DEMOCRACY AFTER ACCESSION
Evidence from Central and Eastern Europe

Laura Elena Sibinescu
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CHAPTER 1: INTRODUCTION

1.1. Background and evidence

Much has been written on the topic of democratization in Central and Eastern Europe in the context of EU accession. At first glance, this unique process of democratization by integration (Dimitrova and Pridham, 2004) appears to be quite the success story: candidate countries benefitted from significant external incentives throughout their transition, while the EU had ample opportunity to help shape political institutions and practices in the post-communist space.

However, this story does not end once membership is achieved. All Central and Eastern European countries that joined the EU in 2004 and 2007 (hereafter CEECs) have undeniably become more democratic since the 1990s. This is largely due to the fact that candidate status is intrinsically linked to countries’ commitment to democratization and, as Dimitrova and Pridham suggest, this link translates into a process not easily reversed.

A functioning democratic system is part of the Copenhagen criteria\(^1\), defining the conditions under which a country is eligible for accession: candidate countries are expected to develop a political system incorporating free and regular elections, the rule of law, citizens’ opportunities to participate in political decision making and press freedom.

With such a powerful (and by all indications successful) process in motion, it would not be implausible to assume that CEECs would continue to improve their democratic standards after accession. However, as evidence presented below shows, this has not been the case.

This observation comes from examining the Democracy Score calculated each year

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\(^1\) The Copenhagen criteria contain three main points that candidate states need to comply with: stability of democratic institutions, a functioning market economy and the ability to take on the obligations that come with membership, including those referring to the political, economic and monetary aims of the EU – see http://ec.europa.eu/enlargement/enlargement_process/accession_process/criteria/index_en.htm
by Freedom House for its *Nations in Transit* publication. According to these reports, most CEECs have seen a steady increase in the Democracy Score index several years prior to accession. However, from 2004 and 2007 on, these scores followed a downward trend which presently indicates a worse situation than before accession.

A quick examination of Table 1.1 tells us that this is not an uncommon phenomenon among CEECs.

Table 1.1: Freedom House’s Democracy Score index for CEECs

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>TREND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>3.25</td>
<td>3.18</td>
<td>2.93</td>
<td>2.89</td>
<td>2.86</td>
<td>3.04</td>
<td>3.04</td>
<td>3.07</td>
<td>-0.18</td>
</tr>
<tr>
<td>Czech R.</td>
<td>2.33</td>
<td>2.29</td>
<td>2.25</td>
<td>2.25</td>
<td>2.14</td>
<td>2.18</td>
<td>2.21</td>
<td>2.18</td>
<td>-0.15</td>
</tr>
<tr>
<td>Estonia</td>
<td>1.92</td>
<td>1.96</td>
<td>1.96</td>
<td>1.96</td>
<td>1.93</td>
<td>1.93</td>
<td>1.96</td>
<td>1.93</td>
<td>0.01</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.96</td>
<td>1.96</td>
<td>2.00</td>
<td>2.14</td>
<td>2.14</td>
<td>2.29</td>
<td>2.39</td>
<td>2.61</td>
<td>0.65</td>
</tr>
<tr>
<td>Latvia</td>
<td>2.17</td>
<td>2.14</td>
<td>2.07</td>
<td>2.07</td>
<td>2.07</td>
<td>2.18</td>
<td>2.18</td>
<td>2.14</td>
<td>-0.03</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2.13</td>
<td>2.21</td>
<td>2.21</td>
<td>2.29</td>
<td>2.25</td>
<td>2.29</td>
<td>2.25</td>
<td>2.25</td>
<td>0.12</td>
</tr>
<tr>
<td>Poland</td>
<td>1.75</td>
<td>2.00</td>
<td>2.14</td>
<td>2.36</td>
<td>2.39</td>
<td>2.25</td>
<td>2.32</td>
<td>2.21</td>
<td>0.46</td>
</tr>
<tr>
<td>Romania</td>
<td>3.58</td>
<td>3.39</td>
<td>3.39</td>
<td>3.29</td>
<td>3.36</td>
<td>3.36</td>
<td>3.46</td>
<td>3.43</td>
<td>-0.15</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2.08</td>
<td>2.00</td>
<td>1.96</td>
<td>2.14</td>
<td>2.29</td>
<td>2.46</td>
<td>2.68</td>
<td>2.54</td>
<td>0.46</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1.75</td>
<td>1.68</td>
<td>1.75</td>
<td>1.82</td>
<td>1.86</td>
<td>1.93</td>
<td>1.93</td>
<td>1.93</td>
<td>0.18</td>
</tr>
</tbody>
</table>

Source: Nations in Transit report 2011

Most current member states from Central and Eastern Europe have seen a decline in the quality of their democratic regimes. According to the Nations in Transit 2011 report, out of the 2004 accession wave, only the Czech Republic and Latvia saw a slight improvement in democratic quality afterwards, while in all others democracies appears to have declined to a greater or lesser extent.

Romania and Bulgaria are special cases, and will remain so throughout this study. If we consider the entire 2004-2011 period, their democratic scores have

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2 I prefer this index to Freedom House’s other measurement of democracy – Freedom in the World – because it provides more nuanced information on CEE democracies. The Freedom in the World ranking merely tells us that all ten countries were classified as ‘Free’ for the entire 2004-2011 period.

3 Note that because of the way the Democracy Score is measured, a negative trend indicates an improvement, while a positive trend signifies a drop in the score. See Chapter 4 for details.
improved. However, since accession in 2007, democratic quality has declined in both these countries.

The Economist Intelligence Unit’s Democracy Index tells a similar story. In this case, it is only the Czech Republic – the highest ranking democracy in the list – which shows a very slight improvement.

Table 1.2. The Economist Intelligence Unit Democracy Index for CEECs

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>7.1</td>
<td>7.02</td>
<td>6.84</td>
<td>6.78</td>
</tr>
<tr>
<td>Czech R.</td>
<td>8.17</td>
<td>8.19</td>
<td>8.19</td>
<td>8.19</td>
</tr>
<tr>
<td>Estonia</td>
<td>7.74</td>
<td>7.68</td>
<td>7.68</td>
<td>7.61</td>
</tr>
<tr>
<td>Hungary</td>
<td>7.53</td>
<td>7.44</td>
<td>7.21</td>
<td>7.04</td>
</tr>
<tr>
<td>Latvia</td>
<td>7.37</td>
<td>7.23</td>
<td>7.05</td>
<td>7.05</td>
</tr>
<tr>
<td>Lithuania</td>
<td>7.43</td>
<td>7.36</td>
<td>7.24</td>
<td>7.24</td>
</tr>
<tr>
<td>Poland</td>
<td>7.3</td>
<td>7.3</td>
<td>7.05</td>
<td>7.12</td>
</tr>
<tr>
<td>Romania</td>
<td>7.06</td>
<td>7.06</td>
<td>6.6</td>
<td>6.54</td>
</tr>
<tr>
<td>Slovakia</td>
<td>7.4</td>
<td>7.33</td>
<td>7.35</td>
<td>7.35</td>
</tr>
<tr>
<td>Slovenia</td>
<td>7.96</td>
<td>7.96</td>
<td>7.69</td>
<td>7.76</td>
</tr>
</tbody>
</table>

*Source: the Economist Intelligence Unit Democracy Index report 2011*

This phenomenon of declining democratic quality is not an isolated one in Europe. The EIU’s Democracy Index reveals that most of the EU-15 member states have experienced a similar trend, with only Italy and the UK managing a slight improvement since 2004.

Table 1.3. The Economist Intelligence Unit Democracy Index for EU-15

<table>
<thead>
<tr>
<th>EU-15</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>8.69</td>
<td>8.49</td>
<td>8.49</td>
<td>8.49</td>
</tr>
<tr>
<td>Belgium</td>
<td>8.15</td>
<td>8.16</td>
<td>8.05</td>
<td>8.05</td>
</tr>
<tr>
<td>Denmark</td>
<td>9.52</td>
<td>9.52</td>
<td>9.52</td>
<td>9.52</td>
</tr>
<tr>
<td>Finland</td>
<td>9.25</td>
<td>9.25</td>
<td>9.19</td>
<td>9.06</td>
</tr>
<tr>
<td>France</td>
<td>8.07</td>
<td>8.07</td>
<td>7.77</td>
<td>7.77</td>
</tr>
<tr>
<td>Germany</td>
<td>8.82</td>
<td>8.82</td>
<td>8.38</td>
<td>8.34</td>
</tr>
<tr>
<td>Greece</td>
<td>8.13</td>
<td>8.13</td>
<td>7.92</td>
<td>7.65</td>
</tr>
<tr>
<td>Ireland</td>
<td>9.01</td>
<td>9.01</td>
<td>8.79</td>
<td>8.56</td>
</tr>
<tr>
<td>Italy</td>
<td>7.73</td>
<td>7.98</td>
<td>7.83</td>
<td>7.74</td>
</tr>
<tr>
<td>Country</td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>9.1</td>
<td>9.1</td>
<td>8.88</td>
<td>8.88</td>
</tr>
<tr>
<td>Portugal</td>
<td>8.16</td>
<td>8.05</td>
<td>8.02</td>
<td>7.81</td>
</tr>
<tr>
<td>Spain</td>
<td>8.34</td>
<td>8.45</td>
<td>8.16</td>
<td>8.02</td>
</tr>
<tr>
<td>Sweden</td>
<td>9.88</td>
<td>9.88</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>UK</td>
<td>8.08</td>
<td>8.15</td>
<td>8.16</td>
<td>8.16</td>
</tr>
</tbody>
</table>

Source: the Economist Intelligence Unit Democracy Index report 2011

While countries such as Denmark, Finland and Sweden were able to maintain high, relatively stable values throughout the period, others experienced more dramatic shifts. This tells us that some degree of democratic decline is a generalized tendency among EU members. However, CEECs constitute the focus of this study.

A clarification is needed before I move on to present the thesis’ core question and research tasks: the use of democracy indexes here is purely instrumental and aimed at observing overall trends, rather than attempting to say something about what kind of democracies exist in Central and Eastern Europe at the moment. Nor do these trends suggest that a backslide towards authoritarianism in the region is currently underway. Rather, their occurrence becomes interesting in the context of previously consistent democratic improvement.

The view these indexes offer is in any case limited to attaching labels such as ‘full democracy’ or ‘semi-consolidated democracy’ to various countries. The theoretical framing of my study, which addresses the question of democratic forms in CEECs more thoroughly, is presented in the following chapter.

1.2. Research tasks and the significance of the study

Given this consistent tendency towards democratic decline among CEECs, with only a very small proportion of countries able to maintain the pre-accession improvement trend, this thesis asks:

What were the conditions that influenced the evolution of post-accession democracy in Central and Eastern Europe?
The question addresses both conditions of decline and improvement of democratic quality. It concerns the ten CEECs that became EU members in 2004 and 2007 respectively, and focuses on the 2004-2011 time-frame.

The reason the question considers both outcomes is that the number of cases is relatively small, but also due to the nature of the method (qualitative comparative analysis) I opted for in my research. As I will explain in Chapter 3, this method allows us, for instance, to identify specific conditions fostering an improvement of democratic quality, but this does not automatically imply that the absence of these conditions translates into decline. As such, it is best to examine both outcomes individually.

Throughout this research, I set myself three tasks:

- to situate CEECs within current theoretical debates attempting to reconcile the need to re-conceptualize democracy with the dilemma of identifying a manageable number of democracy varieties;
- to identify the specific conditions explaining the decline and improvement of democratic quality in the region;
- to evaluate the EU's post-accession impact on democratic quality in CEECs.

This study is important in at least three ways. First, it deals with a phenomenon that is quite new. There is an extensive body of literature on the democratization of CEECs in general, and the EU's role in this process in particular. However, due to the fact that the earilest CEE member states joined the EU in 2004, the study of how democracy evolved after accession is still on-going. At present, we are in a favourable position to observe not only that this declining trend has become quite consistent over time, but also that it seems occur almost everywhere within the region. In this context, it is important to identify and discuss different possible

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4 Although some data is currently available for 2012 as well (for instance Freedom House’s Democracy Score) this is not the case for all variables, so for reasons of consistency, I have chosen to limit the time-frame to 2004-2011.

5 See for example: Journal of Democracy vol. 18(4)/2007 (special issue on post-accession democracy in CEECs); also Zielonka (2005), Levitz and Pop-Eleches (2010) and Sedelmeier (2008)
causes of decline. Similarly, we may be able to learn something from those few cases that do not fit into the pattern.

Secondly, this study is not a simple exercise in applying an existing model to a sample of cases and then interpreting the result. In my analysis framework, I draw to different degrees on two previous studies, but I adapt them in response to both the requirements of the method, and the nature of case sample. A few studies exist that use qualitative comparative analysis to examine CEECs for a similar purpose to that of this thesis (e.g., Gherghina, 2009; Schimmelfennig, 2005). However, they either use different case samples or different time-frames, and focus mainly on the pre-2004 period. To the best of my knowledge, no studies exist at the moment that use this same method to address the evolution of CEE democracies after accession.

Finally, this thesis incorporates an attempt to evaluate the EU’s impact on CEE democracies after accession. Traditionally, the role that the EU played in shaping post-communist democracies was discussed in the context of political conditionality. However, once a country gains entry and the “carrot” of accession is effectively removed, the EU’s impact on democracy becomes quite difficult to measure. Despite methodological difficulties though, no study of democracy in Central and Eastern Europe can ignore the influence of the EU, regardless of reference period. Here, I approach this topic through a literature-based discussion aimed at complementing my other findings.

1.3. Structure

From this point on, the study is divided into four parts. Chapter 2 contains an overview of the literature on democratic quality, and how it has evolved from trying to find patterns clarifying what “good democracy” means, to expanding the concept to accommodate an ever larger and more diverse array of cases. In this chapter, I also attempt to situate CEECs theoretically – in other words, to say something about what kind of democracies they are.

Chapter 3 has two sections. In the first, I follow-up on the theoretical grounds of the previous chapter by explaining my choice of analysis frameworks and how I
combined and adjusted them into a final model. The second section gives an overview of the principles and techniques of qualitative comparative analysis, and discusses its suitability for this study.

Chapter 4 contains the analysis. It is divided in three parts: firstly, I present all variables and explain how they were coded; secondly, I conduct the qualitative comparative analysis and interpret the results; thirdly, I add the EU’s impact into discussion.

Lastly, Chapter 5 summarizes this thesis’ findings, discusses any limitations that have emerged along the way, and contains a brief overview of further research avenues on the topic of post-accession democracy.
CHAPTER 2: THEORETICAL BACKGROUND

2.1. Introduction

Few concepts in political science have had their definition more thoroughly debated than democracy. Since Dahl (1991) amended his definition of democracy with the notion that it is a theoretical ideal that no modern polity meets, a number of attempts were made to shift the discussion from ‘What makes an ideal democracy?’ to ‘What makes a good democracy?’ In other words, while such an ideal form cannot be achieved, political systems may nevertheless meet standards that would qualify them as “good democracies”.

The debate shifted again when it became clear, in the last few decades, that the term “democracy” was increasingly applied to countries that had moved away from authoritarianism, but did not quite meet the conditions of “good democracies”. Thus, political scientists began to acknowledge the need for a re-conceptualization of democracy, in order to cover these emerging cases. This meant moving away from previous limited attempts at forming typologies based on “good democracies”. However, it also led to the emergence of an extraordinary number of types, or varieties of democracies, based on what set them apart rather than what qualified them as democratic.

Following this development, the discussion took a turn towards organizing these types into more manageable classifications, while maintaining enough flexibility to cover a large array of cases. In short, the debate has gone from “What makes an ideal democracy?” to “What kinds of democracies are there?”

Much of the literature on this topic is based on empirical research facilitated in particular by the third wave of democratization that emerged at the end of the 1980s and early 1990s. It became clear at the time that the strict democracy-authoritarianism dichotomy could no longer explain political forms, and that it needed to be nuanced. Additionally, a more differentiated understanding of democracy became useful not only as an instrument for describing cases, but also because democracy started to be increasingly used as a variable in causal analysis.
This chapter is conceived as an exploration of this shift from ideal forms to empirical varieties. I do not necessarily follow literature chronologically, but instead attempt to trace the logical evolution of the concept. In this, I achieve three things: firstly, I pinpoint some key moments in the theoretical debate; secondly, I explain how the empirical study of post-communist countries in Europe has contributed to the re-conceptualization of democracy; finally, I situate CEECs theoretically by identifying the typologies they belong to.

### 2.1. Searching for patterns: what makes a good democracy?

In *Democracy and Its Critics* (1991) Dahl defines the ideal type democratic process as being able to fulfill five criteria: effective participation, voting equality at the decisive stage, enlightened understanding, control of the agenda, and inclusiveness. In short, citizens should be able to form preferences and express them through votes, they should have free and equal access to policy information, should be able to decide which issues are brought to the public agenda, and should all be considered equal before the law.

Dahl also identifies a number of favorable conditions for democracy: the control of military and police officials by elected representatives, a conductive political culture, favorable external conditions, a modern market economy and the absence of cultural conflicts. He posits that only countries where all these conditions are present will be able to develop and maintain democratic institutions. Where they exist only partially or where some are altogether absent, democracy is uncertain.

In a similar approach, Morlino (2002) is interested in finding what makes a “good democracy”. Unlike Dahl though, he does not stop at identifying criteria for democracy, but also addresses the concept of quality of democracy.

In Morlino’s view, a minimal definition of democracy includes universal adult suffrage, free and fair elections, more than one political party and more than one source of information. Quality, he explains further, is grounded in procedures, content and results. For a democratic process, these three dimensions translate into accountability, freedom and equality, and legitimacy respectively.
In other words, a good democracy is one with a stable institutional structure which ensures the liberty and equality of citizens (equality in terms of content) through the legitimate and correct functioning of its institutions and mechanisms. In such a system, citizens would be able to effectively hold their government accountable (quality in terms of procedure). Legitimacy then becomes a sign that citizens are generally satisfied with their government (quality in terms of result).

Interestingly, Morlino flatly excludes from the concept of “good democracy” any democracies that are flawed. Instead, he refers to quality democracies, and “democracies without quality”.

He suggests that it is possible for good democracies to vary along five dimensions: procedural/rule of law, accountability, responsiveness, respect for citizens’ rights and freedoms, and a progressive implementation of greater political, social and economic equality. A political system that meets the requirements of a minimal democracy can, in addition, be categorized based on these five dimensions. For instance, a minimal democracy where the rule of law and accountability are both present is a responsible democracy. When responsiveness comes into the picture, it becomes a legitimate democracy. A political system where all five elements are present is a perfect democracy.

Conversely, minimal democracies that do not exhibit at least one of these dimensions are referred to as “democracies without quality”. In this case, the absence of one or more dimensions serves to describe types such as irresponsible, reduced or unequal democracies. The verdict, however, remains quite categorical: a minimal democracy by itself is one without quality, and therefore it does not qualify as “good”.

Where Dhal is concerned with ideal types and Morlino means to assess quality, Lijphart (1999) conducts an ambitious empirical study, which leads him to conclude that one particular type of democracy may be “kinder” to its citizens in terms of representation and participation.

Lijphart’s *Patterns of Democracy* is one of the most thorough and largely successful attempts to lend some order to the concept of democracy based on empirical research. It subscribes to Dahl’s definition of democracy – essentially focused around political rights and civil liberties – but gives us a powerful model for explaining relations among different institutions in democratic countries.
Lijphart’s analysis observes how ten institutional variables cluster along two dimensions to describe two alternative patterns of democracy. These two dimensions are: executive-parties (referring to the concentration of power within central government) and federal-unitary (the dispersion of power towards institutions outside central government). The two patterns that Lijphart identifies are majoritarian and consensus democracy.

Majoritarian democracies exhibit two-party systems, single party or minimum winning coalition cabinets, executive dominance in relation to legislature, majoritarian electoral systems and pluralism of interest groups. They are usually unitary, centralized governments, have unicameral legislatures and flexible, easily amended constitutions, as well as a low degree of central bank independence.

Conversely, consensus democracies are characterized by multiparty systems, the concentration of executive power in minority cabinets, a balance of power between the executive and the legislative, PR electoral systems and strong corporatism. They are organized along a federal/decentralized structure, have bicameral legislatures, rigid constitutions and highly independent central banks. The study concludes that consensus democracies generally perform better in terms of representation, inclusiveness and political participation of citizens.

Lijphart’s typology has the advantage of being more exhaustive than, for instance, classifying democracies into parliamentary and presidential, but it is not without flaws. One major problem stems from the fact that the model has proven difficult to apply to newly emerging democracies in Eastern Europe and Asia (Bormann, 2010).

Lijphart’s typology was derived by examining thirty-six established democracies – countries which, by the mid 1990s, had already been democracies for at least two decades. Out of these, 20 have been continuously democratic since the 1940s and form a relatively homogenous group of economically developed and highly urbanized countries, concentrated around the North Atlantic region.

While the second and third wave of democratization introduced more diversity to the group, reproducing Lijphart’s analysis on samples of younger democracies has repeatedly revealed that they do not fit into the model.
2.2. Breaking the patterns: Central and Eastern Europe

Since Samuel Huntington introduced the concept of democratization waves in 1991, many political scientists have taken for granted the idea that democracy is a phenomenon characterized by a succession of steps forward, followed by steps back. Briefly, Huntington argued that, at the time of his writing, three major waves of democratization could be identified, with a wave being defined as a group of countries transitioning from authoritarian to (minimal) democratic systems. The first wave encompassed Western European and North American democracies emerging in the 19th century and was followed by a reverse wave during the interwar period. The second wave began after World War II and came to a halt in the 1960s and 1970s. The latest wave began in the mid-1970s and spread to Latin American and Central-Eastern European democracies. Huntington suggested that a third reverse wave could also be expected to occur.

Although the notion of democratization waves is widely accepted, it has nevertheless come under criticism, both in terms of conceptual and empirical accuracy. Doorenspleet (2000) points out that, despite adopting Dahl's three democratic requirements of competition, inclusiveness and civil liberties, Huntington tends to focus heavily on competition at the expense of inclusion, by going so far as to dismiss the right to universal suffrage in a number of cases.

Further, Doorenspleet argues that Huntington's study reveals some empirical errors. Firstly, while a reverse wave may be characterized by a lower number of (minimal) democracies, it does not necessarily mean that these countries have fully reverted to authoritarian systems, but may instead experience an “interrupted period” in democratization. Secondly, Huntington evaluates the state of democratization by taking into account the proportion of minimal democracies around the world. Doorenspleet explains that this expression may give distorted results simply because the denominator – the number of countries in the world – is not a constant number over time. She shows, for instance, that the percentage of minimal democracies has decreased from 32% to 26% between 1957 and 1972, but the number of minimal democracies has actually increased. This contradiction is easily explained by taking into account that the number of independent states in
the world grew during this period, largely due to the decolonization of Africa. According to Huntington, the emergence of these new states under largely authoritarian regimes contribute to a swing away from democracy in the form of a reverse wave. However, Doorenspleet argues that this is not the case, since these countries are not reverting from democracy to authoritarianism, but rather are authoritarian regimes being installed directly following independence.

Regardless of whether democratization waves remain a valid concept today, it is undeniable that many countries in Central and Eastern Europe have experienced a significant degree of democratization since the collapse of the Soviet Union. Out of the 29 countries included in the latest Nations in Transit ranking (2012), the ones classified as consolidated democracies are all countries that joined the EU in 2004. Romania and Bulgaria are classified as semi-consolidated democracies, as are Croatia, Macedonia and Montenegro. The remaining fourteen countries are either hybrid or authoritarian regimes.

It needs to be restated, at this point, that the recent decline in democratic quality outlined in the first chapter of this thesis should not be understood as support for Huntington’s claim that a third reverse wave may be expected to occur. Rather, when studying the nature of this decline, we must consider that contemporary democracy indexes tell us how democratic a country is by placing it on a democracy-authoritarianism axis. In doing so, they tend to sacrifice diversity inside different categories.

Rankings compiled by Freedom House or the Economist Intelligence Unit tell us whether a democracy is consolidated (full) or semi-consolidated (flawed), but do not allow for more subtle differentiations within this type of regime. Effectively, what these rankings reflect is the degree to which a country tends towards democracy or authoritarianism. This lack of diversity clearly illustrates the need to replace the democracy-authoritarianism dichotomy with a more nuanced concept of democracy.

Returning briefly to Lijphart’s patterns of democracy, a number of attempts were made to replicate the study on CEECs. Of these, one of the most exhaustive belongs to Andrew Roberts (2006).
By analyzing the same ten CEECs that form the focus of my thesis, Roberts sets himself the task of discovering which of the two patterns these young CEEC democracies fit into. His findings show that Lijphart’s model applies only partially. On the executive-parties dimension, CEECs tend to behave as consensus democracies with regards to executive-legislative relations, party systems and cabinets. However, in relation to disproportionality and interest groups, they are decidedly majoritarian.

On the federal-unitary dimension, the ten CEECs are highly centralized and tend to have unicameral legislatures. In this respect, they behave as majoritarian democracies. But in terms of central bank independence, constitutional flexibility and judicial review, they behave as consensus democracies. Lijphart finds significant correlations between variables inside the two dimensions, but not between variables across dimensions. By testing this model on the ten CEECs, Roberts finds that, on the contrary, most correlations between variables within the dimensions do not occur as they should. For instance, while on the executive-parties dimension these countries tend towards consensus, interest group relations appear to be decidedly pluralistic. On the federal-unitary dimension, the only correlation that corroborates Lijphart’s findings is between bank independence and judicial review. Roberts’ conclusion also finds considerable support in Fortin’s study (2008) and more generally in Vatter and Bernauer (2009).

In a similar attempt, the latter authors replicate Lijphart’s study to identify institutional patterns in 25 EU members between 1997 and 2006 (excluding Cyprus and Malta). In addition to the executive-parties and federal-unitary dimensions, they incorporate a direct democracy dimension. Their findings show that CEECs do indeed behave differently from Western democracies: they combine a low degree of interest group corporatism with stronger judicial review and weaker central banks, thus again breaking the patterns. Conversely, the remaining 15 Western democracies conform not only to Lijphart’s original patterns, but also to the one adjusted to include direct democracy institutions.
These attempts show that Lijphart’s model remains perfectly capable of explaining how and why institutional patterns occur in established democracies. However, the situation changes when we turn to CEECs. Not only do these countries fail to fall into one pattern or the other. But very few correlations within the dimensions make sense. However, all ten CEECs being examined here meet at least the minimal definition of democracy, so that we cannot classify them as a different type of political system based on the fact that they do not fit into widely accepted patterns, or that they are flawed. The term “flawed democracy” does not convey a lot of information. It tells us that a democracy does not conform to standards – whether those of a good democracy or those of resilient patterns. It does not, however, say anything about how and why it is flawed. From here stems the need to re-conceptualize democracy in a way that would allow for such explanations.

2.3. “Democracy with adjectives” and the dilemma of variety

Collier and Levitsky (2006) argue that, in attempting to re-conceptualize democracy for this purpose, two contradictory goals have emerged: increasing conceptual differentiation to capture more forms of democracy, and conceptual stretching, by applying definitions of democracy to countries that exhibit a variety of features that would not qualify them as democracies. Thus nowadays, one of some 500 adjectives can be attached to the concept of democracy to describe its particular typology. The inherent disadvantage of such great diversity is that it is difficult to manage. Collier and Levitsky suggest three strategies for standardizing terminology while avoiding the trap of contradictory goals.

The first is contextualizing the definition of democracy. This means that the definition should be adapted when applying it to atypical cases - often by introducing new criteria to establish the cut-off point between what can be categorized as a democracy or non-democracy.

The second strategy involves shifting between overarching concepts to which democracy is related. Traditionally, democracy has been associated with the overarching concept of political regime. However, more recent literature
recognizes that democracy can be related to other concepts, such as governance, polity, society or state. Collier and Levitsky argue that combining democracy with different such overarching concepts may yield different types. Thus, shifting between overarching concepts helps avoid stretching the definition, but without necessarily sacrificing analytical diversity.

Finally, a third strategy involves forming sub-types: derivative concepts created in relation to and as a modification of some other concept. In short, this concerns adding adjectives to the concept of democracy.

With regards to established democracies, Collier and Levitsky adopt an approach similar to Morlino's: they can be defined on a scale running from a minimalist (broad suffrage, reasonably competitive elections with no massive fraud) to a maximalist concept of democracy (incorporating socio-economic equality and high levels of citizenship participation).

With flawed democracies, the issue lies with the fact that they are generally seen as democratic, but differ in terms of what, precisely, makes them flawed. In this case, differentiation is concerned with reflecting the problematic element. This leads to categories such as low intensity democracies (low effective citizen participation), low-income democracies (unfavorable socio-economic conditions), neocolonial democracies (weak national sovereignty) and so on. Where the source of the flaw is not clear, a wider concept of incomplete or problematic democracy can be used.

Collier and Levitsky do not claim to offer a definitive solution to the dilemma of excessive diversity. The importance of their work within this debate lies with arguing in favor of a balance between diversity and categorization.

At this point, we have moved quite far from the starting point, where the concept of democracy was predominantly discussed in the context of established democracies. We are now firmly in the territory of flawed democracies, and have gained enough insight to try and locate where exactly in this wide category might CEECs fall.

In order to do this, one last concept needs to be introduced in relation to democracy: embeddedness.
2.4. Embedded and defective democracies

Merkel (2004) explains that, for a long time, literature on transition and consolidation assumed that new democracies could take two routes: back to authoritarian regimes, or forward towards consolidated liberal democracies. However, merely adopting a democratic constitution and implementing free and fair elections does not automatically foster liberal democracies. Political reality indicates that an increasing number of countries have adopted a combination of democratic and authoritarian norms, without exclusively following one rule or the other.

Over the past decade, Freedom House reports have become the go-to source for systematic, easily quantifiable evaluations of democracy in Central and Eastern Europe. However, Merkel criticizes Freedom House's democracy score by explaining that, under it, the minimal requirement for countries to be classified as democracies is to have free, fair and regular elections. This leads to a definition of democracy that is even more limited than the minimal concept seen in Dahl and Morlino. A further problem comes from this index – and others like it – being created on the basis of the democracy-authoritarianism dichotomy. As previously mentioned here, in order to understand how democracy evolved in CEECs, this dichotomy is better replaced by a more meaningful concept.

Merkel proposes the notion of *embedded democracy*. This term is based on the idea that stable democracies are embedded in two ways: internally, its functions are ensured by the interdependence of different partial regimes of a democracy; externally, these partial regimes are reinforced by favorable conditions that protect it from destabilizing tendencies. The partial regimes of a democracy cover (1) electoral processes; (2) political rights of participation; (3) civil rights; (4) horizontal accountability; and (5) a guarantee that the democratically elected representatives hold the effective power to govern.

The logic of internal embeddedness lies in the interdependence of these partial regimes. Thus, universal active suffrage together with free and fair elections is the feature that distinguishes democracies from authoritarian regimes. However, while this is a necessary condition, it is not sufficient to support a meaningful definition of democracy. The minimal condition for embedded democracies
requires that the electoral regime be connected to political and civil rights, which guarantee the pre-conditions for elections, rule of law and the public’s control over representatives between elections. The latter is further reinforced by the remaining two partial regimes, which ensure that there is an effective system of checks and balances and that no extra-constitutional actors hold the effective power to govern.

External embeddedness specifies the favourable outside context that reinforces a country's internal embeddedness and protects it from possible disruptive elements. This sphere of external embeddedness is where it becomes possible to observe the conditions that make it possible to raise or lower the quality of democracy.

Merkel identifies these conditions as: the socio-economic context, civil society and international integration. In the first sphere, a developed economy, fair distribution of resources and the pluralization of social structure create a favorable environment for democracy and can help improve its quality. The role of civil society is to ensure that citizens are protected from the arbitrary use of state power, to support the rule of law and balance of powers, and to cultivate a political culture that resonates with the core values of democracy. Finally, international integration helps consolidate democracy by disseminating practices and facilitating social learning.

To summarize, the concept of embedded democracy means that the stronger, more consolidated external embeddedness is, the better it protects the partial regimes of democracy from destabilizing factors. The tighter the interdependence between these partial regimes, the more stable internal embeddedness becomes. The reverse is also true – and here is the point where defective democracies are addressed.

Merkel recognizes that there are several success stories in the third wave of democratization, but the majority of cases turned out to be flawed to some degree. The problematic element almost always comes from one of the partial regimes being damaged to a point where it affects the logic of internal embeddedness. In other words, the partial regimes are no longer linked as they should.
Based on this, Merkel reshapes the democracy-authoritarianism dichotomy into a continuum, along which he places four types of defective democracies:

- **Exclusive democracies**, where one or more segments of the population are excluded from the right of universal suffrage
- **Domain democracies**, where ‘veto powers’ (the military, entrepreneurs, multi-national corporations) remove one or more political domains from the hands of democratically elected representatives
- **Illiberal democracies**, where the rule of law is damaged, civil rights are partially suspended and the executive/legislative control of the state is weakly limited by the judiciary
- **Delegative democracies**, where the system of checks and balances is damaged and the legislature and judiciary branches have little control over the executive.

The third type appears to be the most common among defective democracies. Examining 29 countries from Central and Eastern Europe, East Asia and Latin America, Merkel finds 22 cases of illiberal democracy. Interestingly though, according to his evaluation, the majority of CEECs are not, in fact, defective. They qualify as liberal, with the exception of Romania and Bulgaria (illiberal) and Latvia (exclusive, considering the issues of the Russian-speaking minority).

This is also the theoretical stance and typology that I adopt in my thesis, for two reasons: firstly, this is the most thorough attempt at classification of CEECs I have found that conforms to Collier and Levitsky’s suggestion that a balance must be struck between diversity and categorization. Secondly, at the time of his writing (2004) Merkel explicitly states his opinion that there are good reasons to expect that evolution of democratic quality in CEECs will follow a positive trend. I have shown that this is not in fact the case, and that a number of plausible explanations can be found in the sphere of external embeddedness. This point will be further detailed in the following chapters.

On a final note: Merkel’s concept of embedded democracy may appear reminiscent of Dahl’s ideal type: a solid, mutually reinforcing institutional structure protected
by a developed economy, a healthy political culture and a favorable international environment.

However, together with other researchers, Merkel has taken his concept of embedded democracy a step further, to create the Democracy Barometer – the most recent development in measuring the quality of democracy. While it has not yet been applied to the cases and time-frame discussed in this thesis, its existence is worth noting, particularly because it is based on a concept that may potentially challenge Freedom House’s indexes and other standards in the field.

2.5. Summary: between quality and variety

The aim of this chapter has been to give an overview of the scientific debate surrounding the re-conceptualization of democracy over the past two decades. The overarching theme of this debate is a shift away from defining democracy in ideal terms, towards achieving a typology that allows the inclusion of flawed democracies. It draws support from extensive empirical research, which has proven capable both of producing powerful explanations for institutional configuration, and of signaling the need for new, improved models.

One particularly interesting aspect of this debate is that it is not always clear where the line between “quality of democracy” and “varieties of democracy” exists. The literature I have surveyed here would suggest that, as we move away from the ideal type democracy towards more inclusive concepts, we are also moving from a perspective of quality towards one of variety.

However, this is not entirely the case. Lijphart clearly approaches democracy in terms of typology (albeit limited to two types). But in a sense, so does Morlino. His approach to democracy is essentially one of scale, running from minimal to maximal. Thus, the more inclusive, responsive and accountable a democracy grows, the better it becomes in terms of quality. But moving up and down this scale, Morlino also ends up defining several types of democracies.

Similarly, while Merkel obviously leans more towards typology, he does not discount quality, which he places within the sphere of external embeddedness. In keeping with this theoretical stance, I adopt the concept of quality of democracy

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6 For details and further publications see: http://www.democracybarometer.org/
(or democratic quality) as the outcome and dependent variable to be examined in the following chapters.

It is not my purpose here to identify any further typologies that might describe democracy in CEECs. Hopefully, this chapter has made it clear that this is neither particularly necessary, nor manageable in the limited scope of this study. To remind: the core question this thesis addresses is why democracy in CEECs evolved the way it did post-accession.
CHAPTER 3: RESEARCH DESIGN AND METHOD

In this chapter I discuss the research design and method for my analysis. There are two main sections. The first contains a detailed discussion of the two models that form the basis of my research design, the adjustments I made to these, and finally, the definitive model to be applied in my analysis. The second section gives an overview of qualitative comparative analysis (QCA) and discusses its suitability and potential limitations in the context of this study.

3.1. RESEARCH STRATEGY AND DESIGN

3.1.1. Clarifications

Before I introduce the research design, two clarifications are needed.

Firstly, this research uses both dichotomous and continuous variables, which reflects on how they are operationalized and measured. Working with dichotomous variables is relatively straightforward in the context of qualitative comparative analysis (see section 3.2. below) For instance, a variable indicating the presence or absence of a parliamentary system in a country can easily be coded as (1) and (0) respectively. Some difficulty arises when working with variables whose values change over time, as QCA requires that all variables take dichotomous values. Gherghina (2009), on whose study my research design is partially based, transforms continuous variables, such as GDP/capita, by observing trends rather than specific values. For example, he suggests coding positive trends as (1) and negative or stagnating trends as (0). This paper uses the same strategy. However, due to QCA technicalities that will be discussed in the following section, the coding is not always as straightforward as assigning a (1) value to positive trends and a (0) value otherwise. In some cases, thresholds need to be specified to ensure there is enough variety among the cases to allow meaningful results. These thresholds are explained in detail for each variable in Chapter 4.
Secondly, we must consider the analysis time-frame. As I have already explained in the introduction, this study is concerned with the evolution of democratic quality in CEECs post-accession. However, the ten countries included are not a uniform set, in that eight became EU members in 2004, and two followed later in 2007. This poses a problem, as the analysis excludes, for reasons to be detailed here, one particular factor affecting democratic quality. Political conditionality exercised by the EU is technically still in effect for Bulgaria and Romania at the start of the reference period, which makes it difficult to analyze the set as a whole between 2004 and 2011. There is substantial evidence that political conditionality has had a positive effect on consolidating CEE democracies (Grabbe, 2001, 2006; Schimmelfennig, 2004; Schimmelfennig et al., 2005; see also Chapter 4 of this thesis). This can easily be confirmed by also looking at the data provided in Table 1.1: Freedom House democracy scores for Bulgaria and Romania appear to have actually improved since 2004 by 0.18 and 0.15 percentage points respectively. However, after their 2007 accession the scores begin to drop, conforming to the overall trend observed in CEECs.

One possible way to solve this problem is to exclude Romania and Bulgaria altogether from the QCA part of this study and examine them separately. However, this leaves us with eight countries to look at, which Rhioux and De Meur (2009) suggest may be too small a number of cases. While one of the defining strengths of QCA is its ability to analyze small-N sets, two few cases would make it difficult to draw meaningful results. Similarly, applying QCA to Romania and Bulgaria as a separate set makes little sense, as conditions for only two cases can be quite easily examined by themselves.

A second option for solving the problem of sub-sets is to acknowledge that political conditionality continues to have a positive influence on democratic development in Bulgaria and Romania for part of the 2004-2011 time-frame, but exclude this variable from the analysis, as it is quite difficult to measure. Nevertheless, even with the direct impact of political conditionality removed, it would be incorrect to completely discount the EU’s influence on CEEC democracies post-accession.
Here I have chosen to use the second option, excluding the EU’s role from the QCA part, and discussing it separately after completing the analysis. With these considerations in mind, in the following sub-sections I detail the basis for my analysis model along with several adjustments, its final form and an overview of specific analysis steps.

### 3.1.2. Previous research

This research is modeled after two previous studies. Gherghina’s paper on the role of the EU in the democratization of post-communist Europe (2009) is useful in terms of method and approach. While primarily concerned with the role of political conditionality in democratizing the post-communist space, the study does offer a good example of how a variety of external and domestic factors affecting the quality of democracy can be observed using QCA. Additionally, Gherghina works with the same types of variables used in this thesis and provides a valuable coding strategy for transforming continuous variables into dichotomous ones.

My thesis intends to go beyond Gherghina’s study in two respects. Firstly, in line with the theoretical background presented in the previous chapter, it replaces the concept of democratization with one of democratic quality. Secondly, while using the same analysis method, it focuses on a particular sample and time-frame where the “carrot and stick” of EU accession are effectively removed, thus allowing us to examine how other factors may have contributed to the evolution of CEE democracies post-accession.

The second study that lends us a more substantial theoretical basis is Buhlmann’s (2011) overview of how democratic quality has evolved in 53 countries in the world between 1990 and 2007. Buhlmann places his work in the wider context of embedded/defective democracies and the Democracy Barometer. The study itself does not primarily focus on measuring embeddedness in these democracies, but it nevertheless offers a sufficiently complex framework for explaining why democratic quality varies.
Buhlmann’s reasoning is as follows: while the Democracy Barometer allows us to
describe a variety of democracies in terms of quality, the large number of variables
involved in calculating the index itself can make it difficult to rigorously explain
why democratic quality changes across countries and over time. He suggests
instead that three other sources could be used to explain this variation:
modernization theory, human development and institutions.

The main argument of modernization theory is that democracy is essentially
driven by the economy: a wealthy country is more likely to develop a high-quality
democratic regime (Lipset, 1981). However, economic prosperity alone cannot
offer a sound socio-economic basis for a good democracy. Both Buhlmann and
Merkel (2004) recognize the importance of resource distribution in relation to
economic development. Merkel uses the economic prosperity argument to explain
the nature of external democratic embeddedness, but amends that, regardless of
wealth, unequal resource distribution results in large economic gaps between
categories of citizens, whereby part of the population is forced under the poverty
line. This affects the way they engage in political participation. Conversely, a more
homogenous distribution among citizens creates more opportunities for equal
participation in the democratic process. Thus, political equality in a country is
directly influenced by its socio-economic conditions.

Linked to this idea is Buhlmann’s claim that the quality of democracy is also
affected by globalization and a countries’ ability to withstand economic crises.
While recognizing the existence of opposing views on whether or not globalization
enhances democratic quality, he opts for using countries’ economic openness as a
positive measure of democracy. Further, he explains that countries which are well
equipped to deal with economic crises are also more capable of maintaining high
democratic standards.

A second possible explanation for democratic quality, human development,
maintains that better socio-economic development (ready access to education and
health services, high life expectancy) leads to a higher quality of democracy. This
point is relatively straightforward and helps reinforce the claims presented under
the modernization theory. However, Dahl (1998) argues that, while there is
substantial evidence in favor of a link between democracy and human
development, it is difficult to tell whether the latter is a favorable condition for the former, or a by-product of it. In other words, we cannot readily claim that human development is a cause of high quality democracies.

The final explanation proposed by Buhlmann draws on the conclusions of Lijphart’s *Patterns of Democracy*, explaining why consensus democracies are better than majoritarian ones. To remind, Lijphart argues that the institutional architecture of consensus democracies favors a higher degree of inclusiveness and representation. This type of institutional make-up includes executive power-sharing in coalitions, multiparty and PR electoral systems, bicameralism and decentralized governments. Out of these, Buhlmann chooses parliamentary and PR electoral systems as conditions fostering better quality democracies. He argues that parliamentary systems offer better representation and are generally more accountable, while offering better protection against ruptures caused by policy changes under more rigid presidential-systems. Similarly, PR electoral systems are more inclusive compared to majoritarian ones, in that they allow power sharing and reduce barriers for smaller parties, thus allowing for better inclusiveness of different interest groups.

In short, Buhlmann’s analysis model proposes the following hypotheses: the wealthier, more globalized and economically stable a country is, the better its quality of democracy; the higher a country’s level of human development, the better its quality of democracy; countries with parliamentary and PR electoral systems have higher quality democracies. Based on these, he proceeds to define six indicators as measurements of the conditions detailed in his model:

- GDP/capita – a measure of economic prosperity;
- Globalization – a combination of economic flows and restrictions measuring a country’s economic openness;
- Inflation – an indicator of price fluctuation;
- Human development index (HDI) – a measure of human development combining life expectancy, education and gross national income/capita;
- PR system – an indicator showing the presence or absence of a PR electoral system in a country;
- Parliamentary system – an indicator showing the presence or absence of a parliamentary system in a country.

Buhlmann then uses multi-level analysis (a derivation of panel data analysis) to explain variations in democratic quality within his sample of 53 countries.

My own analysis borrows much from Buhlmann’s study, but departs from it in three ways. Firstly, it uses a different method to attempt an explanation of why democratic quality varies within a smaller sample. Secondly, it goes beyond the 1993-2007 time-frame of both Buhlmann’s work and the Democracy Barometer. Thirdly, while generally adhering to the economic and institutional approaches to democratic quality, it does not use all of the variables listed above.

The latter point stems both from the theoretical background of this thesis and from the nature of the QCA method. Since QCA requires a constant dialogue between variables and data, in order to ensure that there is enough variety amongst cases to derive a meaningful result, some variables may need to be added, replaced or excluded altogether. Furthermore, in QCA a balance needs to be found between the number of cases and number of variables. In general, the recommended number of variables for an intermediate-N set (10-40 cases) is 4-6 (Rhioux and Ragin, 2009)

With this in mind, in the following sections I will explain the adjustments I have made to Buhlmann’s model and then present a working list of variables that could potentially be used in the analysis.

### 3.1.3. Adjusting the model

In the course of preparing data for my analysis based on Buhlmann’s model, I have identified several problems with two of the variables he proposes – HDI and globalization. In the following section I give a detailed overview of these problems, discuss possible solutions and consider the inclusion of corruption as an additional condition.
a. HDI and the problem of resource distribution

First, as previously explained, HDI is problematic particularly because it is difficult to discern whether it is a condition or an outcome of higher democratic standards. However, HDI also poses a methodological problem in the context of this study, in that it does not effectively reflect resource distribution. As of 2011, its income component is measured as a country’s per capita purchasing power-adjusted gross national income (GNI)\(^7\). While GDP and GNI measure different aspects of a country’s economy, they are related. GDP is the monetary value of goods and services produced in a country irrespective of how much is retained in the country. GNI represents the income of a country’s residents, including part of its international flows, and excluding income generated in the country but repatriated abroad\(^8\). Thus, GNI is essentially calculated by adding the net income from abroad (including dividends, interest and profit) to GDP. As such, even if HDI data based on GNI were available prior to 2011, including HDI as a measure of human development alongside GDP/capita as a measure of economic prosperity would mean that, in effect, GDP/capita is present in two of the six variables that Buhlmann proposes to use.

Further, while the most recent UNDP reports on HDI argue that GNI gives a better picture of economic development, they also acknowledge that it is not a good representation of resource distribution. For this reason the 2010 Human Development Report introduced a new index - the inequality adjusted-HDI (IHDI). Methodologically, IHDI accounts for inequalities inside HDI’s three dimensions by discounting each dimension’s average value according to its level of inequality. HDI and IHDI take identical values under conditions of perfect equality, but IHDI falls under HDI as inequality rises. Thus, IHDI expresses a country’s actual level of human development, while the HDI expresses its potential level\(^9\). From this, it is clear that replacing HDI with IHDI in the analysis would be preferable; but since no IHDI data is available prior to 2010, such a replacement is not possible.

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\(^7\) Previously expressed as purchasing power adjusted GDP/capita. See Technical Note 2. A Human Development Index by Income Groups (2006)

\(^8\) Frequently Asked Questions (FAQs) about the Human Development Index (2011)

\(^9\) Inequality-adjusted Human Development Index (IHDI)
However, we are still left with the dilemma of accounting for resource distribution. Perhaps the most widely used option for this is the Gini coefficient of inequality, which is an indicator of statistical dispersion with values between 0 (complete equality – resources are evenly distributed) and 100 (complete inequality – all resources are owned by one individual or group). Of course, the Gini coefficient has its own disadvantages, in that it reflects income distribution without accounting for social structure, and is not additive across groups, so that a society overall Gini coefficient is not equal to the sum of the coefficients of different sub-groups. Furthermore, as a measurement it is less complex than HDI, because it completely excludes the dimensions of health and education.

Nevertheless in my analysis I have chosen to use the Gini coefficient instead of HDI not only because it offers a viable solution to the two problems outlined above, but also because HDI’s other two dimensions do not vary significantly across the ten CEECs. Based on 2005-2010 projections by the United Nations, life expectancy at birth, which reflects HDI’s health dimension, varies between 71.4 years (Estonia) and 77.9 years (Slovenia). Similarly, there is little variation in school life expectancy, which is one of the measures of HDI’s education dimensions. According to the CIA World Factbook, Bulgaria has the lowest school life expectancy (14 years) and Slovenia the highest (17 years). As such, we can expect any significant variation within the sample to be caused by HDI’s income dimension.

b. Globalization and the problem of measurement thresholds

Bühlmann adopts as a measurement for his globalization dimension of democratic quality the Globalization Index calculated yearly by the KOF Swiss Economic Institute (Dreher, 2006). This index, introduced in 2002, defines globalization as a process of creating a complex system of links between long-distance actors,
mediated by economic, social and informational flows. It accounts for three dimensions:

- economic globalization, measured through international flows of goods, services, capital and market-related information
- political globalization, expressed as a diffusion of government policies
- social globalization, characterized by the wide-spreading of people, ideas, information and images.

A set of sub-indices is also calculated in relation to the KOF Index of Globalization, focusing on actual economic flows (trade and foreign investment), economic restrictions, personal contacts and cultural proximity. Scale-wise, the higher the value of the KOF index, the more globalized a country is.

The complexity and wide coverage of this index no doubt lends valuable input to the analysis model. Furthermore, there is wide theoretical support for the positive influence that a network of global flows and contacts can have on a country's democracy. Way and Levitsky (2007) explain for instance how the interplay of international leverage and linkage has helped the process of democratization in the post-communist space. Their concept of linkage in particular is very similar to the KOF index's definition of globalization: a density of cross-border ties (economic, geographic, social, political, diplomatic and organizational) and flows (of goods, services, people, capital and information). Their main argument is that linkage functions as a medium for transmitting international influence, which in general tends to have a positive impact on democratization in Central and Eastern Europe.

However, while Way and Levitsky primarily discuss international linkage in the context of democratization, rather than democratic quality, it certainly does not mean that the the presence of globalization/linkage should be discounted in more firmly established democracies. A quick examination of Table 3.1 below, showing recent trends in the KOF Index of Globalization in the EU’s newest members reveals that all but one have become more globalized since 2004\textsuperscript{13}. In the case of

\textsuperscript{13} The situation is slightly different in the case of Romania and Bulgaria if we consider their evolution post-accession. For Bulgaria the KOF index has increased only slightly after 2007, while for Romania, it
Poland, the only country showing a negative trend, the decrease is small enough to be practically insignificant.

Table 3.1. KOF Index of Globalization trends for CEECs

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<td>72,5</td>
<td>75,41</td>
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<td>85,76</td>
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<td>1,71</td>
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<td>79,34</td>
<td>79,49</td>
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<td>3,05</td>
</tr>
<tr>
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<td>71,61</td>
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</tr>
<tr>
<td>Lithuania</td>
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<td>66,56</td>
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<td>Poland</td>
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<td>81</td>
<td>79,73</td>
<td>80,81</td>
<td>81,26</td>
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<td>-0,06</td>
</tr>
<tr>
<td>Romania</td>
<td>65,11</td>
<td>67</td>
<td>66,61</td>
<td>75,87</td>
<td>75,31</td>
<td>74,94</td>
<td>71,51</td>
<td>71,25</td>
<td>6,14</td>
</tr>
<tr>
<td>Slovakia</td>
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<td>84,05</td>
<td>83,83</td>
<td>85,07</td>
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<tr>
<td>Slovenia</td>
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<td>76,94</td>
<td>79,05</td>
<td>79,37</td>
<td>77,66</td>
<td>78,78</td>
<td>79,88</td>
<td>3,91</td>
</tr>
</tbody>
</table>

Source: KOF Globalization Index reports 2004-2011

The problem with choosing to either keep or discard Globalization as an independent variable in this study is not as much theoretical as it is methodological. Firstly, the KOF index trend does not change direction across nine of the ten cases, which means that for these it should be given a value of (1) when transforming Globalization into a dichotomous variable. Secondly, there is a wide discrepancy between those values to be coded as (1), some of which show a significant increase, and the one value to be coded (0), which reflects a very small decrease across the entire period. This leaves us with the dilemma of a dichotomous variable that does not, apparently, vary.

Rhioux and De Meur (2009) recommend that, in cases where coding dichotomous variables proves problematic, a certain threshold be defined to ensure that there is enough variation among the values to justify the inclusion. Ideally, defining such a threshold should be based on substantive theoretical support. Where this is not possible, more technical criteria can be defined (for instance, the distribution of has actually decreased. However, for methodological reasons previously explained, this study takes into account the entire 2004-2011 period for all ten countries.
cases on a continuum) or, as a last resort, some mechanical cut-offs based on specific values.

Nevertheless, it is rare that theory gives particular rules to help create dichotomizing thresholds for such indexes. In the case of the KOF index of globalization, the situation is even more complicated, as it is not as easy to define a technical threshold as it is in for other continuous variables. For instance, the type of case distribution that Rhioux and De Meur recommend is readily identifiable for GDP/capita, inflation and the Gini coefficient by taking the EU-27 cumulated values for these variables as reference where necessary. Since such data is readily available, applying the threshold is relatively straightforward. But no similar data is currently available for the KOF index, so that the same method cannot be applied. This leaves us with the option of defining some type of artificial threshold, that is neither theoretically nor methodologically justifiable, and therefore quite problematic.

This is the reason I have chosen to leave Globalization out of my analysis. Unlike HDI, there is enough theoretical support to make globalization a potentially valuable condition in a QCA-based study. However, the decision to exclude it hinges precisely on QCA technicalities. Had there been more variety among cases at the onset, the variable could have been included without the need to define a threshold. Since this is not the case, and a viable threshold cannot be defined under current conditions, it is better to exclude Globalization from QCA. Another reason for this is that QCA requires the use of a manageable number of variables, and one important landmark in preparing this analysis has been to supplement Buhlmann's model with a variable that occupies a special position in relation to CEECs – corruption.

There is, of course, no theoretical trade-off between corruption and globalization to justify replacing one with the other, and indeed, I do not suggest that this is a replacement, but simply the inclusion of one variable at the expense of another. In addition to the problems I have discussed previously, the KOF index of globalization may be able to tell us less about how CEE democracies varied than

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14 Further details on the operationalization of each variable follow in Chapter 4.
the role of the EU. All of this makes globalization an unlikely candidate to be used in QCA here, which is why I have excluded it and added corruption instead.

All the same, I recognize that completely discounting the impact of globalization on democratic quality limits the complexity of this study somewhat. Without globalization or the role of the EU, we are left trying to explain democratic quality in CEECs by examining only domestic variables. Nonetheless, due to the limited scope of this thesis and the nature of the case sample, I have chosen to focus primarily on the EU’s role.

c. Corruption weighing in

Corruption is relevant to this model in two ways. Firstly, it is theoretically related to the concept of democracy outlined in the latter part of Chapter 3. It relates not only to the rule of law, but also comes to affect the spheres of accountability and legitimacy. It is evident at the intersection of public and private spheres, particularly in areas not subject to binding rules (Della Porta and Meny, 1997). However, corruption is not a phenomenon exclusively related to governments. Moreno (2003) argues that its origins are embedded into political culture, whereby the widespread acceptance of corrupt practices is inherently undemocratic.

The second reason why corruption is relevant to this model rests on empirical observations pertaining to CEECs.

Researchers like Moreno see corruption in CEECs as the legacy of communism. On the contrary, Kos (2006) argues that, if corruption today was simply inherited from the communist systems, we would be dealing with a “season of corruption” that can be expected to gradually fade as transition towards democracy is achieved. As several studies show, this was not the case.

Corruption has proven a prevalent problem throughout the accession process of CEECs, most notably in Romania and Bulgaria. There are also indications that it has to some extent remained so after accession (Ionita et al., 2011; Bulanova, 2008, Racovita, 2011). Further, at the level of political culture, Moreno identifies a
strong negative correlation between corruption permissiveness and support for democracy in post-communist countries. This trend has not only failed to diminish with the advance of democratization, but it has, in some cases, increased.

Thus, corruption may then be able to give us an insight into why democratic quality evolved the way it did in CEECs post-accession. This input is doubly valuable, as it can be related to both institutional aspects and the wider sphere of political culture.

3.1.4. Summary

In this section, I explained how I approached the design of my research model. At this point, I should also explain that the final model suits the aims of this thesis in three respects. First of all, it comprises of a manageable number of variables (six in total, but it is possible that not all will be used in the final analysis). Secondly, it is not designed to identify types of democracies, but to explain how and why they vary within these types. Finally, it covers two major explanations for this variation – economic/developmental and institutional. The former is reflected in indicators that form part of Merkel’s spheres of external embeddedness. The latter are institutional variables and, depending on the final results, may be able to tell us something about how the logic of internal embeddedness works for the sample cases.

Finally, Table 3.2 gives a summary of the model, cases, reference period and methods used.
### Table 3.2 Summary of the research model

| CASES | Bulgaria (BUL), Czech Republic (CZE), Estonia (EST), Hungary (HUN), Latvia (LAT), Lithuania (LIT), Poland (POL), Romania (ROM), Slovakia (SVK), Slovenia (SVN) |
| TIME FRAME | 2004-2011 |
| OUTCOME | Quality of Democracy (DEM) |
| CONDITIONS (DOMESTIC) | GDP/capita (GDP), human development index (HDI), inflation (INF), parliamentary system (PARL), PR electoral system (PR), corruption (COR) |
| CONDITIONS (INTERNATIONAL) | The role of the EU, globalization |
| METHOD | csQCA – domestic conditions, Literature-based discussion – international conditions |

The following section explains the principles and practices of QCA, motivates the choice of method and lists the specific analysis steps to be followed in Chapter 4.

### 3.2. AN OVERVIEW OF QUALITATIVE COMPARATIVE ANALYSIS (QCA)

#### 3.2.1. Qualitative versus quantitative and the dilemma of small-N sets

In the early stages of my research, I considered focusing on two cases – Bulgaria and Romania – and conducting a comparative case study to examine whether it is
possible to identify certain patterns in how and why democracy declined in the EU's newest member states. The two cases show some obvious similarities: both are former communist countries that were part of the same wave of enlargement and whose accession was considered somewhat problematic. However, to suggest that the conditions which had an impact on the quality of democracy in these two countries can be extended to the entire group of CEECs leads to potentially faulty generalizations. Such inferences may still become possible by studying a larger number of cases, but due to limited scope of this thesis, a sufficiently detailed analysis of more than two or three countries would become difficult.

The alternative of using quantitative analysis would admittedly make it easier to explain causal relationships between variables. More so, it would allow us to identify specific degrees to which different independent variables affect the outcome. However, in the context of this study, it also poses a major difficulty: while the number of cases here is too large to allow a detailed qualitative study, the fact that there are at most ten CEEC members to work with also means that the number is too small to allow reliable causal inferences based, for instance, on linear regression. Thus, we are left with the problem of finding a method that accommodates both causal inferences and a small number of cases.

Qualitative Comparative Analysis (QCA), introduced by Charles Ragin in 1987, is one such method. Unlike its name suggests, QCA is not purely qualitative, but is intended to operate as a middle way between qualitative and quantitative approaches. Its logical foundation rest on Mill’s method of agreement and method of difference (1868), which both attempt to find causal relations by matching or contrasting cases. Additionally, it draws on Mill's indirect method of difference, whereby if two cases exhibiting a common characteristic show the same outcome, while two cases where the same outcome does not occur differ by that same characteristic, then this is the cause, or an essential component of the cause for said outcome. However, Mill’s methods, while undoubtedly valuable, are intended to establish a rigid form of causal relationship, where one common cause explains the phenomenon, and all others are eliminated (Berg-Schlosser et al., 2009)

QCA is a holistic approach based on the assumption that more than one sufficient condition can be found to explain an outcome, unlike in the case of additive
methods used in quantitative analysis (linear regression, for example, where the equation describes a single explanation for the outcome, regardless of how the values are distributed among variables.) It is a method predominantly oriented towards understanding cases, which are perceived as a collection of analytically relevant characteristics chosen on the basis of theoretical literature. Its purpose is to explain the relation between one characteristic described as the outcome (the dependent variable) and others described as conditions (independent variables). Unlike quantitative analysis though, QCA uses principles of Boolean algebra to conceptualize this relation as a set relation rather than a correlation.

Ragin (1987) identifies five ways in which the Boolean approach functions as a “middle way” between quantitative and qualitative research. Firstly, the number of cases is not a major consideration, as cases which display the same conditions can be grouped together. Secondly, unlike quantitative methods, which begin by assuming maximum simplicity, the Boolean approach starts by allowing multiple patterns of interaction, which are then simplified logically. Thirdly, through data reduction, the Boolean approach can produce logically minimal (parsimonious) solutions based on different combinations of conditions that lead to a particular outcome. Fourthly, the Boolean approach combines holistic and analytical approaches in that it allows for cases, treated as combinations of various characteristics, to be analyzed as wholes or as parts. Finally, the Boolean approach allows us to evaluate different explanations for the same outcome.

3.2.2. Principles and basic concepts in QCA

This section gives a detailed overview of the principles and basic concepts of QCA, as outlined by Charles Ragin in The Comparative Method (1987) and later works (2000, 2008) further expanded by Rhioux and Ragin (2009) and Wagemann and Schneider (2010). Briefly, QCA is meant to identify the most parsimonious solution that explains a certain outcome, while still allowing for some degree of causal complexity. It is based on several general principles.

First, equifinality (multiple conjunctural causation) means that there is more than one set of conditions that leads to the same outcome. Further, it is possible that a
single condition is neither necessary nor sufficient, but plays an essential causal role in combination with other conditions (conjunctural causation.) Unlike in quantitative analysis, conditions do not compete against each other to show which explains a greater proportion of the outcome. Rather the different combinations of conditions can act as alternatives to one another. In adopting equifinality, QCA also rejects the notion that there is some form of permanent causality (Ragin, 1987, Rhioux and De Meur, 2009). In other words, where quantitative analysis aims to specify a single model that best fits the data, QCA is geared towards finding and explaining the nature of several different models that can be observed among the cases.

Secondly, causal asymmetry refers to the fact that the explanation for a certain outcome does not automatically mean that the inverted explanation implies the absence of the outcome. This is why the presence and the absence of the outcome are typically examined separately.

Finally, modest generalization means that QCA can be used to support what Ragin refers to as “limited historical generalization”: from a certain number of comparable cases, it is possible to make inferences that can then be applied to other cases that share a sufficient number of characteristics.

To proceed with QCA, it is necessary that the cases, outcome and sets of conditions be identified prior to the analysis. During this initial phase, Ragin recommends that we learn as much as possible about positive cases (those for which the outcome is true). On this basis, we can select negative cases, where we may assume that the outcome will not happen. Both of these constitute the relevant set of cases for the analysis.

After all these elements have been identified, the conditions and the outcome are given numeric values. QCA uses binary data - a value of (1) means that the condition or outcome is present for a certain case, while a value of (0) indicates its absence. Thus, both dependent and independent variables need to have nominal-scale measures. Where this is not the case from the onset, interval-scale measures are transformed into multi-categorical nominal scale measures. Since social data is usually quite complex, we can expect this to result in some loss of information.
However, this loss is not very significant, because many phenomena that may be analyzed comparatively already have causes and outcomes expressed as nominal scale measures. (Ragin, 1987)

Once variables have been operationalized, QCA uses “truth tables” to present data. The idea of these tables is that, once binary data has been collected, it becomes easy to sort based on different combinations of conditions. Each possible combination is represented on a single row and, once all combinations are sorted, each row is assigned an outcome value (also expressed in binary terms) based on its combination.

Additionally, truth tables have as many rows as there are logically possible combinations of conditions so, for instance, in a study where four conditions are identified, the truth table will have $2^4 = 16$ rows. It is worth mentioning at this point that not all rows in a truth table may have corresponding empirical cases. The table contains all possible logical combinations of conditions, some of which may not be characteristic of any observed cases. These are called logical remainders and may sometimes be used to achieve more parsimony in solutions (Rhioux and De Meur, 2009).

Two additional concepts are useful in understanding how QCA works: Boolean addition and multiplication. Unlike simple arithmetic addition, Boolean addition operates with the kind of binary data obtained during the first stages of the analysis, considering it in terms of the presence or absence of conditions and outcomes. So, for instance, if $A + B = X$, where $A$ and $B$ are two conditions and $X$ is the outcome, then if $A = 1$ and $B = 1$, $X = 1$. Boolean addition corresponds to the logical operator OR, so the above is equivalent to ‘if condition $A$ is present OR condition $B$ is present, then the outcome $X$ will occur.’

Boolean multiplication is also significantly different from arithmetic multiplication, and is essential to QCA because it allows expressions known as sums of products to be simplified. Its logical correspondent is AND. Thus, if the presence of conditions $A$, $B$ and $C$ is noted with uppercase letters, and their absence with lowercase letters, then the formula $Abc + ABc + aBc + ABc = X$ is
equivalent to ‘if any of these combinations of the presence/absence of conditions occurs, then the outcome X occurs.’

Both these operations are used for the purpose of Boolean minimization, whereby we are able to simplify complex, primitive sums of products such as the one above into parsimonious solutions. Briefly, minimization lets us take two expressions that differ only by one term, and produce a simpler solution. For example, $A_{bc}$ and $AB_{c}$ can be combined to produce $A_{c}$. Similarly, $a_B_{c}$ and $AB_{c}$ can be combined to produce $B_{c}$. Finally, the two resulting, simpler expressions $A_{c}$ and $B_{c}$ can be combined to produce $c$. Thus, we have reduced a complex expression to a very simple one. The formula above (‘if any of these combinations of the presence/absence of conditions occurs, then the outcome X occurs’) becomes: ‘if the absence of condition C occurs, the outcome X occurs.’

An additional concept related to minimization is implication. Implicants are terms that cover (imply) several expressions in the truth table. For instance, A covers both $A_{bc}$ and $AB_{c}$, in which case it is called a prime implicant. Briefly, the use of implicants is to cover as many expressions as possible with a minimal number of conditions, thus aiding in the process of achieving parsimony.

Finally, and in relation to the above features, QCA operates within the framework of necessity and sufficiency. This means that, for instance, if condition A is always present when a certain outcome occurs, then it is a necessary condition for that outcome. Sufficiency refers to whether or not A can by itself produce the outcome. If A always appears to cause the outcome in combination with other conditions, then it is necessary, but not sufficient.

There are two types of QCA\textsuperscript{15}: crisp-set (csQCA) and fuzzy-set (fsQCA). The former is the version initially developed by Ragin in the 1980s and detailed above. The main idea of crisp sets is that an element either belongs to a set, or it does not (i.e., a condition/outcome either occurs or it does not). Fuzzy sets allow for partial membership, with membership values that vary from (0) to (1) but do not necessarily take dichotomous values. Concepts of necessity, sufficiency and

\textsuperscript{15} A third type, multi-value QCA (mvQCA) has been developed in the 2000s, which allows multi-nominal concepts (Cronqvist, 2005)
conjunctural causation are common to both csQCA and fsQCA, but some procedures are not. Wagemann and Schneider (2010) explain that csQCA is actually a special case of fsQCA, so while operations of Boolean algebra characteristic to csQCA are applicable to both, fsQCA uses fuzzy set algebra. While apparently stricter, csQCA also has the advantage of clarity when it comes to preparing and presenting data. In this thesis, I use csQCA and work with two of the software programs most widely currently: fsQCA (Ragin and Drass, 2006 – also allows full csQCA operations) and TOSMANA (Cronqvist, 2005).

### 3.2.3. Suitability for the study and stages of analysis

csQCA suits this study primarily because it allows the examination of a small number of cases without necessarily sacrificing complexity. Furthermore, it is a method well equipped for extrapolating an answer for a wide research question (in this case, what are the conditions that influenced the evolution of democratic quality in CEECs post-accession) based on relatively limited data. Finally, it presents data and results in a clear and comprehensive way, which nevertheless leaves room for a more complex discussion and interpretation.

The analysis itself is designed in three stages:

1. **Variable operationalization:** presents the definition, data, dichotomization and discussion of possible specific issues for each variable
2. **Truth tables and primitive solutions:** presents and discusses the truth table, as well as primitive (non-simplified) solutions for both the presence and the absence of the outcome obtained with fsQCA and TOSMANA (in this case, the increase or decline of democratic theory). The final product of this stage is logical minimization, where the most parsimonious solution for both the presence and the absence of the outcome are identified.
3. **Interpretation of results:** a discussion of conditions that occur in the final solution, as well as of possible further applications of the analysis.
CHAPTER 4: THE ANALYSIS

This chapter contains the main part of the analysis. It is structured in three parts, as follows:

In Part one, I explain how each variable was operationalized and dichotomized. This includes the definition, measurements, thresholds and hypothesis specific to each variable. The final dichotomous data table is presented at the end of this first step. In Part two, I construct a truth table using the fsQCA and TOSMANA software and check for potentially problematic configurations. I then present two sets of primitive solutions – for the presence and the absence of the outcome respectively – and proceed with logical minimization. Then I discuss the QCA results. Finally, in Part three, I discuss the EU’s influence on post-accession democratic quality.

A preliminary note on dichotomizing variables: as mentioned in the previous chapter, one particular concern in QCA when transforming continuous variables into dichotomous ones is to ensure that there is some variety among values. A condition that has the same values across the entire set of cases may not be as relevant as one which has more variety among (1) and (0) values. For this reason, I use the following general guidelines when dichotomizing variables:

- for variables that are already dichotomous from the beginning, assigning (1) and (0) values is done in accordance to standard QCA practices, to indicate the presence and absence of that condition respectively;
- for continuous variables, trends are observed for each case by subtracting the 2004 value from the 2011 value, and the frequency of assigned (1) and (0) values is examined. Since we are dealing with only ten cases in total, for those conditions where there are at least three different values from the rest of the set, (1) and (0) values will remain as they are.16 Where

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16 There is no clear definition in QCA of what variety among cases means, so this rule is set on technical grounds specific to this study and based on preliminary observations of data. A minimum of three different cases out of ten occur in all continuous variables, so that using this as a general dichotomization rule would reduce arbitrariness when assigning (1) and (0) values to variables that are measured in vastly different ways.
necessary, the total values for EU27 are used to determine dichotomization thresholds.

4.1. EXPLAINING THE VARIABLES

4.1.1 The outcome: democratic quality (DEM)

The outcome (dependent variable) is the quality of democracy. As mentioned in previous chapters, there are currently several ways of measuring the state of democracy in the world, ranging from minimal to complex coverage of the concept. It is important to keep in mind that the focus of these indicators is to place countries along a democracy – authoritarianism continuum, rather than work with the idea of democratic quality. However, due to both data availability and the necessity of a clear measurement, this thesis uses one such index, which has the additional advantage of focusing specifically on CEECs.

Freedom House's *Nations in Transit* reports measure the evolution of democracy in 29 countries spanning from Central Europe to Central Asia. The Democracy Score is compiled on the basis of intermediate indicators covering seven components of democratic rule. These are: national and local democratic governance, the electoral process, civil society, independent media, judicial framework and independence, and corruption.\(^{17}\)

Thus, *national democratic governance* accounts for the character and stability of the government, as well as the independence and accountability of the executive and legislative branches. *Local democratic governance* focuses on the decentralization of power, and the responsibilities, accountability and transparency of local authorities. *The electoral process* refers to national executive and legislative elections, political participation and the development of multiparty systems. *Civil society* examines the presence, capacity and financial sustainability of non-governmental organizations, as well as the legal framework they operate in. It includes the development of free trade unions and interest group participation.

\(^{17}\) Nations in Transit Methodology (2011)
in policy-making. Independent media considers the state of press freedom, the emergence of a financially viable private press and the extent of citizens’ internet access. Judicial framework and independence include compliance with judicial decisions, the protection of human rights, equality before the law, constitutional reforms, judicial independence, ethnic minority rights and the treatment of suspects and prisoners. Finally, corruption evaluates public perceptions of corruption, laws on financial disclosure and conflict of interest and the effectiveness of anti-corruption initiatives.

The score is measured on a scale of 1 to 7, where 1 signifies the highest level of democratic progress (consolidated democracy) and 7, the lowest (consolidated authoritarian regime). Additionally, the ratings are based on a quarter-point scale, where minor to moderate positive/negative changes may result in a quarter-point (0.25) shift in the score, while significant positive/negative changes may warrant a half-point (0.50) shift. However, changes of more than half a point in a single year are rare.

Table 4.1 below lists the Democracy Score values for CEECs between 2004 and 2011.

<table>
<thead>
<tr>
<th>DEM</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>TREND&lt;sup&gt;18&lt;/sup&gt;</th>
<th>CODED</th>
</tr>
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<tbody>
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<td>3.18</td>
<td>2.93</td>
<td>2.89</td>
<td>2.86</td>
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<td>3.04</td>
<td>3.07</td>
<td>-0.18</td>
<td>1</td>
</tr>
<tr>
<td>CZE</td>
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<td>2.29</td>
<td>2.25</td>
<td>2.25</td>
<td>2.14</td>
<td>2.18</td>
<td>2.21</td>
<td>2.18</td>
<td>-0.15</td>
<td>1</td>
</tr>
<tr>
<td>EST</td>
<td>1.92</td>
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<td>1.96</td>
<td>1.96</td>
<td>1.93</td>
<td>1.93</td>
<td>1.96</td>
<td>1.93</td>
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<td>0</td>
</tr>
<tr>
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<td>2.14</td>
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<td>0</td>
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<td>2.07</td>
<td>2.07</td>
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<td>2.29</td>
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<td>2.29</td>
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<td>2.25</td>
<td>0.12</td>
<td>0</td>
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<tr>
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<td>2.00</td>
<td>2.14</td>
<td>2.36</td>
<td>2.39</td>
<td>2.25</td>
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<td>0.46</td>
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</tr>
<tr>
<td>SVN</td>
<td>1.75</td>
<td>1.68</td>
<td>1.75</td>
<td>1.82</td>
<td>1.86</td>
<td>1.93</td>
<td>1.93</td>
<td>1.93</td>
<td>0.18</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Nations in Transit 2011

<sup>18</sup> Note that because of the way the Democracy Score is measured, a negative trend indicates an improvement, while a positive trend signifies a drop in the score.
Dichotomization is relatively straightforward in this case: four out of ten countries (Bulgaria, Czech Republic, Latvia and Romania) show an increase in democratic quality over the entire period. Thus, the values for these countries are coded (1), while all others are coded (0). It is also worth noting that three countries in the list (Hungary, Poland and Slovakia) show significant democratic decline (a shift over or close to 0.50). On the other hand, in countries where democratic quality has improved, the changes are minor.

4.1.2. GDP/capita (GDP)

This indicator is an expression of economic wealth, reflected in the value of all goods and services produced in a country over a given period. Based on Lipset's claim (1981) that wealthy countries are more likely to develop a high-quality democratic regime, I formulate the following hypothesis:

\[
H1: \text{A positive (upward) GDP/capita trend is likely to produce an improvement in the quality of democracy; conversely, a negative (downward) GDP/capita trend is likely produce a deterioration of democratic quality.}
\]

It is important to keep in mind that because we are dealing with a set of countries, rather than individual cases, GDP/capita should be expressed in a single unit of measurement. For this reason, I have chosen to use data collected from Eurostat, which measures the evolution of GDP/capita in PPS (purchasing power standard – a common currency that eliminates price differences) for each of the ten countries, expressed in relation to an average EU-27 value set to 100. In other words, values lower than 100 indicate lower-than-average GDP/capita, and vice-versa. Table 4.2 below shows the values for this indicator between 2004 and 2011, as well as its trend for each country.
The dichotomization procedure is somewhat technical, as there is no theoretical support for a precise cut-off point that may help determine how values should be separated. Nevertheless, by examining the data, we can observe the following: all values remain under the EU-27 average for the entire period. Slovenia is the only country that has maintained high GDP/capita values, but it is also the only country that shows a negative trend over the entire time-frame. This, together with the hypothesis, gives us a point of departure – the value for Slovenia can be coded as (0). The other cases are somewhat less straightforward, as they all show positive trends. If we consider the rule pertaining to data variety, setting the cut-off point at 10 gives us three cases to be coded (0), while all other values equal to or higher than 10 will be coded (1).

### 4.1.3. Inflation (INFL)

As Buhlmann suggests, inflation can be used to express countries’ ability to deal with economic crises. It is not necessarily the most complex measurement, but it is useful, as it reflects fluctuations in the price levels of consumer goods and services. Based on Buhlmann’s model, I use the following hypothesis:

**H2:** A negative (downward) inflation trend is likely to produce an improvement in the quality of democracy; conversely, a positive (upward) inflation trend is likely to produce a deterioration of democratic quality.
As with GDP/capita, we need a single unit of measurement to apply to the entire group of countries. This is the harmonized index of consumer prices (HCIP), an indicator of inflation calculated by the European Central Bank across all EU countries. Table 4.3 shows the data for this indicator.

Table 4.3. Inflation trends and coding

<table>
<thead>
<tr>
<th>INFL</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>TREND</th>
<th>CODED</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>6.1</td>
<td>6.0</td>
<td>7.4</td>
<td>7.6</td>
<td>12</td>
<td>2.5</td>
<td>3.0</td>
<td>3.4</td>
<td>-2.7</td>
<td>1</td>
</tr>
<tr>
<td>CZE</td>
<td>2.6</td>
<td>1.6</td>
<td>2.1</td>
<td>3.0</td>
<td>6.3</td>
<td>0.6</td>
<td>1.2</td>
<td>2.1</td>
<td>-0.5</td>
<td>1</td>
</tr>
<tr>
<td>EST</td>
<td>3.0</td>
<td>4.1</td>
<td>4.4</td>
<td>6.7</td>
<td>10.6</td>
<td>0.2</td>
<td>2.7</td>
<td>5.1</td>
<td>2.1</td>
<td>0</td>
</tr>
<tr>
<td>HUN</td>
<td>6.8</td>
<td>3.5</td>
<td>4.0</td>
<td>7.9</td>
<td>6.00</td>
<td>4.0</td>
<td>4.7</td>
<td>3.9</td>
<td>-2.9</td>
<td>1</td>
</tr>
<tr>
<td>LAT</td>
<td>6.2</td>
<td>6.9</td>
<td>6.6</td>
<td>10.1</td>
<td>15.3</td>
<td>3.3</td>
<td>-1.2</td>
<td>4.2</td>
<td>-2.0</td>
<td>1</td>
</tr>
<tr>
<td>LIT</td>
<td>1.2</td>
<td>2.7</td>
<td>3.8</td>
<td>5.8</td>
<td>11.1</td>
<td>4.2</td>
<td>1.2</td>
<td>4.1</td>
<td>2.9</td>
<td>0</td>
</tr>
<tr>
<td>POL</td>
<td>3.6</td>
<td>2.2</td>
<td>1.3</td>
<td>2.6</td>
<td>4.2</td>
<td>4.0</td>
<td>2.7</td>
<td>3.9</td>
<td>0.3</td>
<td>0</td>
</tr>
<tr>
<td>ROM</td>
<td>11.9</td>
<td>9.1</td>
<td>6.6</td>
<td>4.9</td>
<td>7.9</td>
<td>5.6</td>
<td>6.1</td>
<td>5.8</td>
<td>-6.1</td>
<td>1</td>
</tr>
<tr>
<td>SVK</td>
<td>7.5</td>
<td>2.8</td>
<td>4.3</td>
<td>1.9</td>
<td>3.9</td>
<td>0.9</td>
<td>0.7</td>
<td>4.1</td>
<td>-3.4</td>
<td>1</td>
</tr>
<tr>
<td>SVN</td>
<td>3.7</td>
<td>2.5</td>
<td>2.5</td>
<td>3.8</td>
<td>5.5</td>
<td>0.9</td>
<td>2.1</td>
<td>2.1</td>
<td>-1.6</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Eurostat

Here, dichotomization is again quite straightforward. There are three countries where inflation has increased over time: Estonia, Lithuania and Poland, so these countries receive a value of (0), while all others are coded (1).

**4.1.4. The Gini coefficient (GINI)**

This is an index of statistical dispersion which expresses the degree of income distribution inequality. It is measured on a scale of 0 (complete equality, all income is evenly distributed) and 100 (complete inequality, all income is concentrated in the hands of one individual or group.) The correspondent hypothesis is:

H3: A negative (downward trend) in the Gini coefficient is likely to produce an improvement in the quality of democracy; conversely, a positive (upward) trend in the Gini coefficient is likely to result in a decline of democratic quality.
Table 4.4. Gini coefficient trends and coding

<table>
<thead>
<tr>
<th>GINI</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>TRENDS</th>
<th>CODED</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>26</td>
<td>25</td>
<td>31.2</td>
<td>35.3</td>
<td>35.9</td>
<td>33.4</td>
<td>33.2</td>
<td>n/a</td>
<td>8.2</td>
<td>0</td>
</tr>
<tr>
<td>CZE</td>
<td>n/a</td>
<td>26</td>
<td>25.3</td>
<td>25.3</td>
<td>24.7</td>
<td>25.1</td>
<td>24.9</td>
<td>25.3</td>
<td>-1.1</td>
<td>1</td>
</tr>
<tr>
<td>EST</td>
<td>37.4</td>
<td>34.1</td>
<td>33.1</td>
<td>33.4</td>
<td>30.9</td>
<td>31.4</td>
<td>31.3</td>
<td>n/a</td>
<td>-2.8</td>
<td>1</td>
</tr>
<tr>
<td>HUN</td>
<td>n/a</td>
<td>27.6</td>
<td>33.3</td>
<td>25.6</td>
<td>25.2</td>
<td>24.7</td>
<td>24.1</td>
<td>n/a</td>
<td>-3.5</td>
<td>1</td>
</tr>
<tr>
<td>LAT</td>
<td>n/a</td>
<td>36.1</td>
<td>39.2</td>
<td>35.4</td>
<td>37.7</td>
<td>37.4</td>
<td>36.1</td>
<td>35.2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LIT</td>
<td>n/a</td>
<td>36.3</td>
<td>35</td>
<td>33.8</td>
<td>34</td>
<td>35.5</td>
<td>36.9</td>
<td>n/a</td>
<td>0.6</td>
<td>0</td>
</tr>
<tr>
<td>POL</td>
<td>n/a</td>
<td>35.6</td>
<td>33.3</td>
<td>32.2</td>
<td>32</td>
<td>31.4</td>
<td>31.1</td>
<td>n/a</td>
<td>-4.5</td>
<td>1</td>
</tr>
<tr>
<td>ROM</td>
<td>31</td>
<td>31</td>
<td>33</td>
<td>37.8</td>
<td>36</td>
<td>34.9</td>
<td>33.3</td>
<td>33.2</td>
<td>2.3</td>
<td>0</td>
</tr>
<tr>
<td>SVK</td>
<td>n/a</td>
<td>26.2</td>
<td>28.1</td>
<td>24.5</td>
<td>23.7</td>
<td>24.8</td>
<td>25.9</td>
<td>n/a</td>
<td>-0.3</td>
<td>1</td>
</tr>
<tr>
<td>SVN</td>
<td>n/a</td>
<td>23.8</td>
<td>23.7</td>
<td>23.2</td>
<td>23.4</td>
<td>22.7</td>
<td>23.8</td>
<td>23.8</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Eurostat

Here, the data for all but one case is incomplete, so in order to calculate a uniform trend, I consider a shorter time-frame, between 2005 and 2010. Dichotomization is simple, and there is again no need to use the EU values as a threshold: all cases which show a negative trend are coded (1), and all cases showing a positive or static trend are coded 0.

4.1.5. Institutions (PARL and PR)

The institutional component of the model yields the clearest indicators in terms of measurement and coding – parliamentary systems and PR electoral systems. The corresponding hypotheses are:

\[H4: \text{The presence of a parliamentary system is likely to encourage a better quality democracy; conversely, the absence of a parliamentary system is likely to foster a weaker democracy in terms of quality.}\]

\[H5: \text{The presence of a PR electoral system is likely to encourage a better democracy; conversely, the absence of a PR electoral system is likely to foster a weaker democracy in terms of quality.}\]

Table 4.5 below lists each of the ten countries by government and electoral system:
### Table 4.5. Institutions and coding

<table>
<thead>
<tr>
<th>INST</th>
<th>PARL</th>
<th>CODED</th>
<th>PR</th>
<th>CODED</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
<tr>
<td>CZE</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
<tr>
<td>EST</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
<tr>
<td>HUN</td>
<td>Parliamentary</td>
<td>1</td>
<td>Mixed</td>
<td>0</td>
</tr>
<tr>
<td>LAT</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
<tr>
<td>LIT</td>
<td>Semi-presidential</td>
<td>0</td>
<td>Parallel</td>
<td>0</td>
</tr>
<tr>
<td>POL</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
<tr>
<td>ROM</td>
<td>Semi-presidential</td>
<td>0</td>
<td>Mixed</td>
<td>0</td>
</tr>
<tr>
<td>SVK</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
<tr>
<td>SVN</td>
<td>Parliamentary</td>
<td>1</td>
<td>List PR</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: CIA World Factbook; the Electoral Knowledge Network

Note that these are the only variables in the model that are already dichotomous and not expressed as time-series. Thus, the presence of a parliamentary system/a PR electoral system is coded (1), while the presence of any other type of government or electoral system is coded (0)\(^\text{19}\).

### 4.1.6. Corruption perception index (COR)

This is an index calculated yearly by Transparency International, which reflects the perceived level of corruption in a country, based on public opinion surveys. The corresponding hypothesis is:

\[
H6: \text{A positive (upward) trend in corruption perception is likely to encourage an increase in democratic quality; conversely, a negative (downward) trend in corruption perception is likely to encourage a deterioration of democratic quality.}
\]

\(^{19}\) Being dichotomous, they are also the only variables for which it is impossible to adjust cases for variety, even though both show an obvious bias towards value (1). However, since they are essential to the overall model, reflecting an institutional approach to democratic quality, I have chosen to keep them in the analysis.
The corruption perception index is measured on a scale of 10 (very clean) to 0 (very corrupt).

Table 4.6. Corruption trends and coding

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>4.1</td>
<td>4.0</td>
<td>4.0</td>
<td>4.1</td>
<td>3.6</td>
<td>3.8</td>
<td>3.6</td>
<td>3.3</td>
<td>-0.8</td>
<td>0</td>
</tr>
<tr>
<td>CZE</td>
<td>4.2</td>
<td>4.3</td>
<td>4.8</td>
<td>5.2</td>
<td>5.2</td>
<td>4.9</td>
<td>4.6</td>
<td>4.4</td>
<td>0.2</td>
<td>1</td>
</tr>
<tr>
<td>EST</td>
<td>6.0</td>
<td>6.4</td>
<td>6.7</td>
<td>6.5</td>
<td>6.6</td>
<td>6.6</td>
<td>6.5</td>
<td>6.4</td>
<td>0.4</td>
<td>1</td>
</tr>
<tr>
<td>HUN</td>
<td>4.8</td>
<td>5.0</td>
<td>5.2</td>
<td>5.3</td>
<td>5.1</td>
<td>5.1</td>
<td>4.7</td>
<td>4.6</td>
<td>-0.2</td>
<td>0</td>
</tr>
<tr>
<td>LAT</td>
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<td>4.2</td>
<td>4.7</td>
<td>4.8</td>
<td>5.0</td>
<td>4.5</td>
<td>4.3</td>
<td>4.2</td>
<td>0.2</td>
<td>1</td>
</tr>
<tr>
<td>LIT</td>
<td>4.6</td>
<td>4.8</td>
<td>4.8</td>
<td>4.8</td>
<td>4.6</td>
<td>4.9</td>
<td>5.0</td>
<td>4.8</td>
<td>0.2</td>
<td>1</td>
</tr>
<tr>
<td>POL</td>
<td>3.5</td>
<td>3.4</td>
<td>3.7</td>
<td>4.2</td>
<td>4.6</td>
<td>5.0</td>
<td>5.3</td>
<td>5.5</td>
<td>2.0</td>
<td>1</td>
</tr>
<tr>
<td>ROM</td>
<td>2.9</td>
<td>3.0</td>
<td>3.1</td>
<td>3.7</td>
<td>3.8</td>
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<td>3.7</td>
<td>3.6</td>
<td>0.7</td>
<td>1</td>
</tr>
<tr>
<td>SVK</td>
<td>4.0</td>
<td>4.3</td>
<td>4.7</td>
<td>4.9</td>
<td>5.0</td>
<td>4.5</td>
<td>4.3</td>
<td>4.0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>SVN</td>
<td>6.0</td>
<td>6.1</td>
<td>6.4</td>
<td>6.6</td>
<td>6.7</td>
<td>6.6</td>
<td>6.4</td>
<td>5.9</td>
<td>-0.1</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Transparency International

In this case dichotomization can be achieved by using Gherghina’s method (2009) as is: positive trends are coded (1), while negative or static trends are coded (0). Thus, we have three cases that display negative trends and one which (Slovakia), which shows a static trend. These are coded (0), and all the rest are coded (1).

Finally, after detailing each indicator, we can build the final dichotomous data table, which gives a synthetic presentation of data for both outcome and conditions in each case:

Table 4.7. Dichotomous data table

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>DEM</th>
<th>GDP</th>
<th>INFL</th>
<th>GINI</th>
<th>PARL</th>
<th>PR</th>
<th>COR</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
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<td>1</td>
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<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>HUN</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LAT</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
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<tr>
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<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Having compiled all necessary information, we can proceed to the next step in the analysis: the truth table, primitive solutions and logical minimization.

4.2. SOLUTION AND INTERPRETATION OF RESULTS

4.2.1. Solution

Table 4.7A shows the configurations obtained using the TOSMANA software.

Table 4.7A Truth table for Buhlmann’s model

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP</th>
<th>INFL</th>
<th>GINI</th>
<th>PARL</th>
<th>PR</th>
<th>DEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL, LAT</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
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<td>1</td>
</tr>
<tr>
<td>EST, POL</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>HUN</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LIT</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ROM</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>SVK</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>SVN</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

The first observation derived from this truth table is that there are no contradictory configurations (identical combinations of conditions showing different outcomes.) This is fortunate not because contradictory combinations are problematic in themselves, but because they cannot be effectively used in Boolean minimization. Excluding these contradictions altogether may result in parsimonious solutions, but would also reduce solution coverage significantly (Hemann and Crongvist, 2006).

While we do not need to worry about contradictions, the truth table still contains a problematic configuration: in Slovakia, all conditions favouring an improvement in democratic quality are present, but the outcome itself does not occur. Rhioux and De Meur (2009) suggest that the most common way to solve this type of issue is to either introduce or remove a condition. True enough, by including COR into the model, a (0) value appears for Slovakia.
Table 4.8 Truth table including COR

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>GDP</th>
<th>INFL</th>
<th>GINI</th>
<th>PARL</th>
<th>PR</th>
<th>COR</th>
<th>DEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>CZE</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>EST, POL</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>HUN</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LAT</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>LIT</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>ROM</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SVK</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SVN</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Consequently, because COR contributes to the model by solving a counterintuitive configuration, the analysis is performed on Buhlmann's model adjusted to include this condition. Additionally, due to QCA's causal asymmetry, which I discussed in the previous chapter, the outcome (DEM) and its absence (an inversion of DEM, here noted DECL) are examined separately.

Tables 4.9 and 4.10 show the most parsimonious solutions obtained with the fsQCA software for DEM and DECL respectively, complete with the exact cases they cover. As a general comment, raw coverage refers to the proportion of the solution which the expression covers, while unique coverage indicates the proportion that each individual case represents. The solution coverage refers to the overall coverage, not just that of each expression. As is evident from the tables, the solution covers all cases both for DEM and DECL. Additionally, there are no problems of consistency (a value of 1 indicates that all cases in the solution display the outcome. Ragin recommends that for data used in QCA, this should be at least 0.8).

---

20 In order to obtain the most parsimonious solution with the fsQCA software, one should instruct the program to treat logical remainders (combinations of conditions with no corresponding empirical cases) as ‘Don’t cares’ (see Ragin, 2008). Depending on whether or not a satisfying degree of parsimony has been obtained, these logical remainders can be included in the analysis to improve the solution (as per Rhioux and De Meur, 2009).
The solution for DEM shows that countries where the quality of democracy has improved are characterized by either a combination of declining inflation and declining corruption (Czech Republic, Latvia, Romania), or a combination of increasing GDP/capita, declining inflation and an increasing Gini coefficient.

The latter component may appear problematic, as H3 indicates that an upward trend in the Gini coefficient is likely to result in the decline, rather than improvement of democratic quality. However, note that the GDP*INFL*gini term only describes one case (Bulgaria), and that the solution can be further simplified by using the principles of logical minimization discussed in Chapter 3.

Thus, the expression \( \text{INFL} \times \text{COR} + \text{GDP} \times \text{INFL} \times \text{gini} \rightarrow \text{DEM} \) becomes \( \text{INFL} \rightarrow \text{DEM} \). This means that improvement in democratic quality for our given sample can be explained by a declining inflation rate, which confirms H2.

DECL is examined in a similar way:

This tells us that the decline of democratic quality can be explained either by an increasing inflation rate, or a combination of declining GDP/capita and increasing corruption, or a combination of increasing corruption and decreasing Gini

Table 4.9 Solution for DEM

<table>
<thead>
<tr>
<th>SOLUTION</th>
<th>RAW COVERAGE</th>
<th>UNIQUE COVERAGE</th>
<th>CONSISTENCY</th>
<th>CASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFL*COR</td>
<td>0.750000</td>
<td>0.250000</td>
<td>1.000000</td>
<td>CZE, LAT, ROM</td>
</tr>
<tr>
<td>GDP<em>INFL</em>gini</td>
<td>0.250000</td>
<td>0.250000</td>
<td>1.000000</td>
<td>BUL</td>
</tr>
</tbody>
</table>

Solution coverage: 1.000000  Solution consistency: 1.000000

Table 4.10 Solution for DECL

<table>
<thead>
<tr>
<th>SOLUTION</th>
<th>RAW COVERAGE</th>
<th>UNIQUE COVERAGE</th>
<th>CONSISTENCY</th>
<th>CASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infl</td>
<td>0.500000</td>
<td>0.500000</td>
<td>1.000000</td>
<td>EST, POL, LIT</td>
</tr>
<tr>
<td>gdp*cor</td>
<td>0.333333</td>
<td>0.166667</td>
<td>1.000000</td>
<td>HUN, SVN</td>
</tr>
<tr>
<td>cor*GINI</td>
<td>0.166667</td>
<td>0.166667</td>
<td>1.000000</td>
<td>SVK</td>
</tr>
</tbody>
</table>

Solution coverage: 1.000000  solution consistency: 1.000000

This tells us that the decline of democratic quality can be explained either by an increasing inflation rate, or a combination of declining GDP/capita and increasing corruption, or a combination of increasing corruption and decreasing Gini.
coefficient. Again, the Gini coefficient appears to behave opposite to what its corresponding hypothesis indicates. Similarly to DEM though, the term cor*GINI only describes one case (Slovakia), and lends itself to further simplification.

Because this solution contains three terms rather than two, logical minimization is done bottom-up: cor*GINI and gdp*cor are combined to result in cor. No further minimization is possible at this point, so the final solution is: cor + infl → DECL. This means that the decline of democratic quality for our given sample can be explained either by increasing corruption or by increasing inflation. Either H2 and H6 are thus confirmed.

4.2.2. Interpretation of results

Interestingly, inflation can by itself explain both the improvement and decline in democratic quality. This, of course, offers only a limited perspective on the matter, but it nevertheless draws attention to one hypothesis in Buhlmann’s original model: the quality of democracy in a country is dependent on that country’s ability to withstand economic shocks. In other words, the more stable the economy, the better the democracy.

A cursory examination of data in table 4.3 may suggests that, in general, CEECs have been doing reasonably well, most of them managing a declining inflation trend over the 2004-2011 period. Nevertheless, looking at the same data in terms of fluctuations reveals a different story. Firstly, inflation peaked in 2008 in all ten CEECs and fell dramatically the following year, as a result of efforts to placate the impact of the economic and financial crisis. Secondly, while most countries in the list show declining inflation trends, their starting points are vastly different. For instance, Romania exhibits the strongest declining trend with -6.1 points, but despite this, continues to register the highest inflation rate of all the CEECs in 2011, due in part to the fact that it had the highest starting point at 11.9 in 2004. The ECB Convergence Report for 2012 suggests that this tendency may continue: between 2011 and 2012, the reference value for price stability at the EU level was 3.1, and only Bulgaria and Czech Republic registered average rates below this
point. Other CEECs, and most notably Romania, showed values well above the reference.

The report also argues that the evolution of inflation should be viewed in the wider context of previous economic developments in CEECs: economic growth and stabilization inherent to the accession process, and convergence criteria related to entry into the Eurozone (for Slovakia, Slovenia and Estonia). The latter in particular require that countries achieve a high level of price stability – meaning, in practice, that inflation rates must not be exceed the best three performing member states by more than 1.5 percentage points\(^\text{21}\).

Indeed, Table 4.3 shows that, with the exception of 2008 these three countries have experienced relatively mild price fluctuations, compared to the rest. For those countries where inflation rates have risen over the reference period (Estonia, Lithuania, Poland) the yearly rates themselves and the fluctuations are quite small, with the exception of 2008. Additionally, Poland has the weakest overall trend in the list. Estonia shows higher inflation in 2011 compared to 2010, but this is most likely linked with switching to the Euro.

All of this suggest that, in these countries, the inflation peak of 2008 may have had a stronger impact on the overall trend compared to the other cases in the sample. In other words, an overall greater price stability did not necessarily translate into declining inflation.

As regards the role of inflation in improving democratic quality, several observations are in order. Czech Republic is the only country out of the four registering such an improvement where price fluctuations are consistently small – with the exception of 2008, there are no values higher than 3. Secondly, Latvia has higher inflation rates prior to 2007 and registers a significant rise between 2007 and 2008, but immediately afterwards manages to bring and maintain price fluctuations under control. Out of the entire ten country sample, it is the only case that registers a negative inflation rate in 2010. Finally, Bulgaria and Romania both show overall high inflation and fluctuations, but have strong negative trends indicating significant improvement.

In short, where inflation contributed to a rising level of democratic quality, it did so in three ways: through small price fluctuations, the ability to bring rapidly rising inflation under control, and strong declining trends to compensate for overall high inflation.

Corruption is slightly more straightforward to account for, but also reveals a problem of consistency. The solution for DECL shows that a negative corruption perception trend covers three countries: Hungary, Slovakia and Slovenia. Going back to Table 4.6 reveals that both Hungary and Slovenia do indeed show negative trends, while Slovakia registers no change over the reference period. However, where they occur, these shifts are very small (-0.2 for Hungary and -0.1 for Slovenia). This means that the behaviour of COR in this model is almost certainly dependent on how dichotomization was performed, rather than on substantial empirical support.

To be clear: this does not invalidate the solution identified for DECL. Firstly, the solution is consistent with the hypothesis – a negative (in this case, also static) trend in corruption perception is indeed linked to the decline of democratic quality. But because QCA does not, unlike regression analysis, allow us to determine the intensity of this link, it is difficult to estimate exactly how strong an explanation corruption gives for democratic quality decline. Secondly, the solution clearly indicates that there are two alternative explanations for DECL (rising inflation OR rising corruption). In connection to the previous observation, this would simply suggest that inflation may be a better candidate to explain the decline.

Finally, an interesting point should be noted here. While logical minimization removes GINI from the final solution for both DEM or DECL, it remains the only condition present in the intermediate solutions to display an anomalous behaviour.

There is no consistent explanation in literature for why this might be the case. However, one possible reason for GINI’s atypical behaviour may again result from the way it was operationalized in this study: the Gini coefficient is the only variable in the set for which incomplete data is available between 2004 and 2011. For
reasons of uniformity, I have calculated the trends based on the 2005-2010 time-frame instead. The data in table 4.4 shows that, while countries such as Bulgaria, Estonia and Hungary display strong trends in one direction or another, two show weak trends (Lithuania and Slovakia), while two others (Latvia and Slovenia) show no change at all over the entire 2005-2011 period. All of these, with the exception of Slovenia, show value changes of more than one percentage point sometime during the period in question. This could suggest that, had data been available for 2004 and 2011, trends for these countries may have been different.

Given the holistic nature of QCA, it is quite possible that, in a different exercise, an alternative operationalization of GINI may result in a normal behaviour, or even in its complete absence from the solution. But since GINI is not part of the solution, such an exercise is irrelevant here.

To summarize: in the sample of ten CEECs analyzed, the main explanation for both the improvement and the decline of democratic quality is primarily economic and rests on the impact of inflation. Corruption may offer an alternative explanation for declining democratic quality, but re-examining the data suggests that it may not be as consistent as inflation. Finally, the Gini coefficient appears as part of the primitive solutions for both DEM and DECL, but behaves atypically, most likely due to being operationalized based on an incomplete data set. Applying logical minimization eliminates the Gini coefficient, so its anomalous behaviour does not affect the final solutions.

In the end, two out of six conditions explain the outcomes for the overall sample. Both their corresponding hypotheses are corroborated, and a high degree of parsimony is achieved.

4.2.3. Expanding the solution

One particular issue with QCA, which Ragin calls modest generalization, is that inferences derived by applying this method to certain sets of cases are not always fully applicable outside those sets. In other words, my analysis of ten CEECs led me to conclude that either rising inflation or rising corruption explain the decline of
democratic quality in Central and Eastern Europe. Can the same solution explain decline in different circumstances?

As previously mentioned, this set of ten CEECs carries in itself a particularity that cannot be eliminated without reducing the number of cases and implicitly affecting the coverage and significance of the study: Romania and Bulgaria became EU members in 2007, which means that, for approximately half of the reference period, they make a distinct sub-set among the other CEECs.

For reasons of consistency, I have chosen to treat all cases in the same way throughout the analysis. However, this thesis’ main research question asks what the main factors that influenced post-accession quality of democracy in CEEC are. Up until this point, it would appear that I have addressed this only partially.

In Chapter 1 I mentioned that if we consider the evolution of post-accession democratic quality for each of the ten countries, it becomes clear that only two – Czech Republic and Latvia – were able to improve their democracies somewhat since joining the EU. While Freedom House’s democracy score indicates that Romania and Bulgaria now have better democracies than in 2004, the situation changes quite significantly if we consider the 2007-2011 period instead: since accession, the trend has been decidedly downward.

This observation offers a good opportunity to solve the two remaining issues in this analysis: testing the applicability of the solution found in the previous section, and identifying the factors that influenced democratic quality decline in these two countries.

In other words: can either rising inflation or rising corruption explain the decline of democratic quality in Romania and Bulgaria after 2007?

In Table 4.11 below, I reorganized the data for four out of the six previously used conditions\(^{22}\) to cover the 2007-2011 time-frame, and calculated the corresponding trends. The last two columns show the new trends and the old 2004-2011 trends respectively.

\(^{22}\) PARL and PR remain the same, as they express static phenomena, not processes.
Since we are dealing with only two countries, a new, complete QCA analysis is not necessary. Data can be examined quite easily for each case.

Table 4.1. Data on Bulgaria and Romania for 2007-2011

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>NEW</th>
<th>OLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUL</td>
<td>2.89</td>
<td>2.86</td>
<td>3.04</td>
<td>3.04</td>
<td>3.07</td>
<td>0.18</td>
<td>-0.18</td>
</tr>
<tr>
<td>ROM</td>
<td>3.29</td>
<td>3.36</td>
<td>3.36</td>
<td>3.46</td>
<td>3.43</td>
<td>0.14</td>
<td>-0.15</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>GDP</th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>40</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>45</td>
<td>5</td>
<td>10</td>
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<td>ROM</td>
<td>42</td>
<td>47</td>
<td>47</td>
<td>47</td>
<td>49</td>
<td>7</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INFL</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>7.6</td>
<td>12</td>
<td>2.5</td>
<td>3</td>
<td>3.4</td>
<td>-4.2</td>
<td>-2.7</td>
</tr>
<tr>
<td>ROM</td>
<td>4.9</td>
<td>7.9</td>
<td>5.6</td>
<td>6.1</td>
<td>5.8</td>
<td>0.9</td>
<td>-6.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GINI</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>35.3</td>
<td>35.9</td>
<td>33.4</td>
<td>33.2</td>
<td>n/a</td>
<td>-2.1</td>
<td>8.2</td>
</tr>
<tr>
<td>ROM</td>
<td>37.8</td>
<td>36</td>
<td>34.9</td>
<td>33.3</td>
<td>33.2</td>
<td>-4.5</td>
<td>2.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COR</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BUL</td>
<td>4.1</td>
<td>3.6</td>
<td>3.8</td>
<td>3.6</td>
<td>3.3</td>
<td>-0.8</td>
<td>-0.8</td>
</tr>
<tr>
<td>ROM</td>
<td>3.7</td>
<td>3.8</td>
<td>3.8</td>
<td>3.7</td>
<td>3.6</td>
<td>-0.1</td>
<td>0.7</td>
</tr>
</tbody>
</table>

What has changed? Most notably, DEM is now completely reversed. GDP continued its upward trend in both cases, but its growth has considerably slowed down. In fact, if Romania and Bulgaria were included in a full QCA with these new figures, GDP would both receive (0) values, as they have fallen under the 10 cut-off point. Finally, both inflation and corruption have risen in Romania, but not in Bulgaria.

The answer to this smaller research question is then quite straightforward: The solution identified for the entire set of CEECs has limited applicability when used in the same conditions, but a different time-frame. Romania fits into the solution perfectly – either rising inflation or rising corruption can explain democratic quality decline here. However, it does not work in the case of Bulgaria, where the only major change since 2007 has been a decline in GDP/capita.

This is a good example of Ragin's concept of modest generalization. Post-accession Bulgaria and Romania obviously continue to share major background
characteristics with the original set of CEECs, which would lead us to expect that the solution could be applied successfully. As it turns out, it fully explains one case, but tells us nothing about the other – a reminder of the fact that QCA is best suited for examining small or medium sets of cases, but should be used with caution when the purpose of research is to formulate general causal inferences about a certain phenomenon.

Finally, note that both Romania and Bulgaria subscribe to the primarily economic explanation of democratic decline: Romania through rising inflation and Bulgaria through declining GDP/capita.

4.3. THE ROLE OF THE EU

This final section of the analysis looks at the post-accession impact of the EU on democratic quality in CEECs. It should be made clear at this point that this is by no means an exhaustive discussion. In part, this is due to the fact that systematic studies evaluating the EU's influence over post-accession democracies are still ongoing, with only a few containing findings that fit into the topic of my thesis. Further, such a discussion cannot ignore the crucial role that political conditionality played in improving the quality of democracy before accession.

This section follows three main arguments. The first is that conditionality and the mechanisms of EU rule adoption in CEECs are relatively easy to operationalize, as they rest on a firm theoretical basis and have been the topic of numerous studies throughout the last decade. The second argument is that removing conditionality from the picture once membership status is achieved significantly reduces operationalization options. This is the main reason I could not include the role of the EU in the QCA part of this study. Finally, the third argument is that the EU's impact may potentially result in another typology – democracy by integration, opposite democracy by design. One study in articular (Dimitrova and Pridham, 2004) asks whether the former type may, contrary to expectations, prove weaker in terms of quality.
4.3.1. Pre-accession: conditionality and rule adoption

There is an extensive body of literature today supporting the argument that, through political conditionality, the EU has had unprecedented influence over the policies and institutional structure of CEECs.

Viewed in the context of democratic embeddedness, the EU belongs to the external sphere of international integration. Debates and contributions built around the role of political conditionality repeatedly emphasize that the mechanisms of EU rule adoption by candidate countries have a significant impact on the promotion of democratic norms in CEECs.

Schimmelfenning and Sedelmeier (2005) focus on the institutional aspect of rule adoption. In this respect, they classify rule adoption according to two dimensions: likelihood of adoption and implementation and enforcement of rules (as simple legal transposition is not sufficient to indicate effective implementation.) Furthermore, they make two additional distinctions: domestic- versus EU-driven rule adoption and rational versus values-based motivation of domestic actors. Based on these elements, they proceed to describe three mechanisms of rule adoption: the external incentives, lesson-drawing, and the social learning models.

The external incentive model is particularly relevant for EU-driven rule adoption. It is a rationalist bargaining system based on exchanging information and forms of leverage (promises and threats) Under the external incentives model, a government adopts EU rules if the benefits of the EU rewards exceed the costs of adoption.

Through conditionality, the EU applies a reactive strategy, whereby it rewards a state that has successfully implemented a set of rules and withholds the reward when the state fails to do so. Since there is no active form of sanction for failing to implement EU rules, this is a way of effectively making the state responsible for creating favourable conditions for rule implementation, rather than setting the reinforcement responsibility on the EU. In this respect, it may be argued that the external incentives model is both EU- and state-driven. However, the model
assumes that in the absence of external incentives, the state would have no
motivation to comply with EU rules.
Schimmelfennig (2004) applies the external incentives model in combination with
QCA to examine CEECs’ compliance with EU rules. His findings suggest that a
credible perspective of EU accession, combined with low adaptation costs for the
target countries were sufficient conditions to explain compliance.
Gherghina’s QCA test on 20 post-communist countries (2009) reveals that
democratization was facilitated either by the promise of accession, or by a high
GDP/capita trend. Conversely, countries where democratization was slow or
particularly problematic combined the absence of the promise of accession with a
diminishing GDP/capita trend. Additionally, his findings, along with those of
Mendelski (2009), suggest that the legacy of authoritarian regimes has gradually
diminished in the post-communist space, to the point where it has now become
insignificant. Thus, EU conditionality becomes the main driving force
supplementing the impact of domestic conditions on democratization.
Grabbe (2001, 2005) argues that, on the contrary, during the accession process the
EU shifted its priority from legitimacy to efficiency, thus creating a situation where
its efforts to promote democratic norms came at odds with the incentives it
created. This contradiction resulted from the fact that, while the EU promoted the
involvement of political institutions outside the executive to help implement the
acquis, the incentives and constraints of the accession process concerned the
executive. In shifting its bias from legitimacy to efficiency, Grabbe argues that, in a
sense, the EU exported its democratic deficit to CEECs. This argument finds
support with Zielonka (2007), who shows that national parliaments in CEECs have
been the great losers of the integration process.
The unifying theme of the debate surrounding political conditionality and the
promotion of democratic norms to CEECs is that the former has undeniably
established itself as a driving force behind the latter. However, difficulties arise in
evaluating the impact of the EU when political conditionality, with its system of
incentives and sanctions, disappears from the picture.
Empirical research, like Schimmelfennig’s and Gherghina’s reveal that, as long as
political conditionality is present, the EU’s influence is relatively easy to
operationalize. Usually this is done in reference to whether or not a country has
entered into a binding relation with the EU. For example, Gherghina finds that, in countries where the promise of accession was firmly in place, the democratization process was easier and led to better consolidated democratic system. All of this certainly does not imply that once membership status is achieved, the influence of the EU disappears. If anything, the concept of linkage, which I briefly addressed in Chapter 3, offers solid reasoning to support the argument that it has actually intensified. The problem is that, at the same time, it has become more diffuse, and therefore harder to quantify.

4.3.2. After accession: the problem of operationalization

In the early stages of my research design, I considered operationalizing the post-accession impact of the EU in terms of speed: countries that consistently complied with EU rules during the accession process and gained access on schedule would receive a value of (1). Romania and Bulgaria, as laggards and problematic cases, would receive a value of (0). On closer examination though, this strategy showed some methodological flaws. Including the speed of rule adoption as a condition of democratic quality would not have been particularly difficult: it rests on some (albeit limited) theoretical support, and dichotomization is quite straightforward. Furthermore, decline could easily be associated with slow/problematic rule adoption, and vice-versa.

However, defined in these terms, the speed of rule adoption would simply not pass the test of logical minimization in QCA. Let us consider an exercise where QCA is conducted for the entire 2004-2011 reference period: in this case both Romania and Bulgaria are examples of democratic improvement, but have (0) values for the speed of rule adoption, whereas all other countries (most of which are cases of decline) have a value of (1). As with the other two strictly dichotomous variables (PARL and PR) that vary only slightly along the entire sample, it is quite plausible that the speed of rule adoption would not even make it into the intermediate solutions. Even if this were the case, the principles of logical minimization would not allow a condition with such disproportionate variation to transfer into the final result.
Since there is consistent evidence to support the notion that the EU had, and continues to have significant influence over CEE democracies, a result that does not contain the corresponding element would be an inaccurate description of reality. For these reasons, I abandoned the speed of rule adoption and briefly considered another option.

In a more systematic attempt to operationalize the impact of the EU, Sedelmeier (2008) proposes two measurements for post-accession compliance with EU legislation – transposition and infringement. The first concerns EU directives being transposed into national legislation, of which the member states must notify the Commission. The second concerns the violation of implemented EU legislation within member states and the subsequent infringement procedures. Both indicators are constructed on the basis of data published by the European Commission.

Two difficulties arise when evaluating these measurements in the context of my thesis. Firstly, as Sedelmeier himself points out, there is a problem with data reliability: in the case of transposition, the measure covers only one type of EU law (directives) and measures its formal implementation. It is far more difficult to measure whether a rule has been transposed correctly and put into practice. Similarly, data on infringement only covers such cases as have been detected and acted upon by the Commission, and as such, offer only a limited view on the subject.

The second difficulty comes from the complexity of these indicators. Even with a relatively limited time-frame, the volume of data necessary to compile these measurements goes beyond the scope of this thesis. It would additionally result in an index that is disproportionally complicated compared to the other variables used in the model.

This leaves us with very little room for maneuvering: we can no longer measure the impact of the EU in terms of rule adoption, as defined in a pre-accession context. But neither can they be defined in terms of post-accession rule adoption/violation without considerable difficulty. It is perhaps enough, at this
point, to recognize that, while the EU’s influence obviously continues to exist, it is
too diffuse to conceptualize in such a limited space.

Interestingly enough, Sedelmeier finds that, in terms of post-accession compliance,
CEECs have performed unexpectedly well, practically out-performing all of the old
member states during the first few years following accession. He suggests that two
factors related to pre-accession experiences may explain this trend: the
susceptibility of new member-states to shaming, and an institutional investment in
the legislative capacity.

In support of Sedelmeier, Levitz and Pop-Eleches (2010) find that there has been a
surprising lack of backslide in political reforms after accession. One of the
explanations they put forward is the support offered by international factors other
than EU incentives. Most notably, the increased linkage between CEECs and old
member states began to function as an alternate influence channel, replacing
conditionality-based incentives.

4.3.4. Summary: democracy by integration and democracy by
design

In this section, I tried to compensate for the absence of a systematic account of the
EU's post-accession impact on CEE democracies. On the one hand, I explained that
pre-accession impact is relatively easy to measure and lends itself well to QCA-
based studies. On the other hand, once membership status is achieved, the impact
becomes too diffuse to be manageable in the limited scope of this thesis.

In general, literature appears to suggest that the post-accession impact of the EU
has remained both significant and positive. However, in one particularly
interesting stance, Dimitrova and Pridham (2004) claim that this may not be the
entire story. They propose that “democracy by integration” is a form of top-down
promotion of democratic norms unique to the EU. Opposed to this is the concept of
“democracy by design”, whereby the introduction and consolidation of democratic
norms is internally motivated and primarily driven by the state.
Dimitrova and Pridham ask whether democracy by integration is liable to create weaker democracies than its alternative. Evidence from Merkel in particular suggests that for CEECs, this was not entirely the case. The findings in this thesis describe the conditions under which democratic quality varies. As I have shown, these conditions belong to the sphere of external embeddedness. With regards to internal embeddedness – the interdependency of partial democratic regimes – Merkel argues that the majority of CEECs are firmly in the realm of liberal democracy and, as such, the main source of weakness lies with elements that may destabilize external embeddedness.
CHAPTER 5: CONCLUDING REMARKS

5.1. Summary

The focus of this thesis was to identify those conditions which influenced the post-accession evolution of democracy in CEECs. Between 2004 and 2011. Throughout my research, I set three tasks.

The first of these was to situate CEECs within current theoretical debates attempting to reconcile the need to re-conceptualize democracy with the dilemma of identifying a manageable number of democracy varieties. In doing so, the most significant finding was that the majority of CEECs are not defective democracies. Merkel, whose theoretical stance I adopted in this study, explains that, with the exception of Romania and Bulgaria (illiberal) and Latvia (exclusive), all remaining CEECs qualify as liberal democracies.

My main concern at this point was not to identify additional typologies that these countries might fit into, but to explain how and why democratic quality evolved after accession. Thus, my second and most important research task was to identify the specific conditions explaining the decline and improvement in the region. My findings were as follows:

Overall, this study lends consistent empirical support to Merkel’s claim that external embeddedness is the source of potential explanations for how and why the quality of democracy varies across countries and over time.

On a methodological level, the adjustments I made to Buhlmann’s study in response to QCA technicalities and the nature of the sample yielded a viable model. The inclusion of corruption in particular was fully justified, not only because it improved the model in terms of consistency and solved the problem of one counter-intuitive configuration, but also because it was one of the two conditions that transferred into the final solution.

My main finding for this second research task was that the behavior of inflation emerged as the most powerful explanation for both the improvement and the
decline of democratic quality in the entire sample. By re-examining the individual cases in light of this finding, I was able to identify more specific levels of influence.

Accordingly, where inflation acted as a favorable condition for democratic quality, it did so in three ways: through small price fluctuations, the ability to bring rapidly rising inflation under control, and strong declining trends to compensate for overall high inflation. As a paradox, countries where inflation impacted negatively on democratic quality showed relatively small price fluctuations. This shows that overall greater price stability did not translate into declining inflation, particularly in the context of the economic crisis.

Corruption emerged as an alternative explanation for democratic quality decline. However, the way in which this variable was operationalized revealed that it may be a weaker explanation for decline than inflation. Nevertheless, corruption fully confirms its corresponding hypothesis, and because of this remains a valid solution.

An additional finding showed that, unsurprisingly for a QCA-based study, the model has limited applicability. Applying the solution to data from Romania and Bulgaria over the 2007-2011 time-frame revealed that both rising inflation and increased corruption are present in Romania, but neither appear in Bulgaria. In the later case, the only explanation for post-accession decline was a negative GDP/capita trend. It is worth noting though, that while the model is evidently limited, the economic nature of the explanation remains consistent.

The third task was to evaluate the EU’s post-accession impact on democratic quality in CEECs. While an empirical approach was not possible here, an overview of some of the most recent studies on the subject showed that the influence of the EU on CEE democracies remained both significant and positive after accession. On the whole CEECs also continued to successfully comply with EU legislation.

Finally there is no evidence at the moment that the EU’s “democracy by integration” method of norm promotion has given birth to weak democracy. For the majority of CEECs, internal embeddedness is appears quite solid, so that the main source of weakness continues to lie in the sphere of external embeddedness.
5.2. Limitations

This study is certainly not without limitations. The most important of these is its failure to account for the post-accession impact of the EU on democratic quality in CEECs in the same way that it did for domestic variables. This hinges on the difficulty of finding a manageable variable to reflect this element. I have attempted to compensate for this by giving an overview of recent scientific efforts to evaluate the EU's impact once conditionality is removed.

One other limitation was revealed to come from the nature of QCA. Both solutions were consistent with their hypotheses and therefore valid, but corruption may turn out to be a weaker explanation for decline, due to the way it was operationalized. GINI is in a similar situation; except that, while it does not appear in the final solutions and does not therefore pose a problem, it consistently behaves in an atypical way.

The restricted scope of this thesis means that some limitations stemming from the choice of method are inevitable. Fortunately, these limitations do not translate here into solution inconsistencies. Rather, they indicate aspects that can be improved upon in future research. For instance, it is possible that using a more complex method, such as fuzzy-sets or multi-value QCA may considerably develop the solution. However, csQCA, albeit more limited, served the purpose of this thesis quite well.

Finally, the limited applicability of the solution is not in itself a limitation, but illustrates Ragin's concept of modest generalization.

5.3. Avenues for future research

I suggest that three elements appearing in this thesis merit further attention and may combine to lend empirical support to the current debate around re-conceptualizing democracy.

The first of these is the Democracy Barometer. As an instrument, it is quite new and has only been tested on 30 established democracies between 1990 and 2007.
Despite this, it has the potential to emerge as a serious competitor to Freedom House’s Democracy Score in Central and Eastern Europe. Both methodology and extensive data sources are openly available\(^{23}\) so that, for instance, a comparative study of how the two indexes perform in CEECs is feasible, albeit quite demanding.

The second aspect deals with the need to conceptualize the EU’s post-accession influence in a way that would make it more easily manageable. Sedelmeier (2008) already suggested looking into post-accession compliance with EU legislation. He proves that this is a viable measurement, but again, the volume of data necessary to compile an indicator makes it difficult to achieve this in a limited space.

The third and final aspect has to do with Dimitrova and Pridham concepts of democracy by integration and democracy by design. As already mentioned, it does not appear the authors’ explicit intention to create another typology here. Nevertheless, they recognize that democratization through the promise of integration has resulted into a unique form of democracy promotion intrinsic to EU-candidate country interactions. They ask whether, compared to democracy by design, this form may yield weaker democracies; but they do not, in the end, offer an answer.

I suggest that theoretically expanding this third element and finding ways to incorporate the first two into a single model may potentially result in one of the most complex available explanations for how and why the quality of democracy varies in Central and Eastern Europe.

\(^{23}\) See [http://www.democracybarometer.org/](http://www.democracybarometer.org/)
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The Electoral Knowledge Network: http://aceproject.org/