

The Inflexibility Trap

Frustrated Societies, Weak States and Democracy

Elections do not change things. If elections were about changing things, they would have been banned.

Graffito found in Sofia

Report on the State of Democracy in the Balkans

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Sofia, Bulgaria

February 2002

Conceptualizing the current state of politics on the Balkans is like designing a mousetrap without knowing what a mouse is. In the political maps, the region looks like a "Molotov cocktail" of weak states, non-state states and present and future protectorates. In history books, the Balkans stand for delayed modernization and incomplete state-building processes. In policy reports, the region is described as a place where borders (when defined) are soft, identities are hard, reform policies have failed, and the future is unclear. What we do not know is how many de facto states function in South East Europe, and to what extent they function. What we know is that they are all democracies. The Kosovo parliamentary elections on November 17 marked the stage at which all countries and entities in the region gained their representative assemblies. A decade ago the problem of the region was the prevalence of non-democratic states. Now, the problem is that we have more democracies than sovereign states, and less political change than we hoped for.

The present Report argues the need for a basic re-thinking of the analytical framework for evaluating the chances and risks for a working democracy in the Balkans.

The contradictory trends and developments make the reading of democracy's balance-sheet an uneasy task. On the positive side, the major political actors in the region do not question democracy as the only legitimate and desirable form of government. Publics are disappointed with the status quo, but they are not attracted by non-democratic alternatives. The military is in the barracks; Milosevic is in the Hague; elections are regular. In comparison with Central Asian republics, SEE shows constant progress in democratization.

On the negative side, there is a justified fear that Balkan democracies as a whole are more fragile than we had suspected. Trust in democratic institutions is dramatically low, with Parliaments rarely getting more than a 20 percent approval, growing anti-party sentiments, undermined confidence in politicians and ever fewer people going to the ballot-box.¹ The latest presidential and parliamentary elections in Bulgaria and Romania indicated a high volatility in voters' preferences. The intellectual climate has deteriorated. Anti-liberal and anti-western ideas are growing in influence. The reformist agenda of the elites is no longer the agenda of the publics.

The latest public opinion poll conducted in Bulgaria, a country defined by Freedom House as a consolidated democracy, shows that according to the public the last 12 years have been a wasted time. Compared with 1989, 50 percent of respondents claim that the situation has worsened, 33 percent claim that it has not changed, and only 17 percent see improvement. 62 percent of Bulgarians would prefer to live in a different age. The figures from Macedonia are even more frightening. Asked whether they consider that in general Macedonia is moving in the right direction, 62 percent of the citizens of that Republic say no and only 12 percent approve of the direction that is being taken.

The apparent gap between citizens' perception of the status quo and the perception of the international community promoting democracy is at the heart of the present report. It is based on the contributions prepared by local think tanks in Albania, Bulgaria, Macedonia, Montenegro, Kosovo and Serbia and tries to reflect on the chances and risks for democracy in the Balkans. The report is neither a summary of country reports, nor an exhaustive study of the performance of different democratic institutions. Its goal is to construct an analytical framework that will enable us to identify some of the invisible or neglected risks and dangerous trends in the region. It is no secret that governments and societies in SEE are facing

¹ The approval of the Macedonian Parliament in December 2001 was 6.9 percent.

grave problems, but the question is: In what terms should we analyze the current mistrust in the performance of democratic institutions and new political elites in order to overcome it? In our view, it is more useful to analyze the problems in terms of a crisis of democracy than in terms of unfinished democratization.

In democratic politics perceptions are the only reality that matter, hence our framework is focused on citizens' perceptions. This perspective generates a re-thinking of the dominant paradigms governing the perception of the political process in the region. The way people perceive the present condition determines how they vote, how much they save, and if they are ready to live together. In such an analytical framework the notion of transition is not a useful one. Most people in the Balkans are convinced that they live in imperfect democracies, but nonetheless in democracies. They judge the advantages of democratic regimes not on the basis of the ideal type of democracy constructed by a political scientist, but on that of their own democratic experience. It is naïve to believe that their disappointment with the status quo will not affect their trust in the democratic system itself.

The last decade established a pattern of viewing the Balkans from the perspective of the most endangered country. In 1993 it was Bosnia that shaped the picture of the region. In the last two years the Balkans were viewed through the lens of the dramatic developments in Kosovo and Belgrade. Recently, Macedonia has become the paradigm maker. Indeed, the media headlines dictate the analytical perspective and this intellectual dominance of the "emergency" has its analytical price. Analyses produced in the past ten years read like natural disaster reports. They argue for sanctions or aid but fall short of proposing a long-term policy framework.

In this report, we read the chances and challenges for sustainable democracy in the region through the prism of the democratically most developed Balkan country - Bulgaria. The logic of our analysis is that it is more the democratic fragility of successful Bulgaria than the democratic deficits of some of the other countries that represents the gravest challenge facing the Balkan democracies in the medium and long term. Bosnia in 1993, Kosovo in 1999, and Macedonia in 2001: all are extreme cases, all are worst case scenarios that have materialized. Bulgaria, on the other hand, is viewed by many as the model not for what Balkan democracy should be, but a model of what Balkan democracy could be. It is the dangers of this model that we will try to illuminate.

This analytical framework centered on Bulgaria will open room not only for a typology of the problems, it will also be instructive with respect to the limits of democratic consolidation in the region. Bulgaria's unexpected political developments in 2001 are the other reason for adopting the current framework. In the last six months Bulgarian citizens voted out the most praised reformist government in the region (the one led by Ivan Kostov) and elected a government headed by the ex-king Simeon Saxe-Coburg-Gotha. The king's movement took 50 percent of the seats in Parliament. In light of the fact that the movement was constituted just three months prior to the elections, its performance can be justifiably described as an electoral revolution (or an epidemic). The king's movement did not simply sweep the major political parties - the UDF and the Socialists - aside. It also carried the majority in every single age group, education group, and income group and in 28 out of 31 regions in the country. Then, three months after the king's landslide victory in the parliamentary elections, the majority of Bulgarian citizens voted against the most praised reformist president in the region, despite the fact that President Stoyanov was endorsed not only by the UDF but also by the king's movement and several other democratic parties. The voters' choice for president was the leader of the socialist party, Georgi Parvanov, who just a month ago had been considered unelectable. The exotics of the Bulgarian experience should not make us blind to the trend that

was already visible in the Balkans with the parliamentary and presidential elections in Romania: there is consistently a protest vote. The same trend is noticeable in the opinion polls of other studied countries. The question is, Will the protest vote run the Balkans? Are we observing a shift towards “delegative democracy” as experienced in Latin America? What kind of parties, persons, and ideas will be the future incarnations of this protest vote? Why do the so-called “reformists” spectacularly lose elections? Is this going to be the fate of the present Serbian government? What are the roots of public disappointment? Was democracy weakened or strengthened by the explosions of political volatility?

This report moves away from the beloved normative question of the democratisation paradigm: how free and fair are elections, how free and independent are the media or judiciary, how effective is the rule of law. It moves away from measuring and ranking democracies and from imposing the logic of democratisation on the political developments in the Balkans. A democratisation framework allows one to compare achievements, but it rules out a comparison of experiences. The question we try to answer is **what is happening politically in the Balkans and what can we expect to happen?** We fear that the dominant paradigms are misrepresenting the problems of the region and that we risk missing the challenges South East Europe faces. The dominant paradigms consciously or unconsciously are “normalizing” the status quo. The current report tries to go beyond this type of normalization.

The generalization of the problems of the six "democracies" that we analyze is also a risk itself. Albania, Bulgaria, Macedonia, Montenegro, Kosovo and Serbia differ significantly. Kosovo is an international protectorate; Montenegro is an unwilling member of a non-functioning federation; Serbia is in the early stage of political and economic reforms; Macedonia is in the process of self-reinvention, Albania is a version of a contested democracy, and Bulgaria is in the midst of its negotiations for joining the EU. The political process in Montenegro and Kosovo is primarily centered on the problems of independent statehood while social and economic issues dominate the political process in Bulgaria and Albania. Indeed, the diversity does not stop here. For the last 12 years there has been no real transfer of power in Montenegro, while Bulgaria has completed two cycles of transfer of power from left to right and vice versa. The communist legacies of the analyzed countries also differ substantially. For instance, the closed type of Stalinist society in Albania between 1945 and 1989 was radically different from the form of liberal communism enjoyed in Yugoslavia in the same period. The experience of the last decade also has not brought the countries together. It was more the dissolution of Yugoslavia than the end of communism that shaped the agenda in the ex-Yugoslav states and societies. The experience of violence that is common for Serbia, Albania and Macedonia is unknown to the Bulgarians.

Diversity is evident, but some common patterns and tendencies can also be clearly identified. An attempt to grasp these common trends forms the skeleton of this report. All the countries included in the study share a dramatic decline in the standard of living. None of the studied countries, with the exception of Albania, has returned to its 1989 GDP level. In most of them, de-industrialized economies co-exist with a social structure characteristic more or less of advanced industrial societies. All these societies have witnessed a rise in social inequality. All of them suffer from the absence of a durable democratic tradition. All of them share a profound sense of insecurity. All of them/with the exceptions of the Albanians/ are pessimistic with respect to the near future. All of them see membership of the EU as their most desirable future. Academically, it might be questionable to treat all these diverse countries in one and the same group, but politically they are treated like that. In many cases the most practical definition of "a mouse" is "a small animal that can be caught in a mousetrap."

How Not to Think about the Balkans

Shifting away from the dominant paradigms does not mean invalidating their findings. Each of them has its validity and usefulness, but none of them helps us to understand what is happening politically in the Balkans today because none of them is focused on the internal logic of recent developments.

The decision not to think exclusively in terms of ethnicity, transition and European integration is what outlines the perspective of the present Report. Determined to make explicit the internal dynamics of political instability in the Balkans, we suggest i) a critical reflection on the three paradigms that are shaping the outsider's perception of the region, ii) a map of the security, and social conditions, iii) an analysis of the political status quo seen as the interplay between the politics of corruption and the politics of external constraints, iiiii) a conceptualization of the state weakness in the Balkans today.

The Legacies Paradigm

The bad legacies paradigm was very popular in the earlier stages of the dissolution of Yugoslavia and was rooted in historical and cultural arguments. The report of the international commission on the Balkans /The Unfinished Peace/ published in 1996 is a classic example of this analytical approach. It defined the major obstacles for effective democracy in the Balkans as "legacies of war, of communism, and of history". Giving its recommendations, the Report focused on "the development and revival of civil society", regional and inter-ethnic projects, re-writing the history textbooks in the region, and so on. The freedom of the media was defined as a key element in promoting democracy in the Balkans.

The report and the paradigm it embodies have influenced most of the international democracy aid programs. The unspoken assumption of this paradigm was that the political problem in the Balkans was primarily ethno-political. The status of minorities became the leading indicator for democratic achievements and the NGO community was selected as a favorite partner for democracy building projects. It was this ethnic- tolerance centered perspective that contributed to the unrealistic assessment of the situation in Macedonia before September 2000. This approach did not succeed in separating "post-Yugoslav" problems from the problems of post-communism. Political developments in Albania, Bulgaria or Romania did not fit in this framework.

In the context of this paradigm violent nationalism was perceived as the most prominent threat to the democratic process and political parties and individual politicians were judged primarily on the basis of their nationalistic or anti-nationalistic record. This explains why the liberal elements of the former communist elite easily achieved favour with the international community.

The major disadvantage of the bad legacies paradigm is its neglect of the social and institutional conditions and of the configurations of the interest groups. Politics was reduced to a clash between nationalists and non-nationalists. This does not mean that ethnic tensions and ethnic identities have not played a critical role in shaping the political reality of the region. However, quite often the "only ethnicity paradigm" takes the justification and legitimization of certain political decisions as the essence of Balkan politics. To an extent this paradigm is already unpopular, but it is still used with respect to Serbia and to some extent Macedonia. It is no longer influential with policy circles, but it still dominates the international media

coverage of the region. This paradigm is also blind to the changes in the nationalistic platforms themselves. If a new wave of nationalism threatens the region, it will be much more anti-Western populism or anti-Roma xenophobia than the 19th century type of nationalism that was characteristic of the dissolution of Yugoslavia.

The Democratic Transition Paradigm

In his subtle criticism of the transition paradigm Thomas Carothers singles out its five core assumptions: 1) any country moving away from dictatorial rule can be considered a country in transition to democracy 2) democratization tends to unfold in three obligatory stages - from opening to breakthrough to consolidation 3) a belief in the determinative importance of elections 4) a belief that at the end of the day "structural factors" - economic level, political history, institutional environment - are not so important 5) a belief that a functioning state is always there and that state-building and democracy-building enforce each other.

In our understanding, the controversial aspect of "transition" is its normative character and teleological nature. All new democracies are supposed to follow one and the same path. Democracy is analyzed not so much through the relations between leaders and led, but judged by the level of its institutionalization. In its radical form, the transition paradigm can be visualized as a global democracy promotion office where all new democracies fill in their forms and expect to be judged on the basis of how free and fair are their elections, how independent is their judiciary, how free are their media and so on. Freedom House's "Nations in Transit" Report is a classic example of this paradigm. Ranking democracies has replaced understanding them as the practice in the democracy-promotion community.

The attractiveness of this approach for policy makers is two-folded. On the one hand, the transition paradigm creates a comprehensive framework for comparing the achievements of different transitional countries; on the other hand, the "scores" and "democracy rankings" are the basis for the assessment of democracy used by the international institutions, and individual Western governments. The theorists' dream of hard data and regression analyses and the bureaucrats' dreams of results that can be reported meet happily in the transition paradigm. However, such a measurement of democracy creates a false expectation with respect to the accountability of democracy-building programs.

As a result, the transition paradigm fails to understand the internal logic of the political processes in new democracies and it is frequently blind to the way citizens perceive their political regimes. The outcome is that citizens vote out governments praised and "ranked" by the West.

The assumption that a functioning state is given a priori and that state-building and democracy building reinforce each other turned out to be especially disadvantageous with respect to the Balkans. The risk of being non-contextual was clearly illustrated by the manner in which the problem of Kosovo independence was treated in the transition paradigm.

As of 1991, democratisation has been viewed as the major instrument for bringing stability to the Balkans. In its initial stages the dissolution of Yugoslavia was conceptualised as a specific manifestation of the general trend of the collapse of communist regimes. The Yugoslav wars were explained mainly through the undemocratic nature of the old political system and as a skilfully orchestrated strategy by the old communist elites to ensure their own survival. The orthodox policy line was that democratisation would reduce ethnic tensions and that it was the

only way to avoid the dismantling of the existing states. This explanation has some validity, but the lessons of the last decade demonstrate its limits.

The dissolution of Yugoslavia demonstrated that when a society has to choose between democratisation and self-determination, the latter comes first. The expectations that democratic change in Belgrade would eliminate the independence of Kosovo from the agenda of Kosovars turned out to be unrealistic. History demonstrated that for Kosovars, democracy is important. However, only within the borders of their own state, that had to be established first. Political change in Croatia is the other powerful example that successful democratisation is possible only after state-consolidation has been achieved.

Another key misconception of the transition discourse is that the devolution of state power has been conceptualised as a victory for the emerging civil society. The state, in the early years of transition, was perceived as the major obstacle for the emancipation of society. The victory of democracy was understood in terms of the withdrawal of the state. It was in this analytical concept that the "NGO fashion" was born. But can the rise in the number of NGOs – most of them sponsored by the West – be identified with the rise and strengthening of civil society and democratic consolidation? Can civil society flourish in a place where there is no rule of law and a functioning state?

The transition paradigm is misleading not only because of its questioned assumptions. In the context of the fears that constructed it, the transition paradigm is shaped by the fear of a breakdown of democratic regimes, defined by Schmitter as "the sudden death of democracy." "Transition" still thinks about democracy exclusively in its opposition to authoritarianism. But are the threats to democracy the same now as in the 1970s? What are the dangers for democracy at a time when democracy does not have open enemies, and undemocratic alternatives have retreated? It is not surprising that influenced by its "family connections," the transition paradigm remained blind to the risks of a "slow death of democracy" – the erosion and de-legitimization of democratic regimes in the institutional framework of democracy itself. This "slow death scenario" can be described as democracy without politics. It is this scenario of destroying the representative nature of democracy while keeping its institutional shell that constitutes the major risk that the Balkans face today.

The Development/Integration Paradigm

As a policy ideology for acting in the Balkans, the development paradigm is a latecomer. It resulted from the exhaustion of the legacy and transition approaches. Focused on some of the economic, institutional, and social pre-conditions for the success of democratic politics, the development paradigm discovered that the economy matters and incomes matter. Structural factors as the economic level and a favorable institutional environment were recognized as critical for securing public support for democracy. It was in this paradigm that "the state" was re-discovered as a pre-condition and not as a result of a functioning democracy and a functioning market. The World Bank's "The Road to Stability and Prosperity in South-East Europe" strategy paper (published on March 1, 2000)² is the best illustration of this approach.

The Development/Integration paradigm is the most influential today, so it is important to figure out its hidden assumption for future political development in the region.

² The World Bank had been tasked by the Stability Pact with establishing the regional policy strategy.

As in the transition paradigm, democracy is evaluated primarily by the level of its institutionalisation. The policy choices societies should make are radically de-politicised, so the problem is not in policy making but in policy implementation. Strengthening democratic institutions is perceived basically as the problem of capacity building, creating proper legal frameworks, and training an efficient bureaucracy. Development/Integration advocates are not interested in who the winners and losers are in the short run, because in the long run all are winners. The introduction of hard policy constraints like Currency Boards or replacing local currencies by the Euro is at the center of integration philosophy. In its radical form, the EU integration paradigm views the political challenges in the Balkans in terms of state-building, but in terms of building a special type of member-state. The institutional environment in the region is perceived in terms of its compatibility with EU norms and standards. In this context, the integration paradigm is the only long-term policy vision for the region and this explains its growing influence.

However, there are several hidden assumptions behind this paradigm that should be seriously discussed. The integration policy package starts with the assumption that one day all Balkan countries will be EU members, but does not pay enough attention to the period when those countries will stand in the waiting room. Secondly, perceiving democratization as an adjustment to EU standards, this paradigm is basically suspicious towards any genuine political process in the region. And thirdly, this paradigm views the process of consensus-building much more as a result of the work of conditionalities, rather than as a result of a dialogue between different interest groups inside the studied countries. The manner in which the international community has imposed constitutional change in Macedonia is very instructive in this respect. On the one hand, this was a reasonable and necessary change. On the other hand, it was perceived as an imposture and contributed to public mistrust in Macedonian institutions and elites. The democratic deficit that is considered as a negative side-effect of European integration for the member states has a much more profound effect on the candidate countries. The legislation process is deprived of its role as a channel for conflict-resolution and is reduced to translation and adoption of European legislation.

This analytical re-reading of the policy paradigms shaping the views of Balkan democracies leads to several conclusions. All three paradigms have their usefulness and validity, but they replace the question of what is happening in the region with a set of made answers. The legacy approach (in judging political development in the Balkans) is totally ethno-political in its perspective. The transition paradigm is reduced to measuring institutions and institutional performances, and the development/integration paradigm promotes a non-political, expert-driven approach to the region. All conceptual frames disregard the perspective of the citizens as the most important factor in understanding democratic developments and all are concerned to explain why things are not working as they should. Meanwhile, however, they fail to explain why things are working in the way they do.

The present Report, in contrast, adopts a citizen-centered perspective and treats citizens' political experiences as the only meaningful point of departure in any analytical journey designed to understand Balkan politics. We define democracy not so much by its institutional settings, but through the relations between governments and citizens. For us, democracy is a regime in which people not only take part in free and fair elections, but can also influence policies.

Therefore the key elements in our analysis are the widening gap between the public and the elites, the growing distrust in the reformist agenda, and the emergence of cynical and angered majorities. The public perceives the present status quo in terms of insecurity, corruption, an

absent state and on dependency, and our focus is on insecurity, corruption and weak states. In order to know what is happening politically in the Balkans, we pose the questions: What makes individuals and societies so insecure? Why are Balkan democracies so corrupt or why do their citizens perceive them as pervasively corrupt? What are the effects of hard external conditionalities in shaping citizens' loyalty to the democratic regime?

The Security Condition

The security issues of the region are usually structured around five critical questions. What status for Kosovo? What future for Macedonia? What chance for Dayton Bosnia? When can the international forces leave the region? When will Bulgaria and Romania join NATO? But the security question centered on borders, statuses, and international guarantees is more instructive for the outsiders' perception of the region than from the internal perspective. The security strategy adopted with respect to the Balkans is based on two assumptions that we find problematic. First, it assumes that the present state of "constructive ambivalence" embodied in UN Resolution 1244 increases security in the region. Second, it accepts that economic growth, democratization, and regional integration will be the factors to fill the security vacuum. We argue that security is not a result but a precondition for growth, democracy, and integration. The most probable risk scenario that faces the region is not aggression or wars, but the collapse of the state.

In 1992 the Badenter Commission singled out "government's full control over the territory" as a critical criterion for recognizing the right of the ex-Yugoslav republics to secession. If this criterion were to be applied today, most of the present Balkan states would not qualify for independent statehood. Post-Milosevic Yugoslavia does not control its territory; Serbia does not control what legally is her territory; and the Macedonian government de facto also does not control some parts of the country. The inability of most governments in the region to secure the physical integrity of the state's territory is at the core of the international perception of the current state of affairs. It is state weakness that emerges as the major security threat for the region.

September 11 and the global war on terrorism are also a critical point in re-thinking security dilemmas in the Balkan. Formulated in the language of post-September 11 sensitivity, the problems of the region should be structured around new type of questions. Can parts of the Balkans be used as terrorist bases? What is the influence of organized crime on the politics of the governments in the region? How should the Albanian armed groups in Macedonia be treated?

Only recently the international community realized the profound process of the criminalization of politics and the criminalization of ethnicity that is taking place in the region. As a legacy of war, armed groups of different types proliferate in the Balkans. The prolonged UN embargo on Yugoslavia facilitated the establishment of cross-border criminal networks. The political influence of criminal interests is easily illustrated by the fact that one of the few occasions when the Macedonian Parliament was full of MPs was when the legislation on tax-free zones was debated. Drug channels, channels for smuggling stolen cars, cigarettes, and people are at the center of security threats in the Balkans. As recently as in 1999, 6.5 tons out of 60 tons of marijuana confiscated in Western Europe are thought to have been smuggled from Albania. Thus Albania and Morocco are considered the two major drug suppliers to Western Europe. A number of publications in the local and international press have documented that some of the smuggling channels have functioned as government-run businesses. Criminal lords are among the most devoted political donors in the Balkans. At the same time it is a well-documented

fact that most of the local mafias are ethnically based networks. This combination of ethnicity and criminality is a critical element in sustaining violent accusations of other ethnic groups.

The lack of reliable information makes it impossible to trace directly the links between organized crime and different political groups and governments in the region, but we should present the security condition in the Balkans through the perceptions of the citizens of the region. The criminalisation of the Balkan states and politics makes the tasks of the international community much more difficult. The only way for NATO and the EU to bring more security to the region is by policing these countries, but these two organs are inexperienced at providing soft security. The reformulation of the security problem in terms of policing has a significant impact on the division of labor among the international security providers. The basic question is: Is the EU ready to create a common police space including the Balkans.

From the internal perspective, all public opinion polls conducted in the past years indicated alarmingly high rates of insecurity. People feel insecure about their lives, their property, their communities and about the states in which they live. The levels of physical and economic insecurity are not much more different in the former Yugoslavia on the one side and in Albania, Bulgaria, and Romania on the other. It is the weakness of one's own state and not the aggressive behavior of neighbors that is at the center of citizens' concerns. A study of the cost of security in the region will show that both citizens and businesses spend huge amounts of money on security. They insure their cars with mafia-controlled insurance agencies, pay protection money to the local gangs, pay for security systems, and pay bribes to law enforcement officials to motivate them to fulfill their obligations. The World Bank calculated that 7 percent of firms' turnover in Albania is paid as bribes. The major complaint of citizens is that the weak state presents a threat to their rights, which is no different from the arbitrary violence of the communist state. In both cases citizens live in total insecurity. It is the instrumentalization of insecurity and disorder that constitute the power base for the collusion of politics and criminality.

The Social Condition

The decline in standards of living, the emergence of mass poverty, the high rates of unemployment are not new to observers of the Balkans. What remains unnoticed, however, is the dramatic rise in the physical and social displacement of huge groups of society. In fact Balkan democracies are the democracies of displaced people. This is obviously true with respect to the war victims in former Yugoslavia, but it is also true in a broader sense. How many people live in the place where they lived 10 years ago? How many of them work in the same place? How many of them stay in the same professional and friendly circles? Migration to capitals and big cities and emigration to the West is a well-documented story. But the story that remains untold is the destruction of the old professional classes. The loss of status no less than the loss of income determines the attitude of huge groups of people to the new status quo. Balkan societies are infected with "status panic." Social stratification and the rise of social inequality are critical in understanding the attitudes of the public to democracy and its institutions. Every sixth Albanian works abroad. Readiness to emigrate has increased rather than decline in Bulgaria over the last years. Around 52 percent of people state that if they had the opportunity, they would emigrate from Bulgaria.

The process of social and physical displacement produces a key distinction between mobile and immobile groups in the populace. Public opinion polls in Bulgaria indicate that because of financial and psychological constraints, the majority of respondents claim that they have not left their town of residence for the last two years. The localization of huge number of citizens,

mainly old and disabled people, their social paralysis and self-imposed exile is one of the sources for the collapse of the support for the reform agenda. The destruction of the old middle class is the structural explanation for the rise of political volatility.

The volatility of the social framework has increased because of the continued effects of the gap between the reform agenda and the short- and mid-term expectations of citizens. The radical and extensive programs of privatization and economic re-structuring have led to unprecedented levels of unemployment and the virtual wipeout of entire sectors of the economy and social networks underpinned by economic activity. There has been a systemic process of impoverishment in numerous sectors of the economy and society. In addition, there are sectors of society that seem completely unable, in the short and medium term, to resume employment. Economic recovery, in the countries where it exists, has been patchy in and around the major cities of the country. This has taken place in a context of extreme monetary restrictions that have virtually prevented the use of many pro-active instruments by the state. The much needed overhaul of the social insurance, pension and health care systems has resulted in the undermining of basic pillars of social reference and existence, producing enormous personal insecurity and psychological volatility. This has translated into a notable mistrust in the capacity of government to provide a set of services and frameworks that ensure predictability and well-being. In such a mindset, the political is predominantly perceived as the site of improper redistribution and individual enrichment rather than a provider of basic services. The social condition in the Balkans is a key factor for volatility in individual and collective behavior. It is hardly surprising that in the current social circumstances society is dominated by the "values of survival" and not the "values of self-expression." The studies of Ronald Inglehart suggest a negative correlation between the dominance of the values of survival and the chances of democracy to survive. The welfare functions of the communist state were critical for the old regime to secure a certain legitimacy with the population. Now, when the post-communist type of farewell state replaces the communist type of welfare state, it naturally results in a legitimation crisis for the new democratic regimes.

The economic crises in the Balkans have resulted in a demand for more and not for less democracy. Polls indicate that people are dissatisfied with the performance of their democratic regimes, but they do not look for non-democratic alternatives. There are no thousands of protesters on the streets of the Balkan capitals, but the political economy of post-communist patience should not be misread. People are not protesting essentially because communism has destroyed their capacity for collective action. Public criticism is expressed as criticism of the corruption of the regime. So any citizens' focused perspective on the state of democracy of the Balkans should try to answer: Why are the Balkans so corrupt, and why do governments fail to curb corruption?

The Vicious Circle of Corruption

Corruption is pervasive in the Balkans. This is what you hear on the streets, this is what Transparency International claims. Public officials take bribes because they do not have a reason not to take bribes. The purpose of our analysis is neither to measure corruption, nor to focus on the structural causes of it. The last years have witnessed a boom in anti-corruption studies. The rise of corruption has been interpreted in cultural terms (the notion of Mediterranean corruption); analyzed in terms of weak institutional environments, in terms of communist legacies, and so on. Precise distinctions were made between administrative corruption on the one hand and state capture on the other.

Our question is: Why are political parties engaged in corrupt exchanges and how does this affect the democratic system? This report argues that epidemic party corruption has to do not so much with communist legacies, post-communist pathologies or the quality of the legal environment, but with the increase of the cost of politics. In the early years of transition, there was public resentment over the ideological nature of the political process and over the extreme levels of political confrontation. In Albania, for instance, the replacement of government, i.e. the replacement of the party in power, is accompanied with the replacement of the state. Political appointments are the rule. However, persistent accusations of corruption were absent. The hypothesis we emphasize is that the process of the de-ideologization of politics (the dissolution of the communism vs. anti-communism axis) and the reduction of politics to a quarrel over minor differences has resulted in a painful deficit in interest in politics and produced a deficit of militants.

The vicious circle of corruption can be described as follows. The massive withdrawal of the ideologically most motivated citizens from political activities makes political communication much more expensive. In 1991 enthusiastic young people have been disseminating the posters of political parties. In 1999 these young people were not enthusiastic any more. To have their posters and leaflets distributed now, political parties should pay. In 1991 citizens were on the streets, joining rallies and discussion and it was quite easy for the politicians to get their message across. In 1999 parties did not capture citizens' imagination any more and parties had to pay for commercials or for "friendly coverage by the media." Examples can continue, but they all show the need for money that faces political parties. The result is that parties started to sell their influence over the decision-making process. The increased cost of politics and the effort to pay the price result in four major consequences. First, people became even more disgusted with politics, so the cost of politics went up. Second, the new politics led to the promotion of new politicians, those that Della Porta called "business politicians." Third, the increased price of politics and massive efforts to take money on behalf of the party reduced the moral cost of corruption for the individual politicians. Those who perceived it as normal to take money for the party started to take money for themselves. Fourth, political parties decided to create a class of donors, close to their parties. The privatization process in Bulgaria, for instance, was turned into the instrument for promoting a UDF affiliated business class. Privatization was not any more about what to sell, how to sell, and at what price to sell, but to whom to sell and, in the cases of small and medium enterprises, the investor perceived as strategic was the friend of the party. Buying the media turned into the dream of the parties. Thus, the need for money in the context of expensive politics is one of the reasons why governments failed to fight corruption.

The second reason for governments' inability to convince their citizens that they are taking measures against corruption is related to the fact that the actual level of corruption alone does not drive the anti-corruption sentiments of the public. CLS's studies have shown that anti-corruption sentiments in Bulgaria are driven not so much by the actual levels of corruption, but by the total disappointment with the results of transition and rising social inequality in general. Anti-corruption rhetoric and anti-corruption sentiments are structurally more important for post-communist politics than it is usually believed. In the absence of a viable alternative to democracy and in the context of the de-politicization of the policy process, the anti-corruption rhetoric remains on the one hand the only legitimate way to criticize the status quo and, on the other hand, it is the only platform open to the anti-reformist parties. In the case of Bulgaria, and also in other parts of the region, we can see the emergence of the "muckraking moment" where the corrupt nature of the elite is assumed and no one bothers to prove it. The existing status quo is clearly illustrated by the fact that in Bulgaria in the last decade none of the members of the political class has been convicted for corruption, while at

the same time the Prosecutors office is investigating the 100 biggest privatization deals and most of the leading political figures are under some sort of investigation. Up until now, none of these investigations has been completed and the collected evidence ends up not in court, but in the media. The result is not the triumph of the rule of law, but a state of total insecurity and the increased use of the Prosecutor's office as an instrument for political pressure.

The perception of the public that everything is corrupt and everybody is corrupt is the basic danger to Balkan democracies. In his studies Richard Rose has shown that what is common for those who are ready to turn their back on democracy and look for alternatives is not their incomes, their party affiliations, not former membership in the communist party, but their conviction that their country is totally corrupt.

The present frustration with democracy in the region and the public disaffection with it cannot be grasped without understanding the nature, the logic and re-productive power of the current state weakness. The shift to functioning democracy in the region depends on the success of societies and governments to overcome state weakness in the coming years. The persistence of weak states may lead to the slow death of democracy in the Balkans.

The Weak State

“Weak state” is a powerful term often used in the Balkan discourse. It was never defined because there was the assumption that analytically, but also practically, state weakness was obvious. It is enough to see bad roads, to suffer electricity cuts or to queue for your last year's salary, in order to agree that the state is weaker than it was and weaker than it should be. To the majority of analysts, state weakness is like an elephant: you cannot exactly define it, but you are sure that when you see it, you will recognize it.

In the current analysis of the Balkans, there are at least three different ways to conceptualize state weakness. The strength of the state can be measured in terms of capabilities and here, following Joel Migdal, the state's strength is defined as the capability of governments to implement their policy visions, to penetrate society, to regulate and so on. In this context, the strong state is able to collect its taxes and the weak state fails to do. It is in this “increasing capabilities” perspective that most leaders in the region see the need to strengthen the state. But the state can be efficient on the collecting side and yet a total failure on the delivery side. So the second measure for assessment of the state's strength is the perception of consumers of the public goods provided by the state. Is the state capable of delivering the rule of law? Does it protect human and property rights? The third approach to state weakness defines the weak state as a captured state, a state in which particular group interests dominate the policy-making process, when these interests in an illicit way shape the rules of the game. Russia, in Yeltsin's last years of power, fits perfectly with this description.

Most Balkan countries can be described as weak states in terms of capacity, in terms of delivery, and in terms of capture. But our intention is to conceptualize state weakness as a strategic behavior of the elites constrained by public discontent and political conditionalities, and involved in a predatory project of extracting resources from the state.

The devolution of state power after communism has been analyzed. State weakness was explained as a result of a neo-liberal flirt with "the striptease state" - the attempt to undress the state of all superficialities. This approach does not explain a lot. Balkan states were never governed by neo-liberals, but they nevertheless ended up naked. The origin of the new elites and the process of the separation of party and state basically contributed to state weakness.

The claim of this report is that new democratic elites in the Balkans have the extraction of the state as their dominant project. The re-distribution of huge assets of state property has as its result the transformation of political power into economic power. The structural reason for the growing gap between the public and the elites is that the elites do not need wealthy citizens to realize their extraction project. To understand the logic of this process, it would help to consider the post-communist Balkan countries as akin to oil regimes where the role of oil is played by the huge state assets that should be privatized. The elite's refusal to take any responsibility for the welfare of the people is at the heart of the crisis of the Balkan democracies.

The paradox of transition is that the success of the reforms needs a stable and durable policy consensus based on the long term goals of development (economic growth, EU integration). At the same time, the very process of transformation polarizes society, producing winners and losers. Governments do not have a lot of room for maneuver. In order to stay, they should follow the reform agenda prescribed by the EU or IMF. The external constraints are institutionalized as Currency Boards and other hard instruments. The decision of the international factor to limit the flexibility of governments resulted from the permanent failure of Balkan governments to keep their promises. It is the external constraints that ensure basically the policy predictability of the region. It is sufficient to recollect the collapse of the Albanian state, the shattering political and economic crisis in Bulgaria in 1997, or even simply to watch for a while the Kostunica - Djindjic war in Belgrade to understand the desire of the West for policies binding the hands of the elite. Meanwhile, external conditionalities affect negatively the relations between politicians and the public. Governments are elected after a love affair with the electorate, but they are married to the international donors.

Viewed from below, the Balkan democracies are political regimes in which the voters are free to change governments, but are very much constrained in changing policies. Any pressure from below is immediately labeled "populism." The international factor does not see anything wrong with parties winning elections on populist ticket and governing on the IMF ticket. This process is conceptualized as a success of reforms. But if this development can be seen as positive in the short run, it is destructive in the long run. The recurring failure of voters to vote for a policy change can lead to three undesirable developments: 1) it can bring to power a political party that is anti-system in its character- Tudor, Sesel; 2) it divorces election campaigning from the actual practice of governance and makes it impossible to hold politicians accountable; 3) it makes political learning ineffective. The gap between elites and the public cannot be explained simply as a failure to communicate reforms.

Implications

The adoption of the citizens' centered perspective to the analysis of the state of democracy in the Balkans invites unexpected conclusions. In 1995 Przeworski's report on the chances of democracy ("Sustainable Democracy") predicted, "the combination of an increasing inequality with reduced sovereignty is likely to exacerbate social conflicts and weaken the nascent democratic institutions." This prediction is coming true in the Balkans.

There is a consensus that the fragility of democracy in the Balkans is pre-determined by two sets of factors: Balkan factors and post-communist factors. Balkan factors refer to the ethnic tensions and historical controversies that are obstacles for co-operative behavior and to the delayed and unfinished process of state formation in the region.

Post-communist factors refer to the need for a parallel process of democratization and restructuring of the economy in the conditions of declining standards of living and economic hardship.

These factors matter. But reading the crisis through citizens' eyes suggests that some of the important factors contributing to the uncertain prospects of democracy in the region are related to the general state of politics these days.

The growing gap between the public and political elite and the growing mistrust in the democratic institutions is the very essence of the state of politics in the Balkans today.

In the elite's discourse this growing gap is conceptualized as an outcome of the needed but painful reforms on the one hand and the failure of the reformist governments to communicate the reform policies on the other hand. The policy response to the crisis is conceptualized as a need for a more efficient communication policy. As a result, the amount of money spent by the World Bank and EU on "communicating reforms" is increasing considerably.

In our view the present crisis is not a crisis of communication but a crisis of representation.

Voters are in a trap. On the hand, they want the international community to control their corrupt politicians, but, on the other hand, they want to have a say in the policy making process. International players also contribute to the de-legitimization of the elites. They do not punish the elites for breaking their contracts with the voters, but on the contrary, they encourage them to do so. The international community punishes governments that break their promises to the IMF, but is not interested to what extent politicians are keeping their promises to the voters.

In the stream of the current analytical conclusions, This report argues for radical re-thinking of the current democracy assistance paradigm. The focus of a possible new approach will aim at replacing the current democracy without politics into a real political democracy. The major policy objective should be to strengthen democracy, re-connecting the agenda of reforms and the public agenda and re-gaining the trust of the people for democratic institutions.

Re-thinking the democracy assistance strategies can result in different policy packages for the different Balkan countries, but they necessarily assume

- A re-thinking of the impact of different electoral systems on the chances of the voters to promote policy change
- The political and intellectual will to remove the experts' perspective as the only legitimate perspective in shaping transition policies
- A more friendly approach to the instruments of popular democracy like local and national referendums
- Designing special policies to compensate for the democratic deficit created in the process of EU accession
- Making assistance to political parties and reforms of the political parties a priority
- Changing the view that civic activities should be de-politicized

In the view of the present analysis the only way re-connect elites and the public is through bringing politics back in and promoting conflict and the democratic manner of conflict resolution as the source of democracy's strength.