the 19th century type of nationalism with a reference to the Saint Steven’s Crown. By reregulating the political system as a whole, in this legislative period the second Orbán government built a completely new democratic façade for the undemocratic system of institutions. So on the surface everything looks still democratic and legally well regulated, since this Potemkin facade covers the actual hegemonic one-party rule in the new semi-authoritarian system. It has basically changed Hungary’s position in the world by sliding back from *deficit* to *defective* democracy in the international rankings. The Hungarian political system has been treated in the political science mainstream as a new kind of (semi-)authoritarian system of Fidesz combined with the extreme-right radicalism of Jobbik. Moreover, it has been considered in the international media (see e.g. Müller-Funk 2014) as a “leader democracy”, with a reference to the Führer-Demokratie of Max Weber, that represent a danger for the EU.¹⁴

This Potemkin democracy has produced disastrous economic consequences for Hungary. It has aggravated the socio-economic crisis that caused mass

¹³ In my former papers I have emphasized the direct connection between the decline of democracy and the decreasing competitiveness of Hungary (Ágh, 2013b,c,d). It is important to note that the performance of democracy and the competitiveness of Hungary slightly decreased already in the 2000s, but has declined drastically after 2010, during the Orbán governments (IMF 2014).

¹⁴ This Hungarian - and Romanian - case has brought a danger of the “contaminating” effect to the other states, see Boulín-Ghica (2013) and Sedelmeier (2014). See also the OECD Report by Nicolaidis and Kleinfeld (2012). This danger has also meant a challenge to the EU, see e.g. Bugarič for his thorough description of “unconstitutional constitution” in Hungary (2014).

migration to the West with more than half a million people in the last years, while it has generated only soft protests but deep apathy at home. In such a way, in 2014 a very polarized, frustrated and disillusioned society faced the domestic parliamentary and the EP elections. These 2014 elections have produced fatal consequences for the Hungarian party system and for Hungary in general, since these unfair, manipulated elections have led to the emergence of mature electoral autocracy.¹⁵

5 THE TURN TO THE ELECTORAL AUTOCRACY AT THE 2014 ELECTIONS IN HUNGARY

Abusing its two-thirds majority, the second Orbán government changed the rules of elections very often in this legislative period, even right before the 2014 elections. As a conclusion on the elections, Scheppele has noted that “Orbán’s constitutional majority – which will allow him to govern without constraint – was made possible only by a series of legal changes unbecoming a proper democracy. (...) Remove any one of them and the two-thirds crumbles.” And she continued with a warning: “The European Union imagines itself as a club of democracies, but now must face the reality of a Potemkin democracy in its midst. EU is now going into its own parliamentary elections, after which it will have to decide whether Hungary still qualifies to be a member of the club.” (Scheppele 2014, 17).¹⁶

Altogether, at the 2014 elections the Fidesz has further strengthened its dominant position in this second party system, and the extreme right has also preserved its big parliamentary role, while the Left has been weakened and fragmented. The third Orbán government has also changed the structure of government and it has extended its rule over the entire Hungarian society drastically. As to the government structure, a much bigger and more hierarchical and expensive government machinery entered on 15 June 2014. The super-ministries have been kept with much more power concentration than in the already over-concentrated second Orbán government. Although there is no big Prime Minister’s Office in a traditional way, overseeing all sectors of government, but the huge “Primeministry” as an Office directly serving the Prime Minister has been further developed to control all walks of life under the leadership of a new minister with 3 state secretaries and 27 deputy state secretaries. Instead of 132 “government leaders” in the second Orbán government, there are already 198 in the third Orbán government and it is not yet the end of this process. There are two reasons for this growing number of high officials. First, Fidesz has to reward its good servants with government positions, since in this cycle there are less members of parliament,

¹⁵ I can outline the Hungarian case only very shortly here as the best illustration of the Potemkin democracy (see Ágh 2014c for details). The full picture of the present situation in Hungary is available from the recent Bertelsmann country reports – BTI (Bertelsmann Transformation Index 2014a) and SGI (Sustainable Governance Indicators 2014b -), especially from the regional overview of Brusis (2014). See also Ágh (2013c; 2014a,b), Demos (2013) and EIU (2013). In FH (2014) Hungary has been mentioned with the biggest decline in the democracy score by 2014, and the Bertelsmann BTI and SGI Reports (2014) have qualified it as “defective” instead of “deficit” democracy.

¹⁶ I have described the entire process of the unfair, manipulated elections based on the arguments of Scheppele (2014) and Mudde (2014) in greater detail (Ágh, 2014c,d). See first of all the very critical OSCE Report (2014), also the international Press Review on the April 2014 elections. Here I focus on the emerging system of elected autocracy from the side of the new authoritarian system. In July 2014 the third Orbán government changed beyond recognition the electoral law on local governments for the early October elections.

and with the reduction of their numbers Fidesz has compensated those Fidesz MPs who could not re-enter the parliament. Another 46 former Fidesz MPs will carry on as mayors and vice mayors to keep them loyal and to indicate that Fidesz does not want anybody left beside the road that has served loyally. Second, the role of government is expanding, since they need people to cover the newly colonised social areas for the Fidesz-Golem controlling everything from economy to civil society.

Fidesz has extended the rule of its almighty Golem party to all sectors of the new party state, and it has been controlling more and more over the society as a whole. After 2014 the third Orbán government has exercised in fact a “dictatorship on the everyday life” with the penetration into the life-world of all citizens. The Fidesz-Golem has built an extended system state corporatism through state-controlled organizations for all public employees with mandatory memberships, and in addition, the state-directed social movements have been organized into the fake civil society. What is more, the list of churches has been overviewed by the Fidesz controlled parliament, and the churches considered non-loyal to Fidesz have been deprived of their legal status. The worst may be the “cultural dictatorship”, since the Fidesz-Golem has established the Hungarian Academy of the Artists (MMA). The government has entrusted all decisions related to the Arts to its leaders, and it has channelled all resources from the state to the cultural life through the MMA. In the second Orbán government there was only a shadow oligarchization because although the Fidesz controlled economy led by the trusted allies formed shadow government, but this informal super-network of networks was not in the forefront making the state corporatism public. The EU transfers already in the second Orbán government were used to build up clientele systems with the friendly oligarchs, since they received most of the public procurement. However, in the third Orbán government the situation has changed rather radically in this respect, and the government has also increased the strict direct state control over these Fidesz oligarchs. In a special kind of “hostile takeover” it has introduced a state-managed economy not only with the renationalization of the many multinationals, but also with the direct political control over its own domestic “friendly clienteles” to remove all possible competitive power centres.¹⁷

Parallel with these political developments the socio-economic situation has further worsened during the third Orbán government. By avoiding the painful reforms with national consensus, the Fidesz politics will still lead sooner or later to a strong confrontation with the masses that expect quick and easy miracles from Fidesz as it has been promised. The political destabilization and permanent confrontation has also produced economic destabilization. The vicious circle has started, and it cannot be prevented by the strong-handed government despite the self-reproducing nature of an electoral autocracy. The present hegemonic party system as a serious historical deviation from the mainstream European development cannot be consolidated within the EU. Its deepening socio-economic crisis and drastically declining international competitiveness, even compared to other ECE states, will lead sooner or later in the era of the accelerated globalization to the deep domestic and international crisis. The recent declaration of Orbán on the “illiberal democracy” (Orbán

¹⁷ There is no space here for details concerning the state corporatism, see Bertelsmann (2014a,b). The issue of oligarchs and oligarchization has become high on the agenda of public debates and media in the last years in ECE. In Hungary there has been a huge media material both on the oligarchization and the on recent change in the third Orbán government, but this brand new research field needs further papers to develop it.

2014) has unleashed an international protest wave and has invited tough reactions by the democratic governments worldwide.

6 CONCLUSION: HOW TO TRANSCEND THE EAST-WEST DIVIDE IN THE NEXT TEN YEARS?

This paper has tried to argue that Hungary is the worst-case scenario in ECE, but the other ECE polities have also “backslided” in the political terms within the EU. This problem of divergence between East and West is much deeper and wider in general than it was expected in the euphoric days of the EU accession of ECE countries. When analysing the “unhappy EU” in the process of global crisis management, the question may be raised with justification that “As for Hungary, how much tolerance should Europe show towards the wayward behaviour of one of its members with respect to democratic norms and human rights?” (Tsoukalis 2014, 58). Consequently, “if major institutions of liberal democracy in one member state radically deviate from the EU’s member states’ constitutional traditions, and undermine the rule of law, this is an issue that the EU needs to address directly.” (Bugarič 2014, 25). This historical deviation as the serious case of De-EU and De-Dem with its national-social populism has also meant constant EU confrontation called as “the freedom fight against the EU colonization” by the Orbán governments. This divergence of Hungary from the democratic mainstream during the second Orbán government was already formulated by the Tavares Report passed by the European Parliament on 3 July 2013 with a large majority. This Tavares Report is the most important EU document on the decline of democracy in NMS. The Report has asked for organizing a “Copenhagen Commission” in the Hungarian case, but it has been set in an all-European context because the Report requests “the establishment of a new mechanism to ensure compliance by all Member States with the common values enshrined in Article 2 TEU” (Tavares 2013, 15).

This control mechanism could assume the form of a “Copenhagen Commission” in order to “regulatory monitor respect for fundamental rights, the state of democracy and the rule of law in all Member States” (Tavares 2013, 15). The Report deals extensively with this Copenhagen Revisited Project: “whereas the obligations incumbent on candidate countries under the Copenhagen criteria continue to apply to the Member States after joining the EU (...) all Member States should therefore be assessed on a regular basis in order to verify their continued compliance with the EU’s common values.” (Tavares 2013, 3). The Report “Reiterates the urgent need to tackle the so called ‘Copenhagen dilemma’, whereby the EU remains very strict with regard to the compliance with the common values and standards on the part of candidate countries but lacks effective monitoring and sanctioning tools once they have joined the EU.” (Tavares 2013, 15). Finally, in such a way the Report not only indicates, but it also predicts to a great extent the evaluation of the Ten Years of the EU Membership for ECE as a very controversial development with many achievements and failures.¹⁸

No doubt that the main responsibility for failures in Europeanization and Democratization belongs to the ECE countries not taking the historical opportunity of the EU membership, yet that question can also be raised whether

¹⁸ There have been new steps taken in this direction by the Barroso administration (see EC 2014a,b,c,d,e) with the Rule of Law Initiative, but the next and much more serious steps of the EU can be expected from the new Juncker administration.

the EU has developed after its enlargement strategy a proper integration strategy at all. As the case of Greece earlier in the “South” and that of Hungary later in the “East” has documented, the EU flexibility in order to avoid conflicts with member states has proved to be much less effective in resolving conflicts than its pre-empting and confronting procedure coping with the conflicts. Many conflicts in the EU with the ECE have been neglected, or treated as bagatelle and later on they have turned out as inducing-provoking more severe conflicts. Nowadays, the De-Europeanization in ECE in general and the De-Democratization with the oligarchization in particular already threatens the EU as a whole in its values and visions.

The first Ten Years has not been transcending the East-West divide because this Ten Years period has proved to be too short to overcome the age-old divergence and to turn to convergence. However, the shock of underdevelopment in the ECE, as its painful “Sonderweg”, is very big and deep, and it may mobilize the ECE populations to stop the vicious circle and to remove the populist politicians and the aggressive oligarchs. The next Ten Years of organizing the Competitive and Cohesive Europe could be a new start for an effective Democratization and Europeanization in ECE. Instead of the old mantra of the narrow party analyses and the dithyrambs over the achievements during the Ten Years of Membership, as the final conclusion of this paper, I would like to indicate here the anticipated progressive tendencies and the new research direction in order to assist to this new start for Democratization and Europeanization in ECE.

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APPENDIX

DEMOCRACY INDICATORS (DI)

TABLE 1: EIU – COUNTRY RANKINGS AND OVERALL DEMOCRACY SCORES ON 1-10 SCALE (10-BEST)

	2006	2006	2008	2008	2010	2010	2011	2011	2012	2012
BG	49	7.10	52	7.02	51	6.84	52	6.78	54	6.72
CZ	18	8.17	19	8.19	16	8.19	16	8.19	17	8.19
HR	51	7.04	51	7.04	53	6.81	53	6.73	50	6.93
HU	38	7.53	40	7.44	43	7.25	49	7.04	49	6.96
RO	50	7.06	50	7.06	56	6.60	59	6.54	59	6.54
SI	27	7.96	30	7.96	32	7.69	30	7.76	29	7.88
SK	41	7.40	44	7.33	38	7.35	38	7.35	40	7.35

2006–2012, 167 countries.

TABLE 2: EIU – SUBSTANTIVE DEMOCRACY SCORES ON 1-10 SCALE 2006-2012 (10-BEST)

	2006	2006	2008	2008	2010	2010	2011	2011	2012	2012
BG	6.67	5.00	6.11	5.63	6.11	4.38	6.11	4.38	6.11	4.38
CZ	7.22	8.13	6.67	8.13	6.67	8.13	6.67	8.13	6.67	8.13
HR	6.11	5.63	6.11	5.63	5.56	5.00	5.71	5.56	5.56	5.63
HU	5.00	6.88	5.56	6.88	5.00	6.88	4.44	6.88	4.44	6.88
RO	6.11	5.00	6.11	5.00	5.00	3.75	4.44	4.38	4.44	4.38
SI	6.67	6.88	6.67	6.88	6.67	6.25	6.67	6.25	7.22	6.25
SK	6.11	5.00	6.11	5.00	5.56	5.00	5.56	5.00	5.56	5.00

167 countries, Political participation – political culture.

TABLE 3: BTI 2006–2014 – OVERALL RANKINGS IN SI INDEX (129 COUNTRIES)

	2008S	2010S	2012P	2012E	2014P	2014E
BG	15	14	13	17	15	17
CZ	1	1	2	1	4	2
HR	14	15	16	14	14	18
HU	5	8	17	11	21	14
RO	17	16	14	19	23	18
SI	2	2	2	3	6	5
SK	7	6	10	7	10	10

In 2012 and 2014 there are separate indicators in SI for political (P) and economic (E) transformations.

TABLE 4: BTI 2008–2014 – OVERALL RANKINGS IN MI INDEX (129 COUNTRIES)

	2008	2010	2012	2014
BG	13	14	20	21
CZ	20	9	18	17
HR	9	16	22	18
HU	18	20	48	65
RO	22	25	23	39
SI	12	18	18	21
SK	5	8	12	7

TABLE 5: BTI SI INDEX POLITICAL TRANSFORMATION SCORES 2006–2014 (10-BEST)

	2006	2008	2010	2012	2014
BG	8.45	8.70	8.75	8.65	8.35
CZ	9.45	9.55	9.80	9.65	9.60
HR	9.10	8.85	8.50	8.40	8.45
HU	9.40	9.35	9.25	8.35	7.95
RO	8.20	8.55	8.50	8.55	7.90
SI	9.55	9.70	9.75	9.65	9.30
SK	9.20	9.20	9.35	9.00	8.54

TABLE 6: BTI SI INDEX ECONOMIC TRANSFORMATION SCORES 2006–2014 (10-BEST)

	2006	2008	2010	2012	2014
BG	7.50	8.18	7.96	7.93	7.93
CZ	9.00	9.57	9.50	9.57	9.43
HR	8.32	8.29	8.11	8.11	7.89
HU	8.93	9.00	8.75	8.61	8.14
RO	7.57	8.07	7.96	7.79	7.89
SI	9.36	9.29	9.29	9.25	8.93
SK	8.93	9.07	8.93	8.75	8.54

GOVERNANCE (PERFORMANCE) INDICATORS (GI)

TABLE 7: WORLD ECONOMIC FORUM, GLOBAL COMPETITIVENESS INDEX (GCI) 2005–2013

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

Rankings in 122-144 countries.

TABLE 8: WEF COUNTRY RANKINGS (INSTITUTIONS AND PUBLIC TRUST IN POLITICIANS)

	2008	2008	2011	2011	2013	2013
	<i>institution</i>	<i>trust</i>	<i>institution</i>	<i>trust</i>	<i>institution</i>	<i>trust</i>
BG	111	112	110	95	108	85
CZ	72	117	84	134	82	139
HR	74	79	90	104	96	115
HU	64	94	73	130	80	128
RO	89	106	99	119	116	133
SI	49	47	55	96	58	116
SK	73	115	101	132	104	136

2008–2013, Rankings in 134-144 countries.

TABLE 9: WEF, EU2020: RANKINGS AND SCORES OF MEMBER STATES IN 2010 AND 2012 (7-BEST)

	Rank 2010	Score 2010	Rank 2012	Score 2012
BG	27	3.79	27	3.76
CZ	14	4.64	16	4.49
HR	--	4.01	--	4.01
HU	24	4.04	24	4.06
PL	23	4.06	23	4.08
RO	26	3.84	26	3.79
SI	12	4.69	13	4.59
SK	22	4.17	22	4.13
EU	--	4.94	--	4.88

Sweden is best, 5.77.

NEW FORMS OF PARTICIPATORY DEMOCRACY AT LOCAL LEVEL: eCITIZENS?

Simona KUKOVIČ¹

The rapid development and diffusion of information and communication technologies (ICT) provides various political and administrative institutions with new opportunities for civil political action. There are new tools, channels and methods, which can be utilised both in order to transform closed representative democracy systems into more open and communicative ones and to facilitate new forms of authentic civil political action - participatory democracy. The theoretical concepts of paper are participatory democracy and eParticipation, which are placed in the eGovernance framework. Based on empirical data, author wants to answer the research questions whether there are adequate tools for eParticipation available to Slovenian citizens at local level of government and if the concept of »eCitizens« can also be applied in Slovenian case. In context of Slovenians' familiarity and qualification of ICT on one hand and with further information, dissemination and especially establishment of e-tools for active participation on the other hand, author concludes that the concept of eCitizens has good future opportunities to develop in Slovenia.

Key words: eGovernance; participatory democracy; eParticipation; eCitizens; Slovenia.

1 INTRODUCTION

Our world has been in a process of structural transformation for over two decades. This process is multidimensional, but it is associated with the emergence of a new technological paradigm, based on information and communication technologies (ICT), that took shape in the 1970s and diffused unevenly around the world. Svete conceptualized ICT as a general term that describes any technology that helps produce, manipulate, store, communicate and/or disseminate information (Svete 2008, 79). Society shapes technology according to the needs, values, and interests of people who use the technology. It can be argued that nowadays wealth, power, and knowledge generation are largely dependent on the ability to organize society to reap the benefits of the

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new technological system, rooted in microelectronics, computing, and digital communication, with its growing connection to the biological revolution and its derivative, genetic engineering. Castells conceptualized as “network society” the social structure resulting from the interaction between the new technological paradigm and social organization at large (Castells 2005, 3).

Active penetration of ICT into all spheres of social life is a prominent feature of (post)modern information society (Keskinen 1999). In this new age, communication technologies are more than ever playing a central role (Ramonet 1997, 483). The rapid development and diffusion of ICT provides various political and administrative institutions with new opportunities for civil political action, so the public sector is at present undoubtedly the decisive actor to develop and shape the network society. There are new tools, channels and methods which can be utilised both in order to transform closed representative democracy systems into more open and communicative ones and to facilitate new forms of authentic civil political action - participatory democracy (Malina 2003; Hoff et al. 2000). But - as Barber (1984) argues - strong participatory democracy will not develop through civil education and knowledge, strong democracy will arise when people are given political power and channels of influence. Therefore ICT is defined as a tool that both already had, but is gaining an even more important role in the process of the reformulation and redefinition of the modern liberal democracies and it is often (in conjunction with eParticipation) offered as a solution for the democratic deficit. Participation has become a highly political issue over the last few years, and eParticipation (via ICT) is seen as a major factor in this development. In general, the e-democracy discourse is marked by two grand promises: free access for citizens to public information and open discursive deliberation on the Internet. Furthermore, a few years ago the new concept of eCitizen emerged. eCitizen is a term used to describe a person who has knowledge of computer technology and especially the Internet. Mossberger, Tolbert and McNeal (2008) define digital citizens as those who use the Internet regularly and effectively. In other words, eCitizen refers to a person utilizing ICT in order to engage in society, politics and government participation.

The paper puts a special emphasis upon institutionally organised citizen participation via Internet and the role of information and knowledge in political action. In the paper we analyse how the practices of inclusive governance are based on the ideas given by participatory democracy theory and how easily accessible information influences citizens' political deliberation. Methodologically the paper assesses the Slovenian municipalities' website's interactive democracy practices. Democratic theory that contains views about political participation of citizens is combined with research data acquired from the official websites of Slovenian municipalities and from a survey of local level leaders of the Slovenian executive. Firstly, the official websites of all Slovenian municipalities were analysed, to ascertain whether and to what extent Slovenian municipalities offer various tools of eParticipation to their citizens. Secondly, we analyse opinions of Slovenian mayors about the most useful instruments of communicating with local inhabitants; to find out if the decision-makers see online communication as a useful tool to stimulate citizen participation. Using a theoretical-empirical approach, the consequences of the Internet in relation to participatory democracy were studied. Our key theoretical concepts are participatory democracy and eParticipation, which are placed in the eGovernance framework. Based on the findings of the study, the paper provides insights into tools for eParticipation available to Slovenian citizens at the local level of government and the degree to which the concept of “eCitizens” can be applied in Slovenian case.

2 FRAMEWORK OF eGOVERNANCE: ePARTICIPATION – A DEMAND OF MODERN LOCAL POLITICS?

eGovernance is a broader concept than eGovernment because it includes citizen participation and political decision-making. It is approached as an integrative and rhetorical concept for several e-oriented methods for communicative governing and among the main foundations of eGovernance is the ensuring of universal access to data, information and knowledge for citizens (Coleman and Gøtze 2001). The eGovernance approach with its interactive decision-making approach strives and argues for new practices and models that are expected to complement and reform the representative democracy to better suit the modern needs of rapidly moving and changing societies (Coleman and Gøtze 2001; Häyhtiö and Keskinen 2005).

During recent decades, ideas and practices of political mobilisation, participation and the various modes of political involvement and activity have constantly occurred. Political governance rhetoric has to be understood as a response to the constantly and steadily declining turnouts in various elections, the citizen's widespread displacement and alienation from partisan politics and also their decreasing participation in the activities of institutional political parties. From governance view, democracy is not a stable phenomenon, but rather a dynamic process. In practice, governance in political systems has to be based on complex communicative and interactive practices. Furthermore, in the democracy paradigm, taking people "in" and the generation of new modes of governance, emphasizes more equal, lateral and interactive relationships like mediation, recognition of interdependencies, and networking in democratic practices (Häyhtiö and Keskinen 2005). eGovernance modes deal with the impact of newly formed computer-mediated communication devices in respect of democracy and democratic governance and from this perspective ICT introduces communicative tools for the rearrangement of the party and administration dominated participation. In addition, the eGovernance addresses several promises relating to customer orientation, citizens' empowerment, opening up participation channels and the creation of multiple partnership relations.

eParticipation is the central core of eGovernance because in this sphere, the democratic contribution of ICT is most obvious – new technologies bring to the decision-making processes tremendous opportunities for collaboration, participation and co-decision-making of citizens. eParticipation refers to all forms of active civic involvement and technology-based communications, whether it be just giving views and opinions, interactive participation in the preparation of proposals or even equal (co)deciding (Pičman Štefančič 2008, 43). eParticipation is seen by so many political agents as a saviour of the increasingly larger issue of the democratic deficit at all levels of the political system. Nevertheless, the reality of eParticipation is somewhat different, because it is not a definitive solution for the low political participation of citizens. Participation possibilities are also dependent on the willingness of citizens to use the possibilities ICT offers for their active participation and to become better-informed voters and actors in social life. Certainly, eParticipation as one of the (most) important aspects of e-democracy can help in tackling some of the key problems of the democratic deficit in representative democracies. eParticipation involves collaboration and co-decision-making of citizens in the process of making policies in political parties and civil society organizations, in the oversight of elected representatives, in the process of

accepting policy and in the legislative process (E-Envoy 2002, 23). The Organization for Economic Co-operation and Development has developed a three-stage model of eParticipation or involvement of citizens in political decision-making. First stage is *information* - a one-way relationship between the state and its citizens, in which they actively and passively acquire information, which is a base and a prerequisite for political participation (for example, the official website). Second stage is *consultation* - a two-way relationship between the state and its citizens, in which the state obtains feedback regarding citizens' opinions. The state defines the problem and wants people's opinions (e.g. online consultations on legislative proposals). And the third stage is *active participation* - a partnership between the state and its citizens, where citizens are actively involved in shaping public policy and decision-making about such policies. Although the final decision is always taken by the state, a citizen in this relationship is recognized as a major player in the field of initiating, designing and making decisions about public policies (e.g. referendum) (Coleman and Gøtze 2001, 13). Similar division can be found in the description of eParticipation tools, where the most often used classification based on the direct input of the participants. With the aim of creating a legitimate and rational categorization, an alternative systematization of eParticipation tools is proposed that considers both the nature of the activities of co-participants as well as their contribution to openness and democratic decision-making structures. In this view, Organization for Economic Integration and Development highlights three groups of eParticipation tools, i.e. information, consultation and active participatory tools (OECD 2003 and 2008).

A concrete example of the governance is found in the civic eParticipation practices constructed by the Slovenian municipalities, particularly by the tools of eParticipation placed on the official websites of Slovenian municipalities. The analysis of the official websites of Slovenian municipalities² showed that all Slovenian municipalities, i.e. 211 (100 percent), have an official website which provides e-access to various official publications, such as local regulations, tenders, contests, events, strategies, forecasts, various reports, convocation of meetings of municipal councils (sometimes even records of meetings), applications, forms and more. If this finding is compared with the results of previously conducted research studies,³ we can see that the percentage of Slovenian municipalities with an official website is increasing, from 86.8 percent in 2006 to 99.1 percent in 2009, and to the present 100 percent. The same trend can be seen with e-access; it was offered by 174 municipalities in 2006, which represents 84.9 percent, while in 2009, there were 184 municipalities (87.6 percent) offering e-mail access. When analysing the official websites of municipalities, we found that the vast majority of municipalities regularly updated their website with the publication of news and (upcoming) events. We also noticed that quite a few municipalities offer subscription to an e-newsletter, which already registered users receive in their inbox. Based on those findings we can conclude that the first stage of eParticipation ("information") is clearly present on official websites of Slovenian municipalities.

² The Research Project 'E-demokracija in e-participacija v slovenskih občinah' (E-democracy and eParticipation in Slovenian municipalities) was performed at the Centre for the Analysis of Administrative-Political Processes and Institutions in the second half of March and in the beginning of April 2013. The data show the current state of e-tools for Slovenian municipalities, and thus their accuracy and relevance are of limited duration.

³ The source of data for the year 2006 (see Kvas 2006) and for the year 2009 (see Maček et al. 2009).

We were also interested in how municipalities provide opportunities for citizens to contact or consult with the mayor and the municipal administration. With other words, we analysed to what extent the second stage of eParticipation, i.e. “consultation” is present. We found that all Slovenian municipalities have a published e-mail address (either general, by sections or even by individual civil servants). As mentioned earlier, the vast majority of municipalities publish news and upcoming or past events on their website, but the interesting part is that only three (1.4 percent) of the 211 municipalities enable commenting on posts. Although the methods and applications of e-consultations vary between municipalities,⁴ we can say that all of the Slovenian municipalities allow citizens the opportunity to establish electronic communication.

Finally, we analysed the third stage of eParticipation – “active participation” – a partnership between the state and its citizens, where citizens are actively involved in shaping public policy and decision-making about such policies. Only 38 Slovenian municipalities out of 211 (18 percent) have published an e-survey on their official websites. In addition, only eight municipalities also offer an e-forum to its citizens. If we have seen an increase of the percentage of e-access compared to the previous research studies, we detect the opposite trend for these e-tools. In 2006, 31.2 percent of the municipalities used the e-survey as a tool for eParticipation; in 2009, the number fell to 19.5 percent of the municipalities. Even when using an e-forum, we found a reduction of the number of municipalities that allow this type of eParticipation tool. In 2006, 12.7 percent of the municipalities offered an e-forum to its citizens; data from 2009 already indicate a reduction in the use of e-forums (6.7 percent of municipalities); currently, the proportion is 3.8 percent. Furthermore, we asked administrative officers, who are responsible for official municipal websites about usage of other active eParticipation tools (for example petitions, referendums, voting). They answered that occasionally they have spotted some e-petitions about particular local issue(s), but there is no normative framework established for the usage of e-voting and e-referendum, neither on the national or local levels of government. Based on that, we were not surprised, that only one municipality tried participatory budgeting as new form of citizens’ participation.

Regarding to size of municipalities by population, there are two groups of municipalities in Slovenia, i.e. urban municipalities and ordinary municipalities.⁵ If we analyse the urban municipalities separately (Table 1), we see that six (56 percent) out of the total of 11 urban municipalities in Slovenia are using e-surveys as an eParticipation tool; only two urban municipalities (18 percent) have an active forum on its official website. Out of the two urban municipalities, only one municipality (Nova Gorica) offers an e-survey; this way Municipality of Nova Gorica is the only municipality in Slovenia that offers its citizens four eParticipation tools (e-access, e-survey or e-consultation, e-forum and e-mail). None of the urban municipalities allow commenting on public announcements and news. Given the greater organizational and financial capabilities of the urban municipalities in comparison with the vast majority of

⁴ For example, applications designed as forms where citizens write proposals, opinions, questions, suggestions and others; municipalities have different names for such applications, e.g. ‘service of citizens’, ‘Kr.povej’, ‘Citizens Initiative’, ‘Review of citizens’, ‘Ask the Mayor’, ‘Contact Us’, ‘Citizens’ questions’, ‘Ask us’, ‘Questions, suggestions and criticisms of citizens’, ‘You question, Mayor answers’, ‘E-initiatives’ and others.

⁵ Urban municipalities are larger municipalities with at least 20,000 inhabitants and 15,000 jobs, and they are economic, cultural and administrative centres of the wider area.

ordinary municipalities, a somewhat greater engagement and willingness to facilitate the eParticipation of citizens would be expected, thereby strengthening e-democracy.

TABLE 1: E-TOOLS IN SLOVENIAN MUNICIPALITIES

municipalities	number of municipalities	website	e-tools				commenting the news/posts
			e-access	e-survey	e-forum	e-mail	
ordinary	200 (100 %)	200 (100 %)	200 (100 %)	32 (16 %)	6 (3 %)	200 (100 %)	3 (1.5 %)
urban	11 (100 %)	11 (100 %)	11 (100 %)	6 (54.5 %)	2 (18.2 %)	11 (100 %)	0 (0 %)
total	211 (100 %)	211 (100 %)	211 (100 %)	38 (18 %)	8 (3.8 %)	211 (100 %)	3 (1.4 %)

Source: Research Project "E-demokracija in e-participacija v slovenskih občinah" (E-democracy and eParticipation in Slovenian municipalities) (2013).

To sum up, Slovenian municipalities still require some work in the field of local e-Governance, especially there is a need for conceptual shift towards citizen-oriented and established active eParticipation by civil society. As Castells argued, the reform of the public sector commands everything else in the process of productive shaping of the network society and these transformations require the diffusion of interactive, multi-layered networking as the organizational form of the public sector (Castells 2005, 17).

3 PARTICIPATORY DEMOCRACY AND CITIZENS' INVOLVEMENT INTO LOCAL POLITICS

eParticipation has the considerable potential to change the broader interactions between citizens and (local) government, and it can also improve the overall quality of engagement and decision-making whilst widening the involvement of all citizens. In recent years the existing concepts of local democracy and governance have been transformed (Frissen et al. 2007) and the pressures and expectations regarding modern methods of efficiency, effectiveness and involvement of citizens began to increase – i.e. local government should be more open to democratic accountability and broad participation. ICT could reengineer representative democracy and replace it with forms that are more direct.

Discussion about democratic local governance has its roots in early theories about participatory democracy, which can be defined abstractly as a regime in which adult citizens assemble to deliberate and to vote on the most important political matters. Barber (1984, 117) states that participatory democracy becomes possible through policy-making institutions and a high level of education, which binds citizens to pursue the common good. However, Barber (1984, 234) specifies that strong participatory democracy will not develop through civic education and knowledge, but rather will arise when people are given political power and channels of influence. Having attained these, they will perceive that it is necessary to acquire knowledge in order to be able to make political decisions. That is another reason why the municipal websites must provide the citizens with both channels of political influence and information about political matters so that people who participate can educate themselves and formulate reasonable political arguments.

Furthermore, according to Pateman (1970, 42–43), people's participation in the community's decision-making stabilises the community. A decision-making process that allows public participation develops from the very start as a

process that perpetuates itself due to the effect of political participation. Participatory political processes have an impact upon the development of the social and political capacities of citizens, and this positively influences the next act of participation. Participation has an integrative effect especially upon those citizens who take part in political activity, and thus makes the acceptance of collective decisions easier.

According to the modern theory of participatory democracy, people's political participation and deliberation are characterised by an aim to acquire information and knowledge about political matters so that political opinions or decisions can be argued proficiently. Knowledge is not usually the starting point when opinions or decisions are formulated; information about political issues is, by nature, contingent on the situation. The citizens who participate in political deliberations are assumed to possess the ability to select relevant information, which they can use to support their arguments. Among the most basic principles of participatory democracy is the idea that people learn through an opportunity to participate and by utilising and judging the relevance of different types of information. Political information and knowledge are therefore given a certain utility value in political argumentation; administrative information and knowledge of societal matters are presented as having significant descriptive power regarding circumstances.

At this point, we will introduce the position of Slovenian mayors regarding the participation and involvement of citizens.⁶ In order to assess mayors' opinions on general approaches to participation, they were asked to what extent they agreed or disagreed (from 1, 'of little importance' to 5, 'very important') with the following statements:

1. Residents should participate actively and directly in making important local decisions.
2. Residents should have the opportunity to make their views known before important local decisions are made by elected representatives.
3. Decentralisation of local government is necessary to involve citizens in public affairs.
4. Local referenda lead to high quality public debate.

As we can see in Table 2, the mayors assessed all statements as relatively important (all ratings are above average value). The highest ranked was the statement "Decentralisation of local government is necessary to involve citizens in public affairs" (mean value 4.22), followed by statement "Residents should have the opportunity to make their views known before important local decisions are made by elected representatives" (mean value 3.63). According to earlier mentioned answers about referendums, it is not surprising that mayors ranked statement "Local referenda lead to high quality debate" as the least important (mean value 2.95). Based on our findings, we can conclude that Slovenian mayors are in favour of citizens' active and direct participation in local issues; citizens should be actively involved in policy-making processes.

⁶ The research project 'Stili lokalnega političnega vodenja' (Styles of local political leadership) was conducted at the Centre for the Analysis of Administrative-Political Processes and Institutions in spring 2014.

TABLE 2: IMPORTANCE OF LOCAL DEMOCRATIC REQUIREMENTS (N=106)

	mean	std. deviation
Residents should participate actively and directly in making important local decisions.	3.60	1.110
Residents should have the opportunity to make their views known before important local decisions are made by elected representatives.	3.63	1.058
Decentralisation of local government is necessary to involve citizens in public affairs.	4.22	0.743
Local referenda lead to high quality debate.	2.95	0.909

Source: Research Project "Stili lokalnega političnega vodenja" (Styles of local political leadership) (2014).

The support of democracy and governance ideas can also be analysed by looking at what the mayors believe to be the most effective ways of communicating with citizens. There are many ways of communicating with local people and allowing people to let local politicians know what they think. We asked the mayors which of the listed sources, instruments and methods of communication⁷ are useful and effective for becoming informed on what citizens think. 30 percent of mayors assessed forums via the Internet as the most non-effective method of communication, 56.9 percent assessed them as only effective in special circumstances and only 13.1 percent assessed them as effective. This result can be connected with the fact that only eight municipalities offer e-forums to its citizens.

Furthermore, more than half of the mayors assessed citizens' letters via the Internet (55 percent), petitions (62.5 percent), satisfaction surveys (56.3 percent), focus groups (63.6 percent) and referenda (60 percent) as only effective in special circumstances. Mayors viewed personal meetings in the town hall (95.4 percent), public debates and meetings (72.1 percent) and formalised complaints or suggestions (64.3 percent) as the most effective methods. The results show that mayors are still in favour of personal meetings with citizens: on average, they spent 6.3 hours per week in meetings with citizens; 3.1 percent of mayors communicate with citizens 1–3 times a month, 7.7 percent of mayors do so once a week, 14.6 percent of mayors do so 2–4 times a week and 74.6 percent of the mayors in the survey communicate daily with the citizens. We can conclude that Slovenian mayors support citizens being actively included in local public issues and processes, but they are still rather sceptical about the new technologies and tools of eParticipation.

4 CONCLUSION: ARE SLOVENIANS THE NETWORKED "eCITIZENS"?

Interesting starting point for discussion about citizens' involvement into local politics via the Internet is certainly the prevalence of Internet usage among different groups of generations. According to some researchers (for example Jones and Fox 2009; Svete 2014) we can divide generations in six groups: "*G.I. Generation*", which is the oldest generation (people born before 1936), following by "*Silent Generation*" (people born between 1937 and 1945), "*Older Boomers*" (born after II WW until 1954), "*Younger Boomers*" (born in 60's and

⁷ The listed methods were as follows: *citizens' letters via the Internet; citizens' letters in the local press; formalised complaints or suggestions; petitions; information on citizens' position gathered by the councillors; information on citizens' position gathered by people working in local administration; information on citizens' position gathered by the local parties; public debates and meetings; satisfaction surveys; neighbourhood panels of forums; forums via the Internet; focus groups; self-organised citizen initiatives; referenda and personal meetings in the town-hall.*

70's), "*Generation X*" (born in 80' and 90's), "*Generation Y*" (so-called Millennials) and finally "*Generation Z*" (born after year 2000). The Internet is definitely more popular among younger generations, but larger percentages of older generations are online now than in the past. Generations Y and Z, who grew up in the Information Age, have been dubbed the 'Net Generation.' They are online, connected 24/7, 365 days a year, and have been shaped by the ICT technological revolution. These generations predicted to be highly connected, living in an age of high-tech communication, technology driven lifestyles and prolific use of social media. But, while these "digital natives" may be savvier with their gadgets and keener on new uses of technology, their elders in Generation X, the Baby Boomers and older generations tend to dominate Internet use in other areas.

Based on data from Statistical office of Republic of Slovenia (2014), 14.6 percent of Slovenian population belong to Generation Z, 31.7 percent belong to Generation Y, 22.1 percent belong to Generation X, 14.1 percent of population belong to Younger Boomers and 17.5 percent of Slovenians population represent the rest three generations. To sum up, more than two-third of population belong to generations that are highly familiar with the Internet and modern ways of communication. Furthermore, in the first quarter of 2013, 76 percent of households in Slovenia had access to the Internet, which is two percentage points more than in the same period of 2012. In the first quarter of 2013, 74 percent of population aged 10 to 74 used the Internet and the majority (95 percent) used the Internet at least once a week, mostly for sending or receiving e-mails (64 percent) and for reading online news or newspapers (57 percent).

A citizen is an active member of a community or society provided with rights and duties conferred by that community. According to Mossberger, Tolbert and McNeal (2008, 1), digital citizens as those, who use the Internet regularly and effectively – that is, on a daily basis. In the Information Technology and the World Wide Web context, the citizen becomes an *eCitizen*. This means that citizens must learn how to turn real citizens of an electronic community and how to use the Internet possibilities in order to become aware of what *eCitizenship* implies. In fact, the *eCitizen* is the one, who is able to use the information technology in performing his daily affairs, and can receive his required services from related houses, bureaus, and institutes using electronic tools and systems (Behzad et al. 2012, 75).

Empirical data show that Slovenian citizens have many opportunities for information and communication with their local governments, and they have ways for expressing opinions, give suggestions and recommendations. Furthermore, mayors strongly support the active participation and involvement of citizens into local politics and decision-making processes; municipalities appear to be taking steps toward more open government, with more interactive platforms. In context of Slovenians' familiarity and qualification of ICT on one hand and with further information, dissemination and especially establishment of e-tools for active participation on the other hand, we can conclude that the concept of *eCitizens* has good future opportunities to develop in Slovenia.

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WHO DECIDES IN TIMES OF CRISIS? A COMPARATIVE EXAMINATION OF BUREAUCRATIC DELEGATION IN 4 EU COUNTRIES (2008–2010)

Miklós SEBŐK¹

The paper presents the results of a study of policy instrument form choice in four Western European countries. Based on an analysis of major pieces of legislation during the period, it is argued that various forms of institutional change in the form of delegation were the policy of choice for decision-makers in mitigating the effects of the financial crisis. Newly created agencies and funds enjoyed a significant degree of bureaucratic autonomy. In a parallel process, a gradual transformation of extant financial regulation contributed to an upheaval in the ideational structure that underpinned these policy areas for almost three decades. In this, a shift from price and fiscal stability to financial stability signalled a new set of goals for decision-makers, and a realignment of policy instruments duly followed. The results indicate that exogenous shocks—such as financial crises—initiate policy change with distinct policy instrument choices and delegations.

Key words: financial crisis, comparative political economy, bureaucratic delegation, Western Europe.

“For since in some Governments the Law-making Power is not always in being, and is usually too numerous, and so too slow, for the dispatch requisite to Execution; and because also it is impossible to foresee, and so by laws to provide for all Accidents and Necessities that may concern the public; (...) therefore there is a latitude left to the Executive Power, to do many things of choice, which the Laws do not prescribe.”

John Locke

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1 INTRODUCTION

The importance of the theoretical problem of bureaucratic delegation is larger than ever.² The cost of the bailouts of financial services firms in the aftermath of the financial crisis of 2008-2009 resulted in multi-billion dollar checks for the taxpayers of the United States, Britain and many other countries. The management of these funds was mostly delegated to government bureaucracies and independent agencies, such as central banks. This is important because the institutional structure in which these financial restructurings are undertaken provides strong incentives for and restricts the agency of individual legislators, officials of the executive branch and bureaucrats. Therefore, the “quality of state regulation of the economy should depend on the institutional design of state institutions” (Przeworski 2003, 214).

During their respective crisis situations the legislatures and governments of advanced industrialized countries (heretofore AICs) created new bureaucratic structures that do not pass the eyeball test established by the dominant, rational choice-inspired literature on delegation.³ A cursory look at the political debates surrounding the bailout legislations in AICs in 2008 will show that the level (or degree, I use these terms interchangeably) and structure of delegation (taken together: the dependent variables of this article) are shaped by a number of considerations that are not closely related to the *rational choice* inspired *variables* related to *party politics*. These outcomes are in a stark contrast with the extant theoretical literature that postulates that both the level and structure of bureaucratic delegation is defined by factors associated with divided/unified government (or the institutional *fragmentation* of government), here defined by the parties in charge of the separate branches of government.

This article is but a first step towards outlining a general comparative framework of bureaucratic delegation that offers a solution to this puzzle. In this respect, this is more of an exercise in theory building than theory testing. I undertake this task in four steps. First, I present a baseline rational choice institutionalist model of bureaucratic delegation as well as an alternative rooted in the concept of trusteeship and bureaucratic delegation. Second, I present a small-n comparative case study design that is applicable to the investigation of major pieces of legislation. In the third section I demonstrate on the banks bailouts of 2008 in four Western European countries that such an alternative hypothesis holds up well vis-à-vis the applied baseline model. The final section concludes.

2 TWO MODELS OF DELEGATION-BASED POLICY CHANGE AND THE CASE OF BANK BAILOUTS

2.1 The baseline model

In the political system policy change comes in different shapes and forms. One aspect of utmost importance is changes in the underlying institutional structure, which leads to the study of factors defining “institutional design”.

² I am thankful for the helpful suggestions of two anonymous reviewers, as well as participants of the relevant sections at the Southern Political Science Association annual conference and the International Conference on Public Policy. All remaining errors are my own.

³ See e.g. Epstein and O’Halloran (1999); Huber and Shipan (2002) – for an overview see Huber and Shipan (2006).

Despite the importance of the origins of institutions for policy outcomes, “theoretical work on this crucial issue continues to be sketchy at best” (Pierson 2004, 103). That said, approaches associated with rational choice institutionalism (RCI), or with “actor-centred functionalism”, are “prominent in much of the work social scientists have done on formal institutions” (Ibid., 105).

Within this paradigm, the most widely used baseline model exploring the logic of bureaucratic change in the context of delegation was developed by Epstein and O’Halloran (1999). The core idea is an emphasis on unified/divided government as a critical factor in explaining the shape and degree of delegation. The authors put forward a sophisticated formal model and a rigorous empirical research strategy; a combination that generated a decade-long research program with substantial results (see Epstein et al. 2009). Their research showed, *inter alia*, how divided government lowers executive branch discretion. Statistically significant results included a clear shift towards more constraints on delegated authority during transitions from unified to divided government.

Nevertheless, this approach is not without its limitations, especially when it comes to the case of financial regulation and bank bailouts. As the legal environment of finance is thoroughly shaped by legislation during and in the wake of crisis periods one could argue that the whole issue area of financial regulation and supervision should be exempted from the baseline model. And an unambiguous definition and clear delineation of crisis periods is a necessary precondition for this (see the section on empirical strategy).

These definitional uncertainties notwithstanding, the unique position of bailout legislations is reinforced by the fact that the politics of finance is inherently highly technical, involving a large degree of information asymmetry. In this respect it is important to note that Epstein and O’Halloran (1999, 75) argue that high policy uncertainty does, in fact, imply a unique reaction: “The more uncertainty associated with a policy area, the more likely Congress is to delegate authority to the executive.” That said, the devil is in the details.

First, in the baseline model uncertainty is a function of the *policy area*, not of *exogenous shocks*. My point here is that the degree of uncertainty may substantively vary within the boundaries of a single-issue area. Second, Epstein and O’Halloran *do* make the claim that “during times of divided government, Congress will delegate more often to independent agencies” (IA), which suggests that even *when* uncertainty is high the first best option of Congress is to delegate policy instrument choice to IAs.

What follows from all this is an extension of the notion of policy uncertainty, which, now, is understood as a function of the related issue area *and* exogenous shocks. In these cases, *extremely* volatile situations, associated with an *extreme* degree of uncertainty (Epstein and O’Halloran’s ω), become an irregular subtype of the *more general case* of high policy uncertainty. On the one hand, for cases of *high* policy uncertainty, the authors’ propositions may or may not hold. On the other hand, for cases of *extremely high* policy uncertainty (crisis)—and this is the gist of Proposition 3, to be introduced below—they *do not hold* as these decisions are reached under a different *mode* of representative government.

Following this logic, what I offer here is a resolution to the anomaly of extremely high policy uncertainty in the baseline model of delegation. The supposedly alternative approach of this article, then, presents itself more of a natural extension or refinement of Epstein and O’Halloran’s original offering.

2.2 An alternative model: The causal logic of crisis-driven delegation

The causal logic against which this alternative explanation, *crisis-driven delegation* unfolds is as follows. In a crisis situation pre-existing bureaucratic capacities render general legislative, and even committee capacity strongly dominated while the short time frame highlights the advantages of relying more heavily on ex post oversight. So far this is more or less in line with standard assumptions in RCI delegation theory. The paths diverge, however, once the very question of bureaucratic structure is relegated to irrelevance by elected decision makers yearning for a quick solution that helps avoiding a complete collapse of the financial system. The two main elements, therefore, that vindicate an autonomy-based—as opposed to a mandate-based—perspective are the political implications of crisis and the politicians' rational reaction to these implications. Put bluntly, they need a trustee to clean up the mess and choose the instruments they deem necessary to do so, while they steer away from the blame potentially associated with it.

As to the first point, crisis upsets theoretical frameworks fine-tuned to normalcy. Budget appropriations, for instance, are rendered useless as a metrics of the level of delegation as they are extremely sensitive to exogenous factors such as the depth of crisis (i.e. budgetary allocations could exclusively be the function of the size of non-performing assets). A corollary to this point is that crisis decisions are made in a larger than usual stakeholder environment due to the high stakes and high uncertainty involved (as was pointed out by Baumgartner and Jones 2009).

Furthermore, the bureaucratic structure emerging after crisis legislation may differ from pieces of law adopted in a “going concern” status because of its temporary nature. Extraordinary lines of credit, such as those provided through the discount window, a ban on shorting or the suspension of convertibility involve a degree of discretionality on behalf of trustees that is seldom present in under normal circumstances. Rational politicians carefully adapt to these new circumstances.

2.3 Propositions

Based on these considerations alternative hypotheses rooted in crisis driven delegation may be formulated for the purposes of a comparative study of non-presidential systems of government. The baseline model (Epstein and O'Halloran 1999, 78) generates 9 hypotheses but only a couple of them relates to the problem at hand. An adaptive reformulation of these propositions yields two basic propositions. According to the theorem on the *level of delegation* less discretionary authority will be delegated to the executive during times of a more fragmented government. And the proposition on the *structure of delegation* states that as the effective number of vetoes increases, the polity becomes more fragmented and the probability of delegation to independent agencies (as opposed to cabinet departments) increases as well.

I also put forth an alternative hypothesis, one that is optimized for the crisis mode of representative government; that is, delegation-based policy choice under extreme policy uncertainty. According to this proposition on *blank-cheque delegation to trustees in times of crisis* the beneficiary of legislative delegation is a trustee-type institution. This implies that standard principal-agent models of delegation are not applicable to these cases: the degree and

structure of delegation is shaped by the crisis and not party politics, and policy choice gets liberated from pre-existing constraints.

In the following I examine the relative merits of these propositions in light of the European bank bailouts of the late 2000s. Bank bailouts are defined in a general sense as a *coherent set of short-term* policy response to a standalone or systemic banking crisis. This definition is in line with the more general notion that bailouts are “instances when the government aids one or more economically distressed businesses in some way” (Wright 2010, 1). As for the definition of bank bailouts proper, the notion of coherence deserves further elaboration. It is important because bailouts usually constitute complex policy packages. Among the policy tools deployed during financial crises Ait-Sahalia et al. (2010) count fiscal policy, monetary policy, liquidity support, financial sector policies and policy inaction/ad hoc bailouts. For the purposes of the present discussion I will focus on “financial sector policies”, steps such as recapitalization, asset purchases and liability guarantees—all of which are easily distinguishable in larger packages of policy initiatives.

3 EMPIRICAL STRATEGY AND CASE SELECTION

In light of the theoretical and definitional considerations of the previous sections, the primary aim of this article is *not theory testing*, but *theory building* (adaptation and extension). Gerring (2004) makes a compelling argument for qualitative case studies that have more “affinity” towards an “exploratory” strategy of research. This approach sets its aim at “theory generation” and the exploration of “causal effects”. In my quest to establish a coherent relationship between the ends and means of research I rely on the qualitative approach of a small N cross-sectional comparisons that controls for a number of possible confounds. That said, the above hypotheses can be easily reformulated for the purposes of a future large N research design as—according to Gerring—the two are not “antagonistic approaches to the empirical world” (see Conclusion).

The research design involves four brief case studies, based on the “method of difference” principle. The British, French, German and Dutch financial markets, government structures and the actual bailout strategies implemented in the heat of the crisis have a lot in common and, therefore, form an adequate group of cases for such an analysis. The countries in the sample are all AICs, which retain a substantial degree of financial policy sovereignty and thus the capacity to influence the behaviour of major actors based in the core of the world economy (same is not true of e.g. small open economies with privatized bank sectors in Central and Eastern Europe).

All cases in the sample have bicameral legislative bodies with a relatively minor role for the upper chamber. The government structure is unitary in all except for Germany. Besides the U.K., all sample countries are part of the euro zone. That said, this splendid isolation of Britain does not weaken, but, in fact, reinforces the general argument (see the section on the independent variables). By focusing on the simultaneous bank bailout legislations of 2008 we can also keep time constant through the cases. Indeed, apart from being the “most similar” cases, the U.K France, Germany and the Netherlands are convenient choices as the bank rescue packages were almost simultaneously adopted—a further step towards the natural experiment ideal-type (the UK was an early frontrunner with a first Banking Act in February 2008). The units of analysis in this sense are major pieces of legislation that were widely considered to be

“bank bailout packages”. These bailout programs are laws adopted by the legislature of each country, which also laid the groundwork for further “delegated legislation” (see Table 1).

TABLE 1: SHORT TERM “BAILOUT PACKAGES” IN 2008

	UK	Germany	France	The Netherlands
Date (exec. proposal)	October 8	October 13	October 13	October 3
Name of law/decree	Cabinet decisions based on the powers delegated by the Banking (Special Provisions) Act of 2008, superseded by The Banking Act 2009	BR-Drs. 750/08: Finanzmarkt-Stabilisierungs-gesetz	NOR: BCFX0824244L: Loi de finances rectificative pour le financement de l'économie	Cabinet decisions
Size	£500 billion	€480 billion	€360 billion	€200 billion
Effective date	12-Feb-09	17-Oct-08	16-Oct-2008	11-Oct-08
New institution	UK Financial Investments Limited (UKFI)	Sonderfonds Finanzmarktstabilisierung (SoFFin)[vii]	La Société de financement de l'économie française (SFEF)	Pre-existing (Agentschap van de Generale Thesaurie)
Bureaucratic design	100% Treasury	IA w/ 100% Ministry of Finance appointees	66% Banks - 34% Ministère de l'Économie	100% Ministry of Finance
New program	“Bank Recapitalisation Fund”; “Credit Guarantee Scheme”	SoFFin	SFEF	“Credit Guarantee Scheme”

A final factor reinforcing the internal validity of the framework is that the Treasury/Ministry of Finance and the central banks play a large and, more importantly, somewhat similar role in banking supervision in all countries, along with the respective financial services watchdogs (the ECB was seemingly not a source of variation with regards to national bailout efforts directed at individual financial institutions).

3.1 Dependent variables

The two initial propositions introduced above pertain to a major factor in shaping policy choice, the level and structure of bureaucratic delegation. All things considered, while Epstein and O'Halloran's choice of a more substantial metrics—which they obtain by coding the net discretionary authorities in relevant pieces of law—is vindicated, its return-on-investment ratio is arguably lower than that of the less complex measures. I opt, therefore, for three alternative measures of delegated authority: the length of laws; agency autonomy; and budget authorizations.

First, the non-substantive method adopted by Mayhew (1991) spawned a number of similarly procedural “brute force” methods. One with a substantively large impact is the word count method of Huber et al. (2001). The authors offer a simple measure: The number of words in *new* text circumscribing the responsibilities of the bureaucracy. In the context of the present research the length of the pieces of legislation in question should be indicative of the extent of control measures, and therefore the limits on delegation built into the legislation. The length of laws, therefore, will serve as one of the dependent variables in this informal model.

Second, a similarly useful proxy presents itself in the form of institutional independence measures (for an overview see Iversen and Soskice 2006). In the case of European central banks Quaglia (2008, 6) provides a detailed comparative assessment of institutional autonomy based on a metrics of legal provisions, policy capacity, legitimacy etc. A similar study was undertaken by Gilardi (2008) for independent regulatory agencies. As analogous indices have

been developed with respect to all-important units of the government structure, research into the extent of delegation can benefit from this literature. Degree and structure overlap in these studies: a non-majoritarian agency, such as an independent central bank (form) enjoys more autonomy (degree).

Epstein and O'Halloran (1999, 80) go on to define 5 subtypes: the Executive Office of the President (EOP); cabinet departments (CD); independent agencies (IA – such as central bank authorities or –financial supervisory agencies); independent regulatory commissions (IRC); and government corporations (GC). Each of these organizational units is associated with a level of initial discretion (and, taken together, they form a “bureaucratic structure” – Ibid., 156). This classification by and large lends itself well to generalization to non-presidential separation of power systems. This leaves us with a binary dependent variable for the *structure* but also that of the *degree* of autonomous policy choice: independent/non-majoritarian agencies (IAs and IRCs) and majoritarian agencies (EOPs, CDs, GCs).

Finally, perhaps the most straightforward measure of the degree of delegation ingrained in policy choice is the level of budget authorizations/appropriations granted to the executive branch. In this respect, nominal figures seem less useful than measures relative, for example, to the size of the GDP of the country or total budgetary outlays. This metrics will serve as the third dependent variable in the verbal model.⁴

3.2 Independent variables

The key to the translation of Epstein and O'Halloran's divided/unified government variable to a parliamentary setting is the definition of fragmentation. In this article, by this I mean the effective number of veto points (ENV).⁵ It is important to note that the number of effective vetoes is *not necessarily* constant in a given polity over time. In a quasi-formal rendition this means that ENV is a function of the number of parties in parliament; the number of coalition partners; the ideological distance between said parties on the one hand; and the relatively fixed institutional characteristics of the polity on the other. The inclusion of these general regime characteristics is certainly not unprecedented in the literature on the politics of bailouts (see e.g. Rosas 2009).

Given the change in the background variable of regimes it should come as no surprise that the original independent variables of the model by Epstein and O'Halloran are not directly applicable. First, they are based on two sources of

⁴ While these quantitative measures have a distinct competitive advantage over less concrete metrics, the abovementioned scales are not without downsides. For there is a real trade-off between more objective quantitative measures that are “blind” to the saliency of a single line in a mass of text and qualitative interpretations of the saliency of the same line item that inevitable retain an element of subjectivity. The local administrative practices of the sample countries, for instance, may affect the actual wording of bills, just as the degree to which MPs rely on informal “fire alarms” as opposed to formal oversight mechanisms that are built in the legislation *ex ante*. In the face of these and similar conundrums the best strategy is to hedge our bets and rely on a number of metrics.

⁵ This formulation establishes a direct link between the U.S.-focused approach of Epstein and O'Halloran and a similar, comparative analysis by Cox and McCubbins (2001). Both directly relate to the book by Tsebelis (2002), who popularized the term „veto players“. The basic idea is the same in all these works: political systems consist of veto players and/or points which taken together largely define policy outcomes or „winsets“. Cox and McCubbins further emphasize that institutional characteristics (the degree of the „separation of powers“) are just as important as the players controlling these veto points („separation of purpose“).

variation: policy uncertainty and political uncertainty. For our current purposes only the latter is relevant as in this article I do not address problems related to the policy uncertainty principle. In line with the approach of Huber and Shipan (2006, 262) “the issue type is held constant”.

As for political uncertainty the selection of explanatory variables in the baseline model offers a less obvious fit for non-presidential systems still. The various metrics put forward by Epstein and O’Halloran to gauge the effect of a *binary notion* of divided/unified government are only partially useful: the basic dichotomy less, the more complex ones, based on seat shares amongst others, more so. As co-habitation is rare in some semi-presidential systems (e.g. France); just as one-party governments in PR-parliamentarism (e.g. Germany, Netherlands); and most of the time divided government is not applicable to Westminster style parliamentarism (e.g. UK – except for cases of a “hung parliament”⁶); the binary approach seems to have a limited purchase on the cases in the sample. That said, the introduction of ENV offers a promising variable on a mid-range level of abstraction that may resolve these issues related to the operationalization of fragmentation.

All things considered—and with an eye on keeping the discussion as simple as possible while retaining a significant degree of explanatory power—in this article I use three proxies for measuring ENV/political fragmentation. Of these one varies and two others are fixed on the short term. The first one is a more nuanced version of the divided government variable (with values: unified; mixed; and coalition; “mixed” being a coalition with a dominant party). Besides this I rely on two institutional variables. The first one is the degree of separation of powers, which is self-explanatory (it is the key to understanding the baseline model). The second is the proportionality of the electoral system, which (via Duverger’s “law”) is more conducive to coalition governments as opposed to single party governments. These also may take the values high, mixed and low and are summed up in Table 2.

TABLE 2: GOVERNMENT AND ELECTORAL SYSTEM FRAGMENTATION

Government/Electoral System	High (PR)	Mixed	Low (Maj-Plur.)
High (Presidential)	-	-	USA (0.39)
Mixed (Semi-presid.)	-	-	France (0.16)
Low (Parliamentary)	Netherlands (1.00); Italy (0.91)	Germany (0.91)	UK (0.16)

Note: Data refers to the proportionality (%) of the electoral system.
Source: Iversen and Soskice (2006, 176).

The rationale for using electoral systems as a proxy is that—more often than not—they are “associated with a distinct party system” (Iversen and Soskice 2006, 167) and, therefore, are widely used to account for the emergence of coalition governments. An example for this choice in the context of financial regulation is provided by Rosenbluth and Schaap (2003): based on evidence from twenty-two industrialized countries, they argue that “the political dynamics generated by these electoral rules continue to shape the nature and extent of prudential regulations that countries adopt in the place of banking cartels.”

⁶ Then again, this is a rare occasion, occurring just once between 1929 and 2009; and for a limited period of 9 months.

4 EVIDENCE FROM FOUR EU COUNTRIES

Having introduced the propositions and the theoretical and operationalized variables, along with the empirical strategy designed to gauge the cause-effect relationship between them, the final step before turning to the actual cases is a preliminary analysis of the hypotheses. Crude as this analysis is, my expectation is that a more refined/quantitative probe into both sides of the equation would point toward the same conclusion. Furthermore, if an analysis of empirical phenomena based on such rudimentary measures signals a tension between the model/propositions and actual decisions further inquiries with regards to both model and measurement would be in order.

Based on the abovementioned two *institutional* proxies, the degree of separation of powers and electoral systems, a rank order may be established for our sample starting with the UK and ending with The Netherlands, and with France and Germany in between (the latter being closer to the pole that signals more fragmentation). This rank order is also in line with the one used by Cox and McCubbins (2001) who put Germany (unified power/separated purpose) and France in the middle of the spectrum with the completely unified UK on one, and the extremely fragmented US at the other end of the spectrum.

In the final analysis I subsume the three independent variables under three categories—low, mixed, and high fragmentation—each with a different prognosis for the outcomes generated from the model. The British and Dutch cases are straightforward: The former constitutes the low-fragmentation, the latter the high-fragmentation end of the spectrum. Based on the results of the 2005 election the Labour Party held 356 of the 646 seats of the House of Commons. In the Netherlands the fourth government of Prime Minister Jan Peter Balkenende was based on a grand coalition formed in 2006 between the centre-right CDA (41) and CU (6), and the centre-left PvdA (33).⁷ This coalition had a thin majority of 80 in a 150-seat Lower House.

From the cases with a hybrid institutional structure France shows a relatively low-fragmentation as in the period in question it was ruled by a coalition established in 2007 and dominated by the party of the president and the prime minister.⁸ Germany, on the other hand, is a relatively high-fragmentation case as it was governed by a grand coalition of CDU-CSU (226) and SPD (222) with other majority coalitions *available* in a Bundestag of 614 seats. As a grand coalition—almost by definition—indicates a larger-than-usual policy distance between its constitutive parties Germany is closer to the Dutch case. Moreover, this position is reinforced by an institutional factor, the larger than usual role for the second chamber, the Bundesrat in policy-making. While a relatively high degree of covariance between these variables is more than probable, my expectation is that this will not affect substantively these general findings.

If the propositions about non-presidential separation of powers systems are correct, they would have the following observable implications: the highest degree of delegation in policy choices is expected in the UK, followed by France with its less unified government due to a coalition in the National Assembly. A grand coalition in Germany, and especially the multiparty grand coalition

⁷ In the brackets are the seats attained in the Lower House.

⁸ François Fillon's second government was supported by 345 of 577 deputies of which 313—a simple majority—were sitting in the group of president Sarkozy's party, the UMP.

government in the Netherlands signals a more fragmented polity and, therefore, less delegation—and to more independent agencies.

In a similar vein, in the UK and France a less fragmented government implies delegation to executive branch departments as opposed to Germany and the Netherlands where the extended version of the equilibrium of Epstein and O'Halloran's model suggests more delegation to independent agencies. By contrast, if we find evidence in the political debates/voting data about agency design, that the eventual institutional choice was informed by considerations regarding trusteeship, blank-cheques and the like, as opposed to fragmentation, this would weaken the hypotheses that build on these purely political variables.

4.1 UK

The outlier UK data is seemingly in line with Proposition 1 as it occurred in a less fragmented political environment. A forceful case can be made, however, that this data is but a reflection of the depth of the underlying financial crisis and have nothing to do with executive-legislative relations.⁹ As far as anecdotal evidence goes, insider accounts overwhelmingly confirm this latter interpretation.

As for the structure of delegation, the British case is relatively straightforward and is in line with the prognosis of the baseline model. With relatively few veto points the government had a free hand to craft a series of executive decrees pertaining to various policy choices. Timing also had a major impact: A makeshift Banking Act had already been approved due to the early collapse of Northern Rock. This opened up some space for executive discretion before a new, supposedly long-term regulation could have been put in place. By October 2008 an early draft of this new proposal (to be voted on in early 2009) was already introduced in the House of Commons.

That said, demands with regard to “more information about Labour's blank cheque” were certainly not uncommon weeks into the bailout as “despite repeated requests (...) Parliament (had) still not been given a chance to consider” these momentous events.¹⁰ In the meantime a majoritarian agency, the UK Financial Investments Limited (UKFI)—“a company wholly-owned by the Government”—was established to manage the holdings acquired by the bailouts. In summary, the UK case by and large conforms to the baseline model, except for the length of the eventual legislation, as the emphasis of Proposition 3 on ex post oversight is verified by the length of the Banking Act of 2009. Nevertheless, the second Banking Act was a hybrid of short-term crisis management and “long-term” resolution that puts the usefulness of the word count metrics into question.

4.2 France

In France, a less-than-fragmented political elite propped up an obscure credit-refinancing agency (SRAEC) to create La Société de financement de l'économie française (SFEF). A unique feature of this arrangement was that it was a

⁹ Dey, Iain: How the government bailout saved our banks, *The Sunday Times*, October 3, 2009. Available at http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article6860385.ece.

¹⁰ Forsyth, Michael: Financial crisis: Bail-out questions that must be answered, *The Daily Telegraph*, October 24, 2008. Available at <http://www.telegraph.co.uk/finance/financetopics/financialcrisis/3255946/Financial-crisis-Bail-out-questions-that-must-be-answered.html>.

government corporation as opposed to a cabinet department agency, which created the possibility of private entities (banks) acquiring a majority presence on the board. This outcome somewhat contradicts Proposition 2 as a unified government implied that executive should have dominated the emerging bureaucratic structure. Furthermore, the SFEF was a garden-variety short-term bailout institution as it has been “put to sleep” by statute (by the law “La Loi de Finance 2010”)¹¹ in less than two years and very much in line with the original intentions.

4.3 Germany

In Germany both chambers of the parliament adopted a bailout package with two smaller opposition parties, the Left and the Greens, opposing the bill in the Bundestag.¹² The Bundesrat, the upper chamber, that consists of the representatives of 16 state governments, passed the bill unanimously. This indicated that the upper chamber—just as in all other sample cases—was not an effective veto point once the decision had been made in the lower chamber. The bureaucratic structure or the level of capital injection played a secondary role in the debate with executive-legislative relations being a hot button issue: “It’s a 500-billion-euro blank cheque,” said Greens caucus chief Renate Kuenast.

The newly created Sonderfonds Finanzmarktstabilisierung (SoFFin) has been managed by the Federal Agency for Financial Market Stabilisation. Seemingly, this is an independent agency in Epstein and O’Halloran’s nomenclature (an “independent public-law institution” as it was defined), which would confirm Proposition 2. A closer look, however, reveals that the “Management Committee” consisted of three members who were appointed by the Federal Ministry of Finance in consultation with the Deutsche Bundesbank. Also, the agency was “subject to the legal and technical oversight of the Federal Ministry of Finance” and the Federal Ministry of Finance was “politically responsible for the decisions of the FMSA.”¹³ With the ties close to the Ministry of Finance as they were, the German case does not adequately corroborate Proposition 2.

4.4 The Netherlands

While the case France and Germany show a mixed picture the case of The Netherlands is particularly puzzling. A grand coalition was in charge of crisis management, with Wouter Bos, a deputy prime minister/finance minister from the junior partner Labour party taking the lead.¹⁴ In a mechanical application of the baseline model this politically shaky setup is supposed to lead to lengthy bills and delegation to independent agencies. What happened, on the contrary, was a hands-on approach by the government relying mostly on its decree powers with only ex post legislation and oversight taking place on behalf of parliament.

¹¹ Available at http://www.assemblee-nationale.fr/13/budget/plf2010/b1967-tIII-a17.asp#P3354_314065.

¹² Deutsche Welle Staff Report: German Lawmakers Pass Bank Rescue Package, Deutsche Welle, October 17, 2008. Available at <http://www.dw-world.de/dw/article/0,,3719946,00.html>.

¹³ Structure of the SoFFin and the FMSA, The Official Website of SoFFin. Available at <http://www.soffin.de/en/soffin/structure/index.html>.

¹⁴ It is important to note that—besides trustee-type institutions such as central banks, and their respective chairpersons—finance and treasury ministers/secretaries enjoyed an enlarged role in most developed countries. They gained authority and responsibility vis-à-vis other cabinet members (especially those responsible for the social functions of the state). This point reinforces the argument for a closed-circle, technocratic decision-making during times of crisis. I thank the anonymous reviewer for explicitly highlighting this development.

On September 28, 2008 Fortis had been bailed out in a coordinated effort between the governments of Netherlands, Belgium and Luxembourg. The Dutch government on October 9 then declared that a €20 billion fund was created to strengthen the equity of the financial sector. During the week of October 13 the Dutch government initiated of €200 billion guarantee for interbank lending. And finally, during the week of October 20 the Dutch state took a stake in ING Group's core capital in the form of securities, amounting to €10 billion and Aegon received a capital injection from the government over €3 billion. All this was managed by the Agentschap van de Generale Thesaurie, which is a standard-issue Treasury agency and which is, as is common in the developed world, part of the Ministry of Finance.

Furthermore, according to news reports, it was Bos who decided on October 7, “after consultations at a European level”, to temporarily guarantee private bank accounts up to €100.000. And together with Nout Wellink of the Dutch Central Bank, he presented a comprehensive bailout plan. While an emergency debate was held in the *Parlement* based on a first sweep of new reports statutory action—to my knowledge—was not taken. Perhaps this was the reason why cross-party support developed for an inquiry into the causes and management of the credit crisis.¹⁵ This “accountability” coalition stretched from the far-left to the far right and included all opposition parties. Besides the criticism, however, the letter expressed support for finance minister Bos for “putting out the fire” which, it said, was “of vital importance” while the crisis continued. And despite the sense of urgency expressed in the letter ex post parliamentary investigations of the government interventions only started in April 2009.¹⁶

5 DISCUSSION

The actual variables for the cases at hand are summarized in Table 3. On the independent variable side, the factor of choice of the baseline mode, fragmentation is presented. The rank order—as discussed above—draws on three sources: divided/unified government, government system and electoral system. The first of the dependent variables, the length of legislation, is based on Huber et al. (2001) and it is self-explanatory.

TABLE 3: DELEGATION OUTCOMES

	UK	France	Germany	Netherlands
Independent variable (baseline model): Fragmentation	Lowest	Low	High	Highest
Dependent variable: Length (words)	High (51256)	Low (1310)	Mixed (4764)	-
Dependent variable: Cost:GDP	Highest (0.2)	Lowest (0.016)	Low (0.0307)	High (0.136)
Dependent variable: Independence	Low	Mixed	Mixed	Low

Source: Author’s calculations; Iversen and Soskice 2006.

¹⁵ DutchNews.nl Staff Report: Cross-party support for credit crisis inquiry, DutchNews.nl, October 29, 2008. Available at http://www.dutchnews.nl/news/archives/2008/10/crossparty_support_for_credit.php.

¹⁶ Gray-Block, Aaron: Dutch to probe cause of credit crisis – reports, Reuters.com, April 15, 2009. Available at <http://www.reuters.com/article/idUSLF53184620090415>.

The second variable, the *cost* of bailouts (calculated as a proportion of GDP – Dermine and Schoenmaker, 2010, 3-4), deserves further elaboration. The financial data combines new appropriations and the discretionary funds of central banks. That said, the sheer size of the differences (and the Treasury-specific costs indicated in Table 1) testifies to the comparability of the numbers. Finally, the third dependent variable represents the relative *independence* of the recipients of delegation from the chief executive, with values: high; mixed; and low.

A cursory analysis of the propositions regarding the four cases yields the following conclusions. According to Proposition 1 less authority is delegated under more fragmented governments. The results are mixed, leaning negative: The UK holds up well, France and the Netherlands significantly less, with Germany in the middle. Proposition 2 contends that under fragmented government independent/non-majoritarian agencies become the primary beneficiaries of delegation. Once again, the Netherlands and Germany are significant outliers, with the Treasury having a leading role in bailout efforts.

Proposition 3, the alternative hypothesis derived from the theory of trustees, on the other hand, is upheld by the findings. The notion of blank-cheque delegation was a recurring theme in the debates about bailout. The level of delegation as measured by budget appropriation proved *extremely* sensitive to exogenous factors such as the depth of crisis. Policy coordination between European government agencies (as opposed to political parties) was a generally recognized fact. Even in the most accommodating British case parliament crafted a lengthy piece of legislation packed with oversight measures *only after the worst days* of the crisis—and the same happened in the Netherlands. In the meantime, a heavy reliance on executive decree power, a definitive sign of trusteeship, was the main tool of government intervention. In a similar fashion, the Treasury in Germany, and the Ministry of Economy (which incorporates the Treasury) in France was put in a decisive role in managing and supervising the newly created bureaucratic units. And finally, extant bureaucratic capacities played a major role in shaping the structure of delegation with the Treasury taking the initiative in all cases in the management of bailout efforts.

The Dutch and German cases are particularly interesting for two reasons. First, grand coalitions do not seem to have the same effect as divided governments did in the U.S. context. Only opposition parties voted against the bailout measures. This indicates one of two things. Either the fragmentation-based analysis needs to be revised or we may accept ENV as an important factor with a significant modification. Coalition governments should be treated as *unified* governments with regards to landmark policy decisions. The results are the same: fragmentation in its present operationalization is not a useful explanatory variable.

Divided/unified government may, in fact, be useful in the context of parliamentary systems *under normal circumstances*. Under extremely high degrees of policy uncertainty in the issue area of financial policy, however, there is a tendency to delegate the decisions regarding policy choice to the Treasury regardless of the underlying ENVs. The answer to the puzzle lies in trusteeship as an alternative to principal-agent explanations.

6 CONCLUSION

In this article I have presented an extension and application of the “delegating powers” model by Epstein and O’Halloran to non-presidential systems of government in a specific issue area. I argued that this extension is plausible; and proposed the notion of fragmentation and the effective number of veto points as more general substitutes for the pivotal independent variable of divided government. The cursory overview of a basic application of this model to a cross-sectional sample of four AICs has produced ambiguous results indicating the presence of a number of possible confounds. A new proposition was offered; one that can account for decisions regarding policy choices under extreme degrees of policy uncertainty. Crisis-driven delegation, a notion based on trusteeship as opposed to mandates, provided a useful addition to the baseline model, as it was well equipped to deal with extra (exogenous) policy uncertainty in policy areas with a high degree of initial policy uncertainty.

That said, the most important proposition of this article is that universal theories of legislative agency design remain elusive. The least we can say is that one of the most widely used and acclaimed frameworks (Epstein and O’Halloran’s “delegating powers”) proved to be ineffective in explaining major policy decisions such as agency design outcomes *regardless* of the level of policy uncertainty. On the other hand, the alternative proposal of a “blank-cheque delegation” in crisis situations held up well in a “ticking-bomb scenario” such as the case of the financial crisis of the late 2000s. This signifies the relevance of a novel approach, one that meets the needs of this other mode of representative government: the state of emergency.

The concept of trusteeship provides a theoretical background against which testable propositions, such as Proposition 3 about the blank-cheque nature of crisis-driven delegation, may be generated. Even as the primary aim of this article was theory building, as opposed to theory testing, the crisis-driven delegation theory of policy instrument choice involving trustee-type institutions proved a promising description of policy choices in crisis situations.

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EFFECTS OF PROFESSIONALIZATION OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES

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The Republic of Macedonia has twenty-four years' tradition of parliamentary democracy. The goal of this paper is to determine effects of professionalization of the Macedonian parliamentary elite in seven parliamentary terms from 1991 to 2011. The professionalization of parliamentary elite is defined as process that means creating high standards for access to a parliamentary seat. Effects of professionalization are detected in the research of the parliamentary elites of the European countries. The effects of professionalization could be detected by using indicators that measure a few aspects of transformation of parliamentary elites as the age structure, the level and the type of education, the professional occupation, the political experience and the percent of re-elected members of parliament. The effects of professionalization detected in this paper show growth and decline of the trend of professionalization of the Macedonian parliamentary elite.

Key words: parliamentary elite, professionalization, Republic of Macedonia.

1 INTRODUCTION

National parliaments are the central public institutions of the modern democratic countries. In Political Theory, these institutions are also known as legislatures or assemblies (Heywood 2013, 309). The term parliament is related to the function of this body to be a place of political debates, political speech, and arguing. Assembly is a term used more to describe these bodies to be places where politicians and political leaders are gathered at one place to discuss

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about laws, to put "the rules of the game" in a society. The common thing that these bodies have is that they have the monopoly over the law-making process in the modern democracies.

The origin of the European parliaments is related to the ancient royal courts where monarch judged important legal cases and meet with noblemen. During the centuries, these assemblies became more protocolled with more rules and became places where were discussed important issues of war, administration, commerce, and taxation. In that way, most of the European countries develop their national legislative bodies.

About the national parliaments, two things can be said with certainty how many members and chambers (Hague and Harrop 2004, 248) they have. About the members of parliament (MPs), they are people that are elected on regular parliamentary elections usually for a period of four years (it can be more or less of four years, it depends of duration of parliamentary term in every country). These elected people, members of parliament could be considered as elite. According to the writings of the European political theorists of the late nineteenth century, especially the Italians Roberto Michels, Wilfredo Pareto and Gaetano Mosca they analysed the political histories of a variety of political systems and concluded that they all have two strata: the political class – the elite and the non-political class – the mass. Elites and non-elites are interdependent (Burton and Higley 2006, 4). The elite is the class that controls all political functions, holds almost all political power, and dominates the allocation of values (Danziger 2011, 248). The members of parliament can be classified as an elite or part of the political elite, because they control political functions, hold legislative political power and dominate the allocation of values.

2 THEORETICAL APPROACH TO THE PROFESSIONALIZATION OF PARLIAMENTARY ELITES

Heinrich Best and Mauricio Cotta are two authors that made comparative treatment of the long-term transformations of the parliamentary careers of eleven European countries. Best and Cotta (Best and Cotta 2000, 19) constructed a theoretical model for the study of the recruitment process and long-term changes of the parliamentary elites. Their theoretical model has three dimensions: time, countries/party families, and a bunch of variables. This 3-dimensional model is called DATACUBE (Best and Edinger 2005, 502). It contains personal and political characteristics of the members of the European parliaments of the selected eleven countries starting from 1848 until 2000. This theoretical model offers the opportunity to be compared these parliamentary elites and to be studied over long time period. The study of elite background on the whole tells more about the society in which the elite exists than the policies or politics which the elite will pursue (Parry 2005, 89).

Two significant trends are defined in the study of parliamentary elites. One is the process of democratization, and the other one is the process of professionalization. These two processes are contradictory because, while democratization refers to opening up channels for political participation and legislative recruitment to more social groups, professionalization refers to the process whereby those recruited tend to establish area-specific standards and routines, which increase the insider-outsider differential (Best and Cotta 2000, 495).

The effects of professionalization of the parliamentary elites could be detected by using indicators to follow this process. The main indicators that we will use here are the age structure, the level and the type of education, the professional occupation, the political experience and the percent of re-elected members of parliament. These five indicators will serve to give better understanding to the process of professionalization of the Macedonian parliamentary elite in seven mandates. The indicator of the age structure of members of parliament according to the theoretical model by Best and Cotta is a relevant factor because older MPs are more experienced and mature to meet the challenges in the legislative arena. Their younger colleagues have more vital energy, but less wisdom. The educational structure could be seen in two aspects. The first one is the level of education of parliamentary members. People with the higher level of education or with a scientific degree (Master or Ph.D.) are more capable to meet the challenges in legislative arena compared with those with a lower level of education (Luther and Deschouwer 2005, 81). The other aspect is the type of higher education (major degree). According to Best and Cotta (Best and Cotta 2000, 515) MPs with major in Social Sciences, law, economics have a more relevant knowledge to build a professional parliamentary career. The professional occupation also is an important factor for a successful career in parliament. People with occupation as manager or director, lawyer or jurist, economist, or people with professional background in any other profession that is related to management of people, public life or social issues are more able to build professional parliamentary career (Best and Edinger 2003, 11). The political experience is also an important factor for a professional career in parliament because more experienced MPs are more able to accommodate in the legislative arena. The members of parliament could have their political experience gained in political party, central or local government. The fifth indicator is the percent of re-elected members of parliament in each mandate. This is a very important factor of political professionalization. The level of professionalization is higher when the percent of re-elected MPs is increased.

3 THE PERIODS OF DEVELOPMENT OF THE MACEDONIAN PARLIAMENTARY ELITE 1991-2011

The Republic of Macedonia has relatively short history of parliamentary democracy. Until 1990 Macedonia was part of the Socialist Federative Republic of Yugoslavia. The introduction of the market economy and the first parliamentary elections in the early nineties were new conditions for the country. After the first multi-party elections, the political parties represented in the Macedonian Assembly could not form a government. In these conditions was formed the "experts government" as an executive body (Gusheva 2008, 174). In 1991 was organized the referendum of independence in which majority of citizens declared Macedonia to be independent country. Also, the first democratic constitution was introduced in the same year. Later on, the political powers in the Assembly polarized in the parliamentary space and there was formed political government led by the social-democrats (Social Democratic Union of Macedonia – SDUM), the Liberal Party (LP), and the Albanian Party of Democratic Prosperity (PDP). The first parliamentary term (1991-1994) was marked by the first multi-party parliamentary elections and the formation of position and opposition in the Macedonian parliament.

In 1994 were the second parliamentary elections in the Republic of Macedonia. The social-democrats (SDUM) won the majority of seats in the parliament and formed the government in coalition with the liberals (Liberal Party) and the

Albanian PDP. The conservative party VMRO-DPMNE boycotted the second cycle of the parliamentary elections in 1994 and did not win any seats in the Assembly (Pandevska 2007, 34). The second parliamentary term is characterized because the main opposition did not attend in the parliamentary life until 1998.

The third parliamentary elections were won by the conservative party VMRO-DPMNE which formed a coalitional government with the Democratic Party of Albanians (DPA). In 2001, an armed ethnic-political conflict destabilized the country. Because of the unstable political situation was formed "wide coalitional government" by the four major political parties (SDUM, VMRO-DPMNE, PDP, and DPA), which represented the Macedonian, and the Albanian community in the country. After six months was put an end to the crisis. There was signed the Framework Agreement by the political leaders of the fourth political parties in "the wider government". With this Agreement were made significant constitutional changes in the political system and was expanded the spectrum of minority rights in the legal system in the country.

In 2002 at the fourth parliamentary elections won the social-democrats (SDUM) and they formed a government in coalition with the Liberal Democratic Party (LDP) and the new political party of the Albanian community, the Democratic Union for Integration (DUI). The main opposition in this period, VMRO-DPMNE changed its party management in 2004. In 2005, the Presidency of the European Council in Brussels awarded the Republic of Macedonia a candidate status for membership in the EU.

The fifth parliamentary mandate was won by the conservative VMRO-DPMNE in 2006. This party formed a government in coalition with the Albanian DPA which was traditional coalition partner of VMRO-DPMNE since 1998. The other Albanian political party DUI boycotted its attendance in the Assembly in a result of the dissatisfaction of the governmental coalition. DUI won the majority of parliamentary seats supported by the Albanian community in Macedonia. This was the biggest argument why DUI did not attend the parliamentary sessions and also the reason that DUI was not part of the governmental coalition. Another major political event caused tension in the political life in Macedonia was influenced of the Bucharest events when Macedonia did not receive an invitation to join NATO (Gusheva 2009, 270). These major political events caused the fifth parliamentary mandate to be terminated before the expiration of the regular four years mandate.

At the early parliamentary elections in 2008 the majority of parliamentary seats were won by the VMRO-DPMNE. At this time, this party formed a coalitional government with the Albanian DUI. This was the sixth mandate of the Macedonian parliament, which was marked by deep political crisis in the Assembly in result of political conflict between the parliamentary majority of VMRO-DPMNE and the opposition led by the social-democrats (SDUM). This political crisis was temporarily resolved under the strong influence of the international community (the high representatives of the EU and the USA). Also, this mandate of the Macedonian parliament was not fully accomplished and was terminated before the expiration of four years.

In 2011, in the second early parliamentary elections the conservative VMRO-DPMNE won again the majority of seats in the Assembly and formed a government again in coalition with the Albanian DUI. This was the seventh parliamentary term, which was also marked with deep political crisis again in a result of political tension between the opposition (SDUM) and the government

led by VMRO-DPMNE. This mandate was not again fully accomplished and was terminated in 2014.

4 PROFESSIONALIZATION OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES

On the basis of DATACUBE, it was created a database for the members of the Macedonian parliament for the time period from 1991 until 2011. It contains the personal and political characteristics for 841 MPs of the Macedonian Assembly (two are missing because of lack info). There were seven parliamentary terms of the Macedonian parliament starting from 1991 until 2011. The Macedonian Assembly has 120 members of the parliament. In 2011, there were added 3 parliamentary seats more for members representing the Macedonian communities living abroad (Shibakovski 2014a, 68). In the database for the Macedonian MPs, there should be the characteristics for 843 members of the parliament, but there are 841 because 2 are missing in a result of lack of official data. The data for the Macedonian MPs was collected from the official web portal of the Macedonian Assembly, the Parliamentary Library of the national Assembly, the State Election Commission, and the Official Gazette of the R. Macedonia.

4.1 The age structure

In Table 1 is given the mean age (in years) and the age groups (in per cent) of the Macedonian parliamentary elite in seven mandates. We could see that there are no big differences in the mean age between the parliamentary terms. The results in the mean age vary between 43–45 years. According to the theoretical model of Best and Cotta, the transformation into a full-time politician takes place at an average age between 40 and 45 (Cotta and Best 2007, 14).

TABLE 1: THE AGE STRUCTURE OF MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES

Age group	Parliamentary term						
	1991	1994	1998	2002	2006	2008	2011
18-29 years of age (%)	5	1.6	3.3	2.2	5.3	7.1	5.3
30-39 years of age (%)	25.6	28	21.5	24.1	23.7	30.2	32.8
40-49 years of age (%)	42.1	42.4	45.5	44.4	46.6	42.1	36
50-59 years of age (%)	22.3	22.4	23.1	22.7	18.3	13.5	20.6
60 years of age and more (%)	5	5.6	6.6	6.6	6.1	7.1	5.3
Mean age (in years)	44	45	45	45	44	43	44

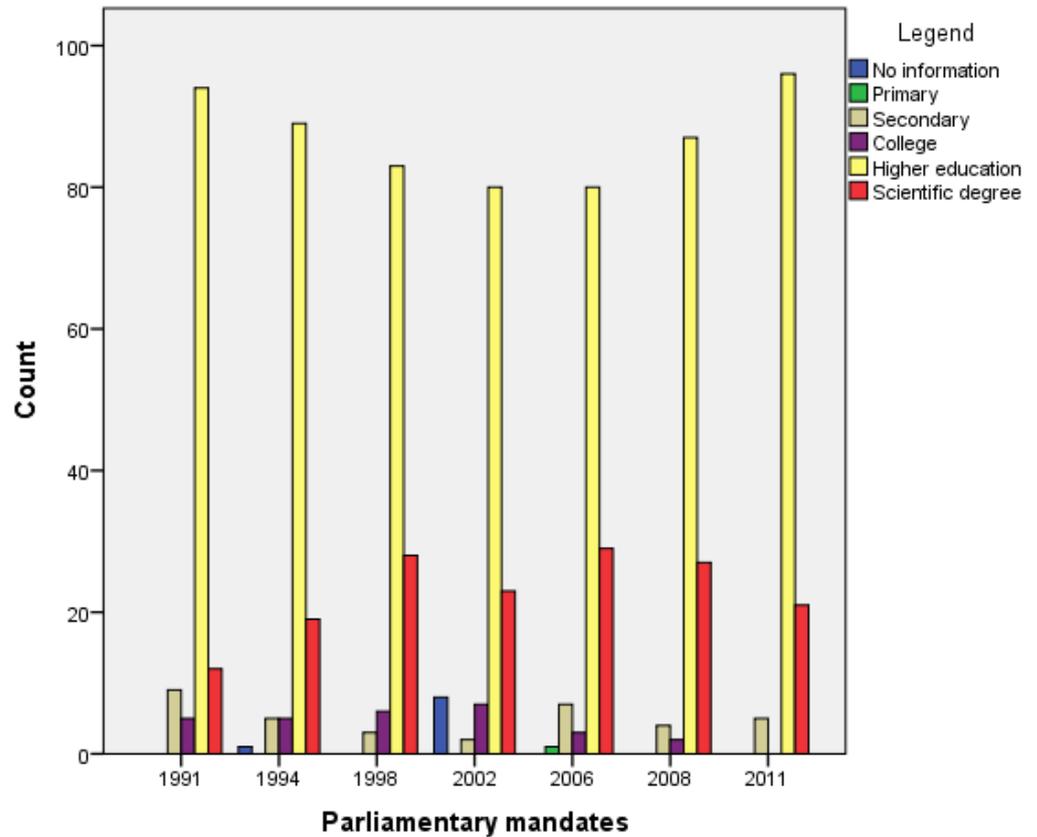
Source: Shibakovski (2014b, 13).

In Table 1 as we could see the most represented is the age group of 40–49 years in all seven parliamentary terms. Another age groups less represented are the group of 30–39 years and the group of 50–59 years. According to the results in Table 1, we can conclude that most of the MPs are at their starting point for a professional career as parliamentary members, especially the age group of 40–49 years and the group of 30–39 years. The MPs of the group of 50–59 years and above are considered to be experienced professional MPs.

4.2 The level of education

In Figure 1 are given the results of software statistical calculations made for the level of education of the Macedonian MPs in seven mandates. We see that the most represented MPs are those with higher education and scientific degree (Master or Ph.D.). It means that the Macedonian MPs have very high level of education, which makes the Macedonian parliamentary elite to be very professional.

FIGURE 1: THE LEVEL OF EDUCATION OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES

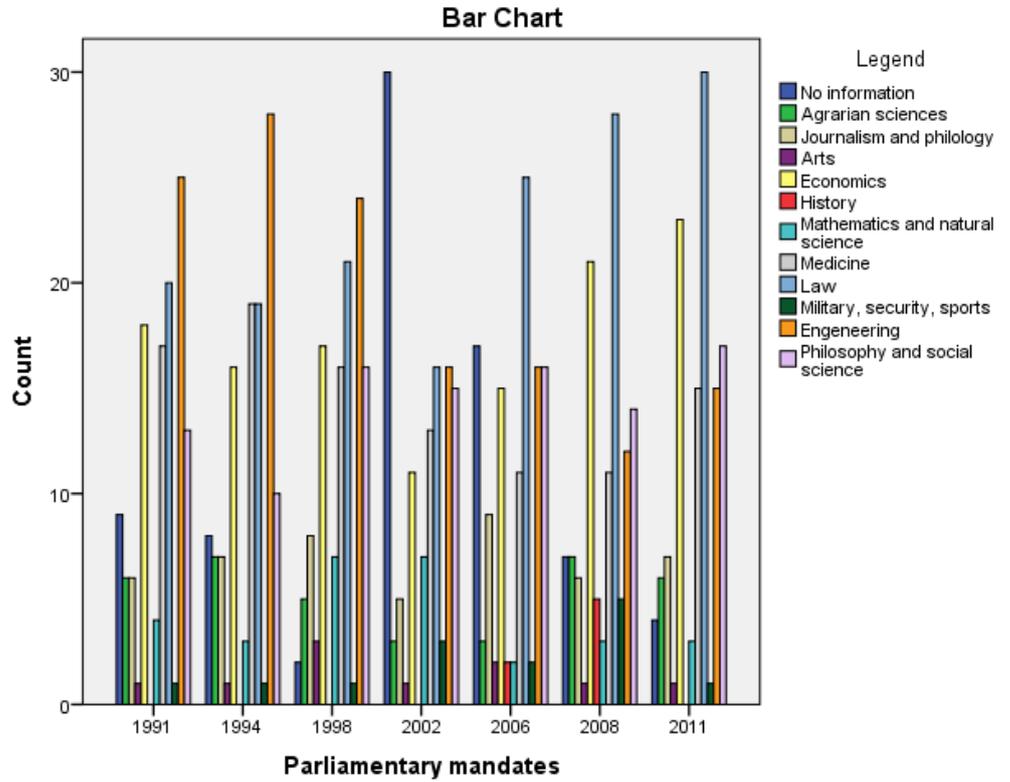


Source: The results are from own research made by the author.

4.3 The type of education

In Figure 2 are the statistical results of the type of major higher education of the Macedonian MPs in seven mandates. The interesting results for us are in the areas in Economics, Law, Philosophy and Social Sciences. These areas of higher educational qualification give more social and humanitarian knowledge to potential candidates for members of parliament.

FIGURE 2: THE TYPE OF HIGHER EDUCATION OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES



Source: The results are from own research made by the author.

The per cent of the MPs with technical background of higher education is the highest in the first, the second, and the third parliamentary mandate. At the second place is the per cent of MPs with higher education in law in the same mandates. And for the same parliamentary terms at the third place are the MPs with major education in Economics. For the fourth parliamentary term, there is a high percent of missing information for the type of higher education of the MPs in this mandate. Starting from the fourth and the next mandates (5th, 6th, and 7th), it is very interesting that the level of MPs with higher education in Law and Economics is getting higher. It is a very interesting trend. Perhaps it could be explained by the fact that political parties recruited more candidates with an educational background in law and economics, and the parliamentary seat became more attractive for these educational profiles. In conclusion, according to the indicator of major higher education, the MPs of the last three mandates (2006, 2008, and 2011) have better professional educational qualification to build professional career in the parliament compared to the MPs of the first three parliamentary mandates (1991, 1994 and 1998).

4.4 The professional occupation

In Table 2 are given the statistical results in percent of professional occupation of the Macedonian MPs in seven mandates. There are represented different professional occupations.

TABLE 2: THE PROFESSIONAL OCCUPATION (IN %) OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES

Nº	Professional occupation	1991	1994	1998	2002	2006	2008	2011
0	No information	6.7	34.5	25.0	15.8	42.5	17.5	28.7
1	Agrarians	.8	0	.8	0	.8	.8	.0
2	Architects and constructors	.8	0	0	.8	0	0	0
3	Civil servants	10	2.5	3.0	7.5	3.3	2.5	0
4	Diplomats	0	0	.8	.8	.8	1.7	.0
5	Economists	2.5	2.5	3.0	2.5	1.7	10	9.0
6	Engineers	7.5	2.5	2.3	1.7	0	4.2	8.2
7	Entrepreneurs	2.5	2.5	3.0	4.2	.8	2.5	.8
8	Humanitarians	0	0	0	0	0	3.3	1.6
9	Journalists, writers, philologists	1.7	.8	1.5	.8	2.5	2.5	4.9
10	Judges and prosecutors	.8	0	0	0	.8	.8	1.6
11	Lawyers and jurists	1.7	0	3.0	7.5	9.2	12.5	9.8
12	Managers and directors	30.8	38.7	23.5	27.5	4.2	10.8	5.7
13	Medical staff	8.3	10.1	9.1	7.5	8.3	7.5	12.3
14	Military	0	0	0	0	0	0	0
15	Pensioners	2.5	.8	.8	0	0	0	0
16	People of art	.8	.8	.8	0	1.7	.8	.8
17	Policemen	0	0	0	0	0	0	0
18	Priests	0	0	0	0	0	0	0
19	Scientists and professors	5.0	4.2	14.4	10	8.3	7.5	3.3
20	Specialists in natural science	0	0	0	0	.8	4.2	1.6
21	Sportsmen	0	0	0	.8	0	0	0
22	Students	.8	0	0	0	1.7	.8	.8
23	Teachers and pedagogues	3.3	0	9.1	11.7	12.5	10	10.7
24	Unemployed	13.3	0	0	0	0	0	0
25	Unqualified staff	0	0	0	.8	0	0	0
	Total (%)	100	100	100	100	100	100	100

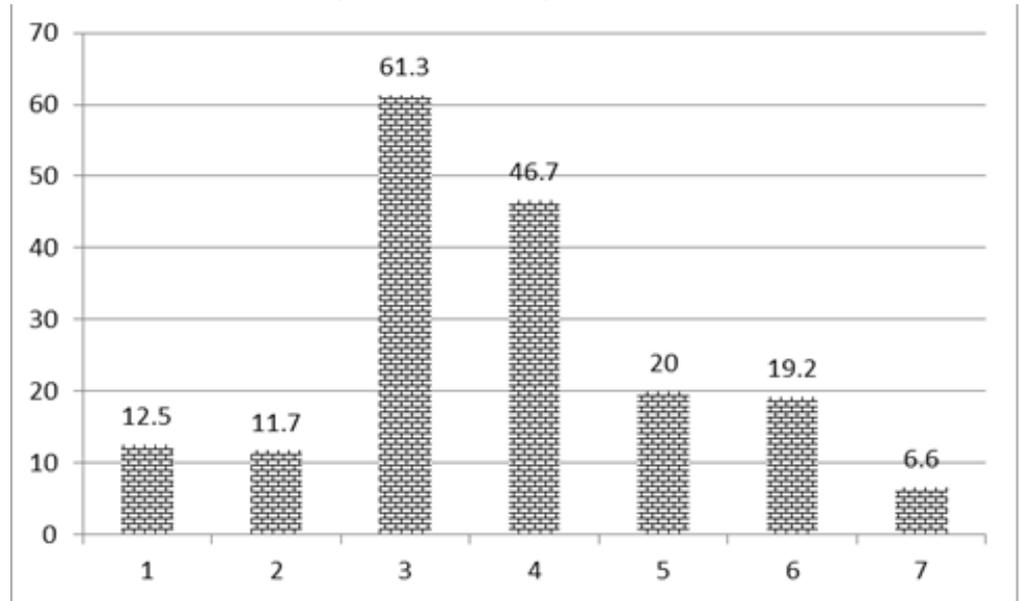
Source: The results are from own research made by the author.

As we could see in Table 2, there are a large percent of missing information of the professional occupation for the Macedonian MPs, especially in the last six mandates (1994–2011). In the first mandate, there are high percent unemployed MPs as well as civil servants. According to the indicator of professional occupation, in the first four mandates (1991, 1994, 1998 and 2002) the dominant professional group is managers and directors. The lawyers and jurist became more dominant in the last four mandates (2002–2011). This could be explained by the fact that the position of Member of Parliament became more attractive for these professional groups. Also, the teachers and pedagogues became the dominant group in the last five mandates (1998–2011). The scientists and university professors are also one of the dominant groups in all seven mandates as well as the medical staff.

4.5 The political experience

In Figure 3 is given the political experience of the Macedonian parliamentary elite in seven mandates. The MPs gained their political experience in political party as party functionaries; in central government as ministers or deputy ministers; in local government as mayors, deputy mayors or councillors; or there is any other significant political experience.

FIGURE 3: THE POLITICAL EXPERIENCE (IN %) OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES

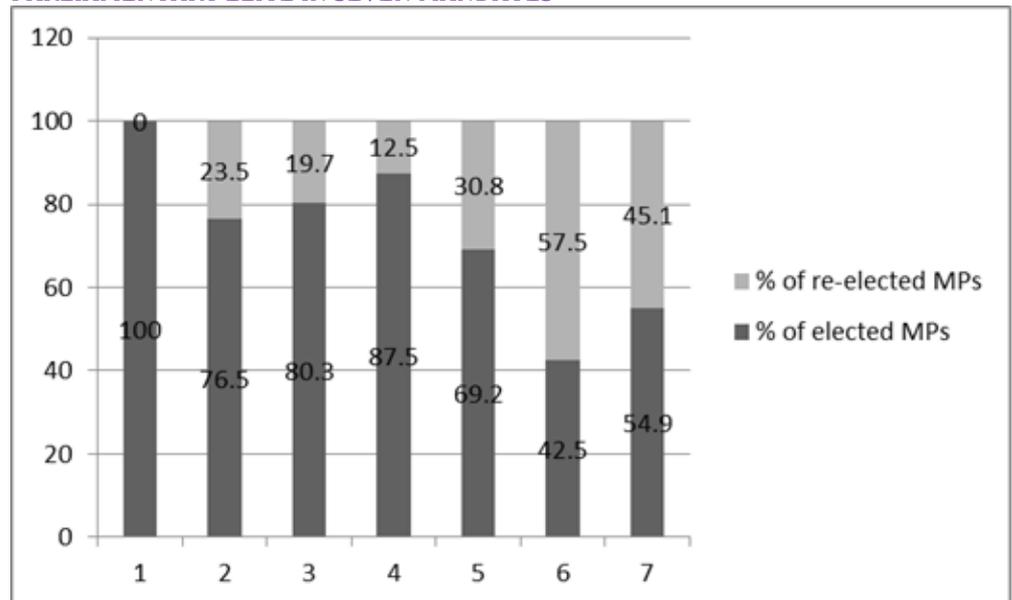


Source: The results are from own research made by the author.

4.6 The percent of re-elected members of parliament

In Figure 4 are given the results of the re-elected MPs in the Macedonian Assembly during the seven mandates. We could see that starting from the second to the fourth parliamentary term the percent of the re-elected MPs is decreased. It started to increase in the fifth and the sixth mandate and slightly decreased in the seventh mandate.

FIGURE 4: THE PERCENT OF RE-ELECTED MPS OF THE MACEDONIAN PARLIAMENTARY ELITE IN SEVEN MANDATES



Source: The results are from own research made by the author.

The percent of re-elected MPs in the second, the third and the fourth mandate follows a moderate trend of change while in the fifth, the sixth and the seventh mandate that trend is more dynamic. The time period from 1994 until 2006 (2nd, 3rd, 4th mandate) there is regular duration of four-year mandates and the

percent of re-elected MPs is decreased, because the political parties changed their parliamentary representatives during the long period of time, and because they counted to win with new candidates. The time period from 2006 until 2011 (5th, 6th, 7th mandate) there is shortened duration of the regular mandates of four years and the percent of re-elected MPs is increased because the political parties did not change their parliamentary representatives totally in lack of time for recruitment of new candidates and because they count to win on their existing MPs.

5 CONCLUSIONS

The effects of professionalization of the Macedonian parliamentary elite could be detected in few aspects. The first parliamentary term can be considered to be the starting point of the process of professionalization. The Macedonian parliamentary life is a very short time period (not more than 25 years) and this period is too short to be considered as very relevant for the trend of professionalization. Because of it, here we can detect and extract some effect of the process of professionalization of the Macedonian parliamentary elite.

The first parliamentary term (1991–1994) is the beginning of the parliamentary democratic life in R. Macedonia. The parliamentary representatives in this mandate are at the mean age of 44 years with a dominant level of higher education. According to the type of higher education, the most dominant group is the technical higher education, followed by law and economics. In a professional aspect, the dominant groups are the managers and directors. And these MPs have a low level of political experience. These indicators give a good starting point for a professionalization of the Macedonian parliamentary elite in the first mandate.

In the second parliamentary term (1994–1998), the parliamentary elite is at the mean age of 45 years, with a dominant higher level of education and increased level of a scientific degree compared to the first mandate. There is increased the level of technical higher education compared to the previous mandate and decreased the level of higher education in law and economics. In the aspect of the professional occupation, the dominant group is the managers and directors. The level of political experience is at almost the same level as in the previous mandate. And according to the percent of re-elected members of parliament, there are 23.5% of re-elected MPs from the first mandate. These parameters show an increased level of professionalization in the second mandate.

In the third parliamentary mandate (1998–2002), the mean age of the MPs is 45 years, the level of higher education is slightly decreased, but the level of scientific degree is gradually increased. According to the type of higher education, technical sciences are decreased, but the level of higher education in law and economics is increased. The indicator of professional occupation shows the domination of managers and directors. In this mandate, the level of political experience is rapidly increased. The percent of re-elected MPs is at nearly the same level as in the second mandate. According to these parameters, the Macedonian parliamentary elite in the period of three mandates (1991–2002), which is almost one decade shows growing trend of political professionalization.

In the fourth mandate (2002–2006), the mean age is 45 years; the level of higher education and the level of scientific degree are slightly diminished

compared to the previous mandates. There is a very large percent of missing data for the type of higher education. And the level of higher education in law and economics is much decreased in comparison to the previous mandates. The dominant professional group is the managers and directors. The level of political experience and the percent of re-elected MPs are slightly decreased. In this mandate, there is an effect of decreased level of political professionalization of the parliamentary elite.

In the fifth parliamentary term (2006–2008), the mean age of the MPs is 44 years. The level of higher education is getting higher as the same as for the level of scientific degree. According to the type of higher education, there is increased level of higher education in law and economics. The indicator of professional occupation shows declined per cent of managers and directors. There is decreased the level of political experience, but a rapidly increased level of the percent of re-elected MPs. This mandate shows effects of an increase of the process of professionalization of the parliamentary elite.

In the sixth parliamentary term (2008–2011), the mean age of the parliamentary representatives is 43 years. The level of higher education is slightly increased. There is gradual incensement in the type of higher education in the area of law and economics. The indicator of professional occupation increased the percent of lawyers and economists. The level of political experience is at a nearly same level as in the previous mandate. And there is a rapid increase of the level of the percent of re-elected MPs. According to the indicators for the sixth mandate, there is incensement of the trend of professionalization.

In the seventh mandate (2011–2014), the mean age of the MPs is 44 years. The level of higher education is slightly increased. About to the type of higher education, there is a gradual increase of the level in the areas in law, economics, philosophy and social sciences. The indicator of professional occupation shows a slight decline of the percent of lawyers and economists. There is slightly decrease in the indicator of political experience and in the percent of re-elected MPs. In the seventh mandate, there is a slight decline of the trend of professionalization of the Macedonian parliamentary elite.

In general, the trend of professionalization of the Macedonian parliamentary elite follows upwards in the first three mandates (1991–2002). In the fourth mandate, there is a slight decline of the trend of professionalization. The last three mandates (2006–2014) there is another increase of the trend of professionalization in very short time compared to the time period from 1991–2002. In the second period from 2006–2014 the trend of professionalization is increased faster because mandates are shortened, the percent of re-elected MPs is gradually increased, and parliamentary representatives already have gained political experience and more competences how to manage their parliamentary careers.

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PITFALLS IN QCA'S CONSISTENCY MEASURE

Tim HAESBROUCK¹

Over the years, Qualitative Comparative Analysis developed into a widely-used analytical technique in political science. This article, however, reveals that the consistency measure, QCA's single most important parameter of fit, is significantly flawed. Contrary to the requirements that were set forth when this measure was introduced, inconsistent cases with small membership scores exert greater bearing on the consistency score than inconsistent cases with large membership scores. In consequence, the measure does not accurately express the degree to which empirical evidence supports statements of sufficiency and necessity. After revealing this flaw, the article introduces a new formula for calculating consistency, which more accurately assesses the evidence for sufficiency and/or necessity. Subsequently, it demonstrates how the standard consistency measures leads to the misinterpretation of empirical evidence by reanalysing two recent QCA-application.

Key words: Research Methods, QCA, Consistency, Fuzzy Sets.

1 INTRODUCTION

In the almost thirty years since the publication of Charles Ragin's "The Comparative Method", Qualitative Comparative Analysis (QCA) has developed into a widely-used analytical technique in political science. The number of QCA-related articles published in peer-reviewed journals is increasing exponentially, from forty-five in 2012 to no fewer than ninety-nine in 2013 (Marx, Rihoux and Ragin 2014, 115; Rihoux 2014). Over the years, the technique went through numerous modifications and adjustments. One of the most important developments was the introduction of the consistency measure, which eventually became QCA's single most important parameter for assessing sufficiency and necessity (Wagemann and Schneider 2010, 289). Strikingly however, this formula does not meet the requirements Ragin (2006) formulated when he introduced the measure in its current form. Contrary to the latter's assertions, small disconfirming cases have greater bearing on the consistency score than large disconfirming cases. Consequentially, the standard consistency

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measure does not adequately express the degree to which the empirical data is in line with statements of sufficiency and/or necessity.

After revealing this flaw in QCA's most important parameter, this article demonstrates how it leads to the misinterpretation of empirical evidence for sufficiency and necessity and introduces a formula that more accurately assesses the evidence for sufficiency and/or necessity. The article is structured around three main parts. First, the general purpose of calculating consistency is described. Subsequently, I demonstrate that the standard formula does not meet all requirements Ragin deemed necessary to achieve this purpose and introduce a new formula, which more accurately assesses the evidence for sufficiency and/or necessity. Finally, two recent applications of fuzzy set QCA, Mello (2014) and Schneider and Makszin (2014), are used to illustrate the impact of the flaw on empirical research and the benefits of using the alternative consistency measure.

2 THE CONSISTENCY MEASURE

QCA is generally used to establish set-theoretic connections between one case property, defined as the outcome, and other properties, defined as the causal conditions (Wagemann and Schneider 2010, 380). As extensively demonstrated in Ragin (2000, 203–260; 2008, 13–28) and Schneider and Wagemann (2012, 56–91), such subset relations are intimately linked to the notions of sufficiency and necessity. Since a condition is sufficient if the outcome is always present when this condition is present, the set defined by a sufficient condition constitutes a subset of the set defined by the outcome. Inversely, a condition is necessary if it is always present when the outcome is present. Therefore, the set defined by a necessary condition constitutes a superset of the set defined by the outcome.

The assessment of set-theoretic connections is straightforward in the original crisp set version of QCA. Cases are either present or absent in a crisp set, respectively indicated by a value of 1 and 0. In consequence, establishing a set-relation solely requires examining whether each case with a score of 1 in the alleged subset also has a score of 1 on the outcome. This straightforward procedure cannot be duplicated in the more sophisticated fuzzy set QCA, in which membership scores can vary between full membership (value of 1) and full non-membership (value of 0). In fuzzy sets, assessing subset relations requires examining whether each case's membership score in subset X is consistently equal or less than its corresponding score in superset Y , thus whether $X \leq Y$.

Perfect subset relations and fully necessary or sufficient conditions are relatively rare in social science (Ragin 2000, 108). This inspired Ragin to introduce the consistency-parameter, which provides a descriptive measure of the degree a perfect set relation is approximated (Ragin 2006, 292; Wagemann and Schneider 2010, 389). It is predominately, but not exclusively, used in fuzzy set QCA, and therefore designed to assess the extent to which $X \leq Y$ (Ragin 2008, 39).

The first consistency measure was introduced in Ragin's (2000) "Fuzzy Set Social Science". The original formula was very straightforward, it simply calculated the proportion of the cases where $X \leq Y$:

$$\frac{N(X \leq Y)}{N}$$

If $X \leq Y$ in all cases, this formula yields a score of 1. The higher the proportion of inconsistent cases, the closer it approaches 0.

In subsequent publications, Ragin (2006) adjusted the formula twice. First, he asserted that cases with strong membership scores in the subset are more relevant than cases with weak membership scores:

“a case with a membership of only 0.25 in the set of cases with the causal combination (X) and a score of 0.0 in the outcome set (Y) is just as inconsistent as a case with a score of 1.0 in the causal combination and a score of 0.75 in the outcome. In fact however, the second inconsistent case, with full membership in X, clearly has more bearing on the set-theoretic argument because it is a much better instance of the causal combination. It thus constitutes a more glaring inconsistency than the first case...” (Ragin 2006, 295).

In order to take into account the size of the membership scores, Ragin introduced a new formula:

$$\frac{\sum \text{Membership Scores Consistent Cases in X}}{\sum \text{Membership Scores All Cases in X}}$$

This formula was further refined to meet a second requirement: near misses should have less bearing on the result than membership scores that “exceed their target by a wide margin” (Ragin 2006). Since larger inconsistencies more strongly contradict the existence of a subset relations, the size of the inconsistent portions should have an impact on the consistency measure. In order to take this into account, Ragin added the consistent parts of inconsistent cases to the numerator. This was formalized in the following formula:

$$\text{Consistency}(X_j \leq Y_j) = \frac{\sum (\min(X_j, Y_j))}{\sum (X_j)}$$

The consistency measure was thus developed to evaluate the empirical support for set-theoretic relationships, and thus sufficiency and/or necessity. As argued by Ragin when introducing the different formulas for calculating consistency, this depends on (1) the ratio between consistent and inconsistent cases, (2) the relative size of these consistent and inconsistent cases and (3) the size of the inconsistencies. In order to meet these requirements, the consistency measure was adjusted twice. The second adjusted formula is currently the standard measure for consistency. It is presented in all major text books on QCA (Ragin 2008, 45–54; Rihoux and Ragin 2009, 102; Schneider and Wagemann 2012, 123–129 and 139–144), used in nearly all fsQCA-applications and incorporated in the popular fsQCA-software (Ragin and Davey 2012) as well as the more sophisticated QCA-package for R (Thiem and Duşa 2013).

3 FLAW IN THE STANDARD CONSISTENCY MEASURE

Strikingly however, the standard formula for calculating consistency is afflicted by a significant flaw. Although this formula was explicitly developed to meet the three criteria described above, it fails to fully meet the second criterion. Contrary to Ragin’s assertions, cases with a larger membership score in the

subset not always have greater bearing on the result of this formula. In fact, they only exert a greater impact when they confirm a set theoretic connection. Cases with stronger membership scores that disconfirm a set-relation however, *ceteris paribus*, have less impact on the consistency score.

This can be illustrated with the example Ragin (2006, 295) used to demonstrate the need for making the first adjustment to the formula for calculating consistency. Table 1 represents two datasets, in which only the membership score of case 4 diverges. In both datasets, case 4 contradicts X being a subset of Y to the same extent: X exceeds Y by 0.25. However, it has a stronger membership scores in X in dataset 1. According to Ragin, (see citation above), it therefore constitutes a more glaring inconsistency. The standard consistency formula however yields a higher value for X₁ as a subset of Y₁ than for X₂ as a subset of Y₂, respectively 0.9 (2.25/2.5) and 0.86 (1.5/1.75).

TABLE 1: SMALL VS. LARGE INCONSISTENT CASES

Case	Data set 1			Data set 2		
	X ₁	Y ₁	(min X,Y)	X ₂	Y ₂	(min X,Y)
1	1	1	1	1	1	1
2	0.25	0.25	0.25	0.25	0.25	0.25
3	0.25	0.25	0.25	0.25	0.25	0.25
4	1	0.75	0.75	0.25	0	0
Sum	2,5		2.25	1.75		1,5

The above example is not a carefully picked out exception. The membership scores Ragin uses to motivate the first adjustment of the measure are as good as any for current purpose, since smaller inconsistent cases always have greater bearing on the consistency score. This is a consequence of the fact that cases with larger membership scores in the subset, *ceteris paribus*, have a larger consistent part. Therefore, they add relatively more to the numerator than the denominator of the consistency formula.

The currently used formula for consistency thus does not fully meet Ragin’s own requirements. To keep this flaw from inducing wrong conclusions on necessity and/or sufficiency, it seems advisable not to rely on the standard formula. Researchers could calculate consistency with the first adjusted formula. Cases with a stronger membership score in the subset always have a greater bearing on the result of this formula. This can be illustrated using the datasets from the above example. Both datasets contain the same three consistent cases, which sum equals 1.5. The sum of all the membership scores in X amounts to 2.5 in “data set 1”, while it only equals 1.75 in “data set 2”. Dividing the membership scores of the consistent cases by all cases therefore results in a much lower value for X₁ as a subset of Y₁ than for X₂ as a subset of Y₂, respectively 0.6 (1.5/2.5) and 0.86 (1.5/1.75). Unfortunately, this formula prescribes the same penalty for large and small inconsistencies. In consequence, small inconsistencies can have a disproportionately large impact on the consistency score. Case 4, for example, has a very large impact on the consistency of X₁ as a subset of Y₁, although its membership score in X₁ exceeds its score in Y₁ only by a relatively narrow margin.

A more optimal solution is to adjust the standard formula to increase the impact of the inconsistent portion of the cases with a high membership score in X. In the standard formula, the numerator equals the sum of the consistent portions of the cases, which is formalized as min (X, Y). The denominator of the standard formula consists of the sum of the membership scores of the cases in X, which

equals the sum of the consistent and the inconsistent portions. The standard formula can thus be presented as follows:

$$\frac{\sum(\text{Consistent portion } X_j)}{\sum(\text{Consistent portion } X_j + \text{Inconsistent portion } X_j)}$$

To increase the impact of the inconsistent portion of the cases with a high membership score in X, these are multiplied by the corresponding membership score in X. Evidently, this product will be higher for cases with a large membership score in X. As a result, a case with a strong membership score in X will have greater bearing on the consistency score. However, since membership scores can never exceed 1, this product will generally be smaller than the inconsistent portion of X. In consequence, inconsistencies will generally have less impact on the consistency score. This can be avoided by taken the square root of the product:

$$\sqrt{(\text{Inconsistent portion } X_j) * X_j}$$

The resulting formula can be formalized as follows:

$$\frac{\sum(\min(X_j, Y_j))}{\sum(\min(X_j, Y_j) + \sqrt{\max(X_j - Y_j, 0) * X_j})}$$

In line with the standard formula, the new consistency measure subscribes greater penalties for large inconsistencies: “max (X_i - Y_i, 0)” will add more to the denominator if X exceeds Y by a wider margin. However the inconsistent cases with a large membership score in X will have more impact on the consistency score, since the inconsistent portions are multiplied by X_i. This can be illustrated with the dataset from the above example. Both datasets have one inconsistent case with an inconsistent portion of 0.25. The membership score of this case in X equals 1 in dataset 1 and 0.25 in dataset 2. In consequence, the square root of the product of X and the inconsistent portion of X is higher in dataset 1 than in dataset 2, respectively 0,5 () and 0.25 (). The inconsistency of case 4 will thus add more to the denominator in dataset 1 than in dataset 2. In consequence, the new formula yields a lower value for X₁ as a subset of Y₁ than for X₂ as a subset of Y₂, respectively 0.82 (2.25/(2.25 + 0.5)) and 0.86 (1.5/1.5 + 0.25).

The new formula thus combines the strengths of both previous consistency measures. In line with the standard formula, it takes the size of the inconsistencies into account; in line with the first adjusted formula, it attributes greater impact to large inconsistent cases.

4 THE CONSISTENCY MEASURE AND APPLIED QCA

Two recently published studies serve as illustrations on how the identified shortcoming in the standard consistency measure affects the results of applications of fsQCA. The first is drawn from a book by Mello (2014), the second from an article by Schneider and Makszin (2014). Both of these were published very recently and (co-) written by scholars that can be considered experts in the field of QCA. To my best knowledge, they are flawless applications of QCA, that meet all current standards of good practice. This section thus certainly does not constitute a critique on these studies. Instead, it illustrates

how the currently used consistency measure leads to misguided conclusions, even in the best applications of QCA.

Before considering the two examples, the general procedure followed in fsQCA must be briefly explained.² Rather than focusing on single necessary or sufficient conditions, QCA is used to establish a more complex form of causal relations, generally captured under the expression “multiple conjunctural causation”. In line with the notion of conjunctural causation, QCA accounts for the possibility that single conditions are not sufficient to produce an outcome on their own, but are sufficient in combination with other conditions. In line with the idea of multiple causation or equifinality, QCA allows to take into account the possibility that several of such combinations are sufficient for the same outcome. The key tool for establishing such complex causal relations is the “truth table”, which contains a row for every possible combination of conditions. At the first stage of the analytical procedure, each case’s membership score in these rows is calculated with fuzzy multiplication. Rows without cases with a membership score above 0.5 correspond to logical remainders, combinations of conditions that lack good empirical instances. For every row that does not correspond to such a remainder, the researcher has to decide whether it can be considered sufficient for the outcome.

The assessment of sufficiency is based on the consistency of the row as a subset of the outcome. Rows are considered sufficient, and assigned a score of 1 in the outcome column, if their consistency exceeds a cut-off point (Schneider and Wagemann 2012, 279). After the rows have been assigned an outcome value, the truth table is reduced with Boolean minimization. Depending on the logical remainders that are incorporated in the minimization procedure, minimization can result in different types of solutions (Ragin 2008, 145–177). However, each of these depends on which truth table rows were considered sufficient for the outcome, which, in turn, depends on their consistency.

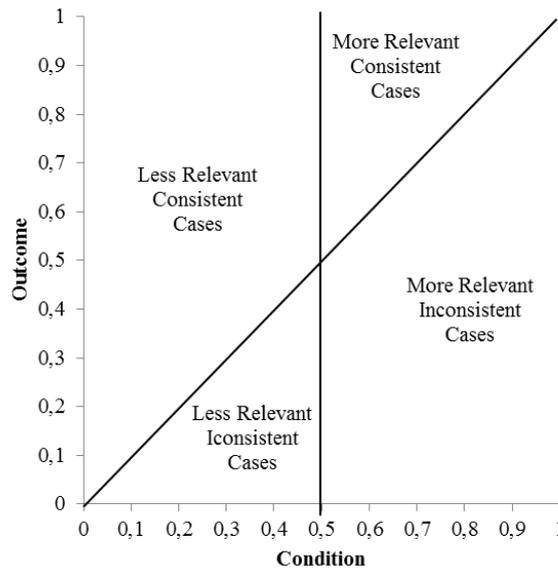
The flaw in the currently used consistency measure can however cause the consistency of truth table rows with relatively large inconsistent cases to exceed the consistency cut-off point, while rows with equally strong evidence for sufficiency, but smaller inconsistent cases, might fall below this threshold. In consequence, the larger impact of small inconsistent cases might cause researchers to code the former as sufficient for the outcome, while coding the latter as insufficient. The resulting formulas will hereby not be fully in line with the empirical evidence at hand.

In both examples, the coding of the truth table rows does not reflect the empirical evidence for sufficiency, which affects the validity of the resulting solutions. To evaluate whether the evidence for sufficiency is in line with the three requirements set out by Ragin when he developed the consistency formulas (cf. *supra*), the fuzzy membership scores in the truth table rows and the outcome are depicted in x-y plots (Schneider and Grofman 2006; Schneider and Rohlfing 2013). The scores in the outcome are displayed on the y-axis, the scores in the truth table row on the x-axis. The diagonal defines a line on which cases have equal membership scores in X and Y. Since the membership scores in X are smaller or equal to the corresponding scores in Y in all cases on and above this line, all cases in this area are consistent with the statement that X is a subset of Y. Similarly, X is larger than Y in all cases below this line, which are thus inconsistent with the statement of sufficiency. The degree to which these

² For an extensive treatment, see Schneider and Wagemann (2012, 91–116) and Ragin (2008, 124–144).

cases are inconsistent depends on the distance towards this diagonal. The further inconsistent cases are situated from the diagonal, the larger their inconsistent parts. The vertical line goes straight up from the 0.5 value of the x-axis and distinguishes relatively relevant from relatively irrelevant observations. Since cases with a membership above 0.5 are generally considered good instances of a causal condition, cases situated at the right of this axis can be considered to have relatively strong membership scores and, consequentially, constitute more relevant observations. The distinction between relevant-irrelevant and consistent-inconsistent cases that results from the intersection of the vertical and diagonal is graphically depicted in the x-y plot in figure 1.

FIGURE 1: X-Y PLOT TYPES OF CASES



4.1 Mello: Democratic participation in armed conflict

The first example is drawn from a book length study on democratic participation in armed conflict. The author, Patrick Mello, has published articles that apply fsQCA in journals included in the Thomson Reuters citation index, has written a commented review of QCA applications and teaches a course on set theoretic methods in the renowned ECPR summer school (Mello 2012, 2013). He can thus be considered an expert on the method. As could be expected, the QCA-application in this example is flawless, so the misinterpretation of the evidence can be fully attributed to the flaw in the consistency measure. The goal of the fsQCA was to determine the conditions under which democracies participated in “Operation Allied Force”, NATO’s 1999 military intervention in Kosovo. 23 cases were included in the analysis and compared on five explanatory conditions: military power (M), parliamentary veto (V), constitutional restrictions (C), public support (S) and executive ideology (E). The resulting truth table is presented on the left hand side of table 2. The consistency threshold was set at 0.87. Consequentially, rows 1-6 were considered sufficient for the outcome, rows 7-15 insufficient.

TABLE 2: TRUTH TABLE MELLO (2014)

row	Conditions					Original Analysis		New Analysis		
	M	V	C	S	E	Standard Consistency	MP	Previous Consistency	Adjusted Consistency	MP
1	1	0	0	1	1	1	1	1	1	1
2	1	1	0	0	1	1	1	1	1	1
3	0	0	1	1	0	1	1	1	1	1
4	0	0	0	1	0	0.99	1	0.93	0.98	1
5	0	0	0	0	1	0.93	1	0.84	0.89	1
6	0	0	0	1	1	0.87	1	0.81	0.84	1
7	0	1	0	1	1	0.83	0	0.64	0.77	0
8	1	1	1	1	0	0.8	0	0.8	0.8	1
9	0	0	0	0	0	0.77	0	0.63	0.73	0
10	0	1	0	0	1	0.66	0	0.5	0.62	0
11	0	1	0	0	0	0.66	0	0.49	0.61	0
12	0	1	1	1	0	0.61	0	0.61	0.61	0
13	0	1	1	1	1	0.56	0	0.56	0.56	0
14	0	1	1	0	0	0.5	0	0.5	0.5	0
15	0	1	1	0	1	0.4	0	0.4	0.4	0

Adapted from Mello (2014, 89); M: Military Power, V: Parliamentary Veto, C: Constitutional Restrictions, S: Public Support, E: Right Executive; MP: Outcome Military Participation.

However, the x-y plots of rows 6 and 8, respectively depicted in figures 2 and 3, do not indicate that the distribution of the cases of row 6 is more consistently in line with the distribution of a sufficient condition. Although only one inconsistent case is situated in row 6, its relatively high membership score of 0.63 makes it more relevant than the four inconsistent observations of row 8; none of which has a score above 0.5. Furthermore, the total sum of the inconsistent parts of these four inconsistent cases amounts to 0.44, only slightly exceeding the 0.43 inconsistency displayed by the disconfirming case of row 6. In line with Ragin’s second requirement for the consistency measure, row 6 thus displays a “more glaring inconsistency”. While the size of the inconsistencies of both rows are roughly equal, the inconsistencies of row 6 are caused by a relatively large, and thus more relevant, inconsistent case. Both rows have only one relatively large consistent case, but membership scores of the consistent cases are generally larger in row 6. This however does not justify a difference of 0.07 in their consistency scores, since the inconsistency of row 6 can be attributed to more relevant cases.

FIGURE 2: X-Y PLOT ROW 6 MELLO

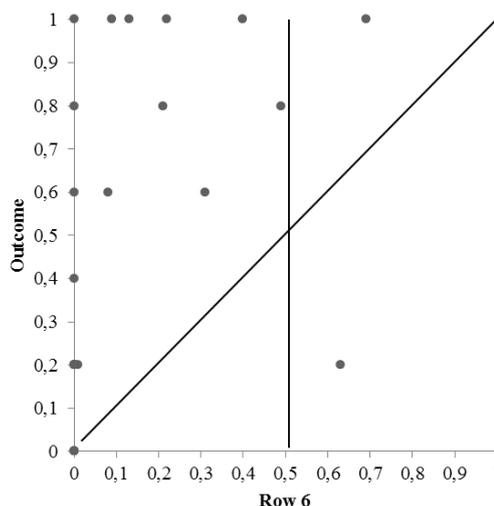
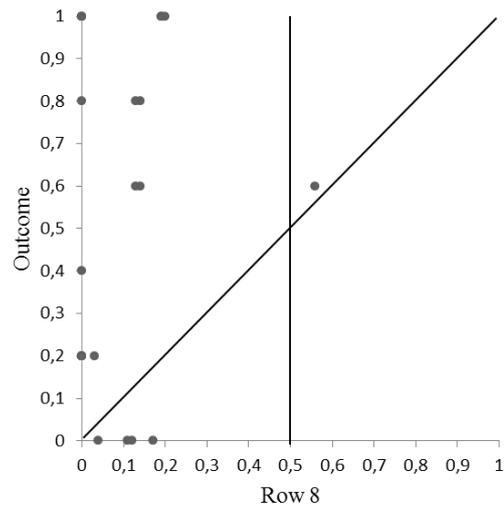
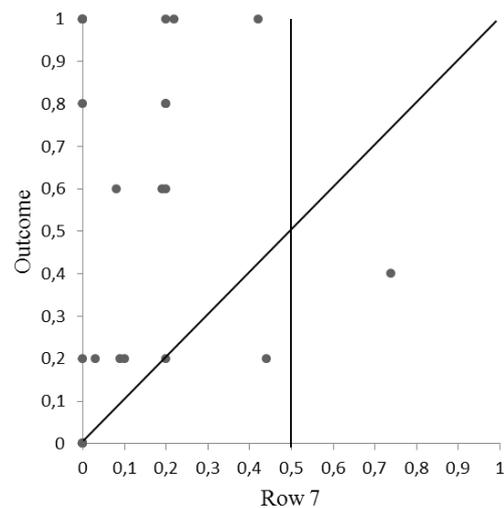


FIGURE 3: X-Y PLOT ROW 8 MELLO



When looking at the distribution of the cases in the outcome and rows 6 and 8, it seems appropriate to code both as sufficient for the outcome. However, this would require deciding on a consistency threshold below the consistency of row 8. Hereby, row 7 would also be coded sufficient. Although its consistency score exceeds the score of row 8 by 0.03, the sufficiency of row 7 is more flagrantly contradicted by the distribution of the cases –as demonstrated by its x-y plot presented in figure 4. There are two inconsistent cases in row 7, both of which are more relevant than the cases of row 8. With a score of 0.74, the first strongly exceeds 0.5. The other inconsistent case has a smaller membership score, but with a score of 0.44 still exceeds the largest inconsistent case of row 8. Furthermore, the sum of the inconsistent parts of these disconfirming observations amounts to 0.58, 0.14 more than the sum of the inconsistent parts of row 8. On top of that, none of the scores of the consistent cases exceeds 0.5, indicating that none of them can be considered relatively large. Nevertheless, because the consistency measure ascribes more substantial penalties for small inconsistent cases, it indicates that the empirical evidence more consistently confirms the sufficiency of row 7.

FIGURE 4: X-Y PLOT ROW 7 MELLO



Whereas the empirical evidence for the sufficiency of row 8 is thus roughly as robust as the evidence for row 6 and clearly stronger than the evidence for row 7, it has a considerably lower consistency score. However, the standard consistency measure does not allow to code row 8 as sufficient without coding the more inconsistent row 7 as insufficient. In order to alleviate this problem, consistency was calculated with the first adjusted formula, which does ascribe higher penalties for larger inconsistent cases. Whereas the score of row 8 remained constant at 0.8, the consistency of row 6 and 7 dropped to respectively 0.81 and 0.64. Rows 6 and 8 are hereby clearly set apart from the more inconsistent row 7. As argued above however, this alternative formula does not take into account the size of the inconsistencies.

In order to accommodate this shortcoming, the new consistency measure was used to assess the consistency of the truth table rows. The resulting score of row 8 exceeds the score of row 7, while leaving the order of the other rows largely unchanged. Hereby, the consistency threshold can be established below row 8, which is the 7th row of the new truth table. In consequence, rows 6 and 8 are considered sufficient for the outcome, whereas row 7 is coded as insufficient. The alternative consistency scores and the resulting outcomes are presented on the right-hand side of table 2.

The alternative coding of the outcome has a significant impact on the results of the analysis. This is demonstrated in table 3, which sets the resulting solutions against Mello’s original solutions. Each row of this table corresponds to a specific sufficient combination for the outcome. The conditions are expressed in capital letters, a tilde refers to the absence of a condition and multiplication to the combination of conditions. The first path of the original formula thus refers to the presence of military power (M) in combination (*) with the absence of constitutional restrictions (~C). When comparing the solutions of Mello’s analysis and the new analysis, two main differences appear. First, the first path of the parsimonious solution of the reanalysis does not include parliamentary veto power. Second, a new sufficient pathway appears in both the intermediate and complex solution.

TABLE 3: SOLUTIONS MELLO (2014)

	Original Solution	New Solution
Parsimonious Solution	M*~C	M
	~V*S	~V*S
	~V*E	~V*E
Intermediate Solution	M*~C*E	M*~C*E
	~V*S*~E	~V*S*~E
	~V*~C*E	~V*~C*E
	/	M*S*~E
Complex Solution	M*V*~C*~S*E	M*V*~C*~S*E
	~M*~V*S*~E	~M*~V*S*~E
	~V*~C*S*E	~V*~C*S*E
	~M*~V*~C*E	~M*~V*~C*E
	/	M*V*C*S*~E

Adapted from Mello (2014, 90); ~ indicates absence of condition, * conjunction of conditions; differences between solutions are set in bold.

In order to compare the available evidence for both solutions, the x-y plots of the intermediate solutions of both analyses are depicted in figure 5 and 6. These reveal that the new intermediate solution covers four additional inconsistent cases. These correspond to the inconsistent cases of row 8, none of which has a

membership score that exceeds 0.5. The new intermediate formula however also covers an additional large confirming observation. This seems to outweigh the downside of including the four small inconsistent cases, since the new formula hereby covers twelve of the thirteen democracies that participated in the operation in Kosovo.

FIGURE 5: X-Y PLOT INTERMEDIATE SOLUTION MELLO

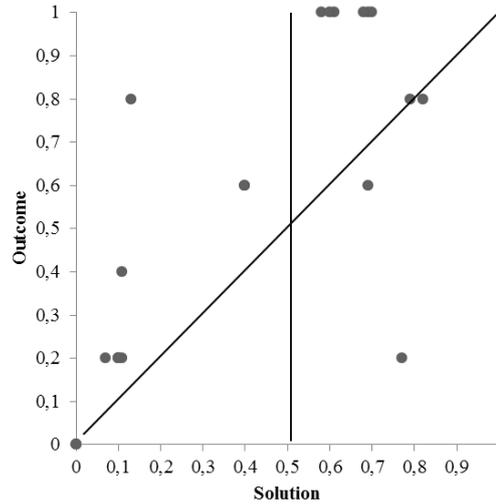
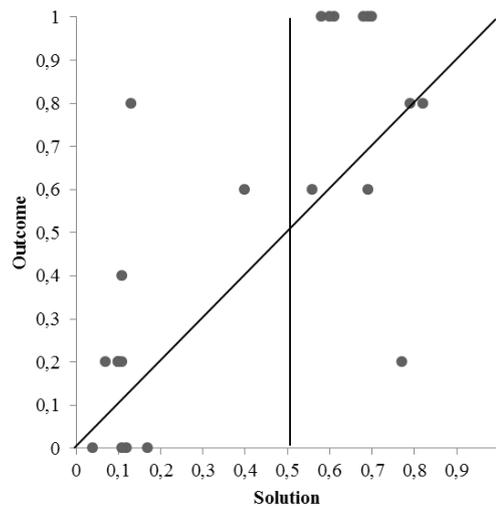


FIGURE 6: X-Y PLOT ALTERNATIVE SOLUTION MELLO



The alternative coding of the truth table rows has considerable implications for the conclusions of the analysis. First, Mello (2014, 90) concluded from the parsimonious and intermediate solution that parliamentary veto rights or constitutional restrictions, which both act as domestic institutional constraints on military deployment, needed to be absent for military participation. However, the first path of the new parsimonious solution indicates that military power is sufficient, independent of such institutional constraints. Similarly, the additional pathway included in the intermediate solution indicates that in the presence of military power, non-right executives participate if there is public support for military engagement, irrespective of institutional constraints. Second, the latter combination also confirms Mello’s assertion that the conditions under which right and left leaning executives decide on military participations diverge, but allows for more fine-cut conclusions. More specifically, the alternative formula clearly reveals that public support is crucial

for the participation of left-leaning executives, while the absence of constitutional restrictions is more important for right-leaning executives.

4.2 Schneider and Makszin: Welfare capitalism and participatory inequality

The second example is drawn from an article by Schneider and Makszin (2014), in which the authors assess whether a country’s level of political inequality is shaped by features of its welfare system. Carsten Schneider can be considered one of the leading QCA experts. Not only does he teach the QCA course in the ECPR summer school, he also published methodological work on QCA and is co-author of one of the standard QCA textbooks (Wagemann and Schneider 2010; Schneider and Wagemann 2012; Schneider and Rohlfing 2013). As could be expected, the QCA-application in this example is flawless, so the misinterpretation of the evidence can be fully attributed to the flaw in the consistency measure.

The goal of the fsQCA was to unravel which (combinations of) welfare state characteristics cause participatory inequality. Four welfare capitalist features were included in the analysis: employment protection (EPL), labour market expenditure (LMX), wage coordination (WC) and union density (UD). 77 cases were included in the analysis, resulting in the truth table presented on the left hand side of table 4. The consistency threshold was set at 0.83. Consequentially, row 1-7 were coded sufficient, row 8-15 insufficient.

TABLE 4: TRUTH TABLE SCHNEIDER AND MAKSZIN (2014)

row	Conditions				Original Analysis		New Analysis		
	LMX	WC	UD	EPL	Standard Consistency	LPI	Previous Consistency	Adjusted Consistency	LPI
1	1	0	0	1	0.94	1	0.94	0.94	1
2	1	0	1	1	0.93	1	0.86	0.91	1
3	1	1	0	1	0.89	1	0.88	0.89	1
4	1	1	1	0	0.87	1	0.81	0.85	1
5	0	0	0	1	0.85	1	0.75	0.84	1
6	1	1	1	1	0.84	1	0.61	0.79	0
7	0	1	0	1	0.84	1	0.81	0.82	1
8	0	0	1	1	0.81	0	0.6	0.76	0
9	0	1	1	1	0.81	0	0.68	0.79	0
10	0	1	1	0	0.8	0	0.75	0.78	0
11	1	0	1	0	0.8	0	0.76	0.78	0
12	0	0	1	0	0.79	0	0.69	0.75	0
13	1	0	0	0	0.77	0	0.62	0.73	0
14	0	1	0	0	0.69	0	0.61	0.67	0
15	0	0	0	0	0.58	0	0.48	0.56	0

Adapted from Schneider and Makszin (2014, 450) LMX: High Labour Market Expenditure, WC: High Wage Coordination, UD: High Union Density, EPL: High Employment Protection; LPI: Outcome Low Participatory Inequality.

However, the x-y plots of row 6 and row 10, respectively depicted in figure 7 and 8, do not indicate that the distribution of the cases of the former is more consistently in line with the distribution of a sufficient condition. There are seven inconsistent cases in row 6, four of which have a membership score above 0.5. In contrast, six cases are inconsistent with the statement that row 10 is sufficient for the outcome, of which only one has a fuzzy score that exceeds 0.5. On top of that, the sum of the inconsistencies of these six cases amounts to 1.05. This is significantly less than the sum of the inconsistencies of row 6,

which amounts to 1.25. Row 6 thus displays larger inconsistencies, which can be attributed to cases with larger membership scores. Row 10 furthermore includes three consistent cases that exceed the 0.5 threshold, whereas row 6 only includes two relatively large consistent cases. Nevertheless, the consistency measure indicates that row 6 is more consistent than row 10.

FIGURE 7: X-Y PLOT ROW 6 SCHNEIDER AND MAKSZIN

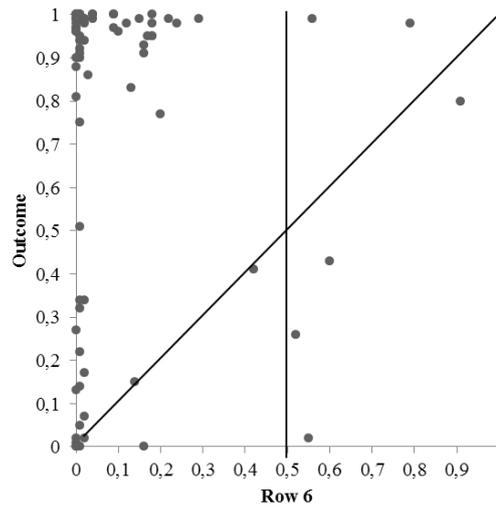
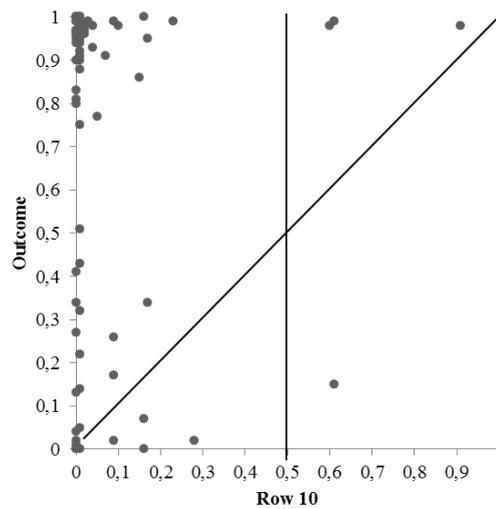
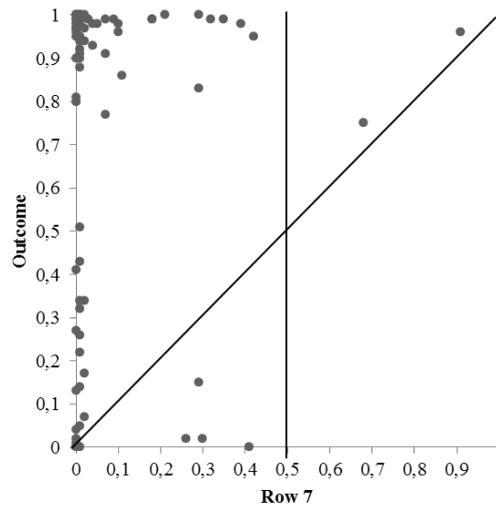


FIGURE 8: X-Y PLOT ROW 10 SCHNEIDER AND MAKSZIN



When looking at the distribution of the cases in the outcome and row 6 and 10, it seems more appropriate to code both rows as insufficient. However, this would require establishing a consistency threshold above the consistency of row 6. Hereby, row 7 would also be coded as insufficient. Although its consistency falls slightly below the score of row 6, the cases more consistently support the sufficiency of row 7. The x-y plot, depicted in figure 9, demonstrates that there are only 5 inconsistent cases in row 7, of which none has a membership score above 0.5. On top of that, the sum of the inconsistent parts of these cases amounts to 1.08, considerably less than the sum of the inconsistencies of row 6. Since both row 6 and 7 have two consistent cases with a score above 0.5, the higher consistency of the former can clearly be attributed to the fact that small inconsistent cases have more impact than large inconsistent cases.

FIGURE 9: X-Y PLOT ROW 7 SCHNEIDER AND MAKSZIN



Whereas the empirical evidence for the sufficiency of row 6 is thus as weak as the evidence for row 10, its consistency is significantly higher. Similarly, although the distribution of the membership scores in row 7 more consistently confirms a subset relation, its consistency falls slightly below the consistency of row 6. Consequentially, the standard consistency measure does not allow to code row 6 and 10 as insufficient, while coding 7 as sufficient. To alleviate this problem, consistency was calculated with the first adjusted formula. This results in a significantly lower score for row 6, whose consistency dropped from 0.84 to 0.61. In contrast, the consistency of row 7 only dropped from 0.84 to 0.81, the score of row 10 from 0.8 to 0.75. As argued above however, this alternative formula does not take into account the size of the inconsistencies.

In order to accommodate this shortcoming, the new consistency measure was used to assess the consistency of the truth table rows. The resulting score of row 7, which is the 6th row of the new truth table, still exceeds the score of row 6 and 10. Since the consistency scores drop considerably after row 7, the cut-off point can be established just below its consistency. Hereby, row 7 is coded sufficient for the outcome, row 6 and 10 insufficient. The alternative consistency scores and the resulting outcomes are presented on the right-hand side of table 4.

The new coding of the outcome value has a significant impact on the results of the analysis. In line with Schneider and Makszin’s original analysis, the logical remainder is included in the analysis. Two of the three sufficient combinations display an additional condition in the resulting solution: the first includes the absence of wage coordination, the second the absence of employment protection. The resulting formula is set against the original solution in table 5.

TABLE 5: SOLUTION SCHNEIDER AND MAKSZIN (2014)

Solution	Original Solution	New Solution
	EPL*LMX	EPL*LMX*~WC
	LMX*WC	LMX*WC*~EPL
	EPL*~UD	EPL*~UD

Adapted from Schneider and Makszin (2014, 452); ~ indicates absence of condition, * conjunction of conditions; differences between solutions are set in bold.

The x-y plots of the original and new solutions, respectively presented in figures 10 and 11, are used to compare the evidence for the solutions. These reveal that

the new solution covers seventeen inconsistent cases, of which seven are larger than 0.5. In contrast, the old solution covered nineteen inconsistent cases, of which eleven were larger than 0.5. This loss of four large inconsistent cases only comes at the cost of losing two large consistent cases. Since the new solution still covers twenty-two large consistent cases, the ratio inconsistent to consistent observations more strongly confirms the sufficiency of the new solution.

FIGURE 10: X-Y PLOT SOLUTION SCHNEIDER AND MAKSZIN

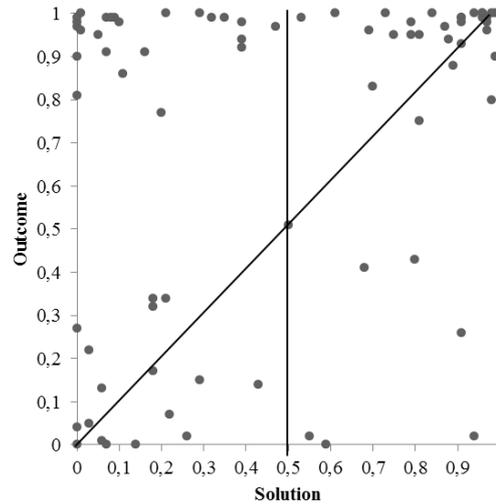
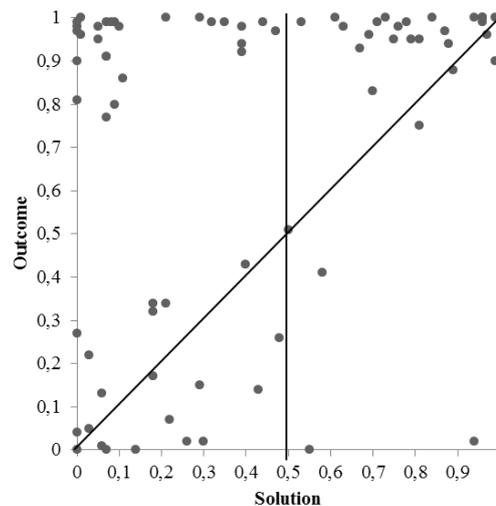


FIGURE 11: X-Y PLOT ALTERNATIVE SOLUTION SCHNEIDER AND MAKSZIN



The alternative coding of the truth table rows has considerable implications for the conclusions of the analysis. Schneider and Makszin (2014, 452) concluded from their results that employment protection and wage coordination are both sufficient in combination with high level labour market expenditure and thus act as functional equivalents. However, the new results indicate that only one of these welfare state treats can be present to allow for low participatory inequality. Evidently, this induces different conclusions on the impact of welfare state characteristics on participatory equality.

5 CONCLUSION

The consistency measure constitutes QCA's single most important parameter for assessing sufficient and necessary conditions. This article however revealed

that the currently used formula does not accurately express the degree to which empirical evidence supports statements of sufficiency and necessity. Because small inconsistent cases exert more impact than large inconsistent cases, the currently used consistency measure can lead to the misinterpretation of empirical evidence for sufficiency and/or necessity. As demonstrated by the re-analysis of two recent QCA-applications, this has significant implications for the conclusions of their research project. To alleviate the problems of the standard consistency measure, this article introduced a new formula for calculating consistency, which more accurately assesses the evidence for sufficiency and/or necessity.

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