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Economic and Legitimacy Crisis

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A puzzle and an expectation

- Puzzle: Why has political and social stability been mostly preserved despite adverse economic circumstances? Social conflicts notwithstanding, e.g. throughout the Balkans, but also in many other countries in transition.
- Expectation: Stability cannot be sustained: 'Now there should be a series of *political ... crises*' (George Soros, NY Review, 24 March 2014). Due to rising political extremism, euroscepticism, anti-immigrant policies, ethnic conflicts throughout Europe.

What is 'crisis of legitimacy'?

- Legitimacy designates rule by consent, i.e. an implicit or explicit social compact over policies and procedures
- If the consent is weakened or lost, a legitimacy crisis may erupt (i.e. a challenge to the 'monopoly of legitimate use of power'; power: imposing the will with or without consent)

An example: Ukraine

- A discretionary change in policy – a shock to expectations as it were
- Political or social dissatisfaction – e.g. protests, strikes, public outcry
- Use of coercive means – putting legitimacy on the line
- Crisis of legitimacy with multiple outcomes

Another example: social revolts

- Sudden change in economic policy – e.g. an austerity package
- Social dissatisfaction – strikes, demonstrations, social outcry
- Test of legitimacy – multiple outcomes
- These crises fall under the general notion of tax revolts, including layoffs

Multiple outcomes

- Crisis of government
 - This applies to governments in office
 - Sources of stabilising consent – parliamentary system, early elections, coalition governments
- Crisis of democracy
 - Loss of legitimacy of a democratic regime
 - Increased authoritarianism – presidential system without checks and balances, elected dictatorships, measures of agenda control, populist institutions, controlled elections (also use of referenda)
- Balkanisation
 - Loss of legitimacy of the central government – consent by whom?
 - Constitutional adjustments (territorial and legal)

Sources of democratic stability

- Frequency of elections
 - Democracy is often judged to have stabilised if: (i) there are at least two rounds of free and fair elections, and (ii) there is at least one change in power in that period.
 - In crisis: early elections are an indicator of renewal of legitimacy
- The use of coalition governments
 - Common use of proportional representation
- The reliance on parliamentarianism
 - Preference over presidential systems
- Ideological polarisation
 - Limited, especially by historical standards (centre seems to hold), though increasing (e.g. increased nationalism)
- Anti-systemic parties
 - Gaining strength, but the costs of their policies still seem too high

Once democratic, permanently democratic

	year	demo	auto	duration		year	demo	Auto	duration
Albania	2012	9	0	15	Montenegro	2012	9	0	6
Belarus	2012	0	7	16	Poland	2012	10	0	21
Bulgaria	2012	9	0	22	Portugal	2012	10	0	36
Croatia	2012	9	0	12	Romania	2012	9	0	16
Czech Republic	2012	8	0	19	Russia	2012	5	1	12
Estonia	2012	9	0	12	Serbia	2012	9	1	6
Greece	2012	10	0	37	Slovak Republic	2012	10	0	19
Hungary	2012	10	0	22	Slovenia	2012	10	0	21
Latvia	2012	8	0	21	Spain	2012	10	0	34
Lithuania	2012	10	0	21	Turkey	2012	9	0	29
Macedonia	2012	9	0	10	Ukraine	2012	6	0	21

Source: Polity IV, auto=autocracy 1-10; demo=democracy 1-10; duration=years after regime change.

Democratic legitimacy during the crisis

Country	Early elections year	2007-2014 number	parliamentary	presidential	mixed	coalitions	dominant party
Albania	2013	1	yes			yes	
Belarus		0		yes			yes
Bulgaria	2013	1	yes			yes	
Croatia		0	yes				yes
Czech Rep.	2013	1	yes				yes
Estonia		0	yes				yes
Greece	2007, 2009, 2012	3	yes			yes	
Hungary		0	yes				yes
Latvia	2011	1	yes			yes	
Lithuania		0	yes			yes	
Macedonia	2008, 2011, 2014	3	yes				yes (2)
Montenegro	2009, 2012	2		yes			yes
Poland		0	yes			yes	
Portugal	2011	1	yes			yes	
Romania		0			yes		yes
Russia		0		yes			yes
Serbia	2014	1	yes				yes
Slovakia	2012	1	yes			yes	
Slovenia	2011	1	yes			yes	
Spain	2011	1	yes			yes	
Turkey		0	yes				yes
Ukraine	2007	1		yes		yes	

Source: National.

Markets versus territories

- Crisis of democracy more probable if there are issues of territory
- EU integration substitutes market integration for conflicts over territories – that reduces ideological polarisation

Why Russia and not Hungary?

- In Russia, democracy has not been stabilised since the beginning of transition
- In Hungary, there is a process of crisis of democracy
- Nationalistic legitimacy can be a substitute for a democratic one
- In both, authoritarianism is appealing – populist in Hungary, aggressive in Russia
- The main difference: lack of effective territorial claims in the Hungarian case – general advantage of EU integration

Why in the Balkans?

- Simmering territorial issues
- Both internal: Bosnia, Macedonia, Serbia
- and external: Serbia
- And lack of integration, especially with the EU

Ideological polarisation

- The evident rise of extreme parties has had limited effect so far because of high perceived costs of mainly protectionist policies
- Those would require exit from the EU
- EU integration is having a stabilising effect

Right and left (votes in the two last elections)

	right-wing extreme		left-wing extremism	
	previous, %	latest, %	previous, %	latest, %
Albania	2.1	3	.	.
Belarus	.	.	.	.
Bulgaria	9.4	7.3	.	.
Croatia	3.4	2.8	0	5.2
Czech Rep.	.	6.9	11.3	14.9
Estonia	.	.	.	.
Greece	0.3	7	25.3	32.8
Hungary	2.2	16.7	.	.
Latvia	7.7	13.9	.	.
Lithuania	7.3	12.7	.	.
Macedonia	.	.	.	.
Montenegro	.	.	.	.
Poland	.	.	.	.
Portugal	.	.	7.9	7.9
Romania	.	.	.	.
Russia	8.1	11.7	11.6	19.2
Slovakia	5.1	4.6	.	.
Serbia	.	.	.	.
Slovenia	5.4	1.8	.	.
Spain	.	.	3.8	6.9
Turkey	14.3	13	.	.
Ukraine	0.8	10.4	5.4	13.2

	right-wing extreme		left-wing extremism	
	previous, %	latest, %	previous, %	latest, %
Austria	28.2	29.7	.	.
Belguim	12	7.8	.	.
Danmark	13.9	12.3	2.2	6.7
Finland	4.1	19	.	.
France	4.3	13.6	4.3	6.9
Germany	.	4.7	.	.
Italy	.	.	.	.
Netherlands	15.5	10.1	.	.
Sweden	2.9	5.7	.	.

EU shallow legitimacy

- Stability depends on the sustainability of the European Union
- Legitimacy of the EU is, however, problematic
- If the perceived costs of EU integration increase, widespread legitimacy crisis across member states and candidate countries is conceivable

Sustainability may be problematic

- 'We have to understand, however, that we are now witnessing the end of the best quarter century of Polish history in the last four centuries. A time of tectonic shocks has begun.' Adam Michnik, The New Republic, 20 March 2014.

Conclusions

- Democracy has proved to be sustainable in most CESEE countries
- Democratic legitimacy seems mostly sustained
- Some revival or stabilisation of authoritarianism with perhaps more to come
- Regime crises and changes exceptional (Russia, Ukraine, Serbia) so far
- Balkanisation possible and not only in the Balkans
- EU integration crucial (keeping territorial issues off the table), but legitimacy shaky