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Explaining Post-Communist Founding Elections Results through Initial State Capacity

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While a consensus is emerging about the importance of state building and state capacity for democratization in both post-communist and developing countries, comparatively few explicit attempts have been made to provide empirical support for the relationship between the two concepts. Even more problematic is to find an explicit causal mechanism linking high state capacity with democracy. State capacity can be understood as the capability of the state to penetrate society, regulate social relations, extract resources, and appropriate or use resources in determined ways. In other words, strong states have high capabilities to complete these tasks, while weak states struggle to compete with private actors over extraction and appropriation of resources. But what makes strong states more likely to be democratic and, in turn, weak states less likely to be democratic? This article explores whether or not state capacity correlates with the outcomes of founding elections, that is, the first open elections in post-communist countries. In other words, do voters in states with higher initial capacity also tend to “throw the communist rascals out” in the founding elections?

Keywords: *state capacity; founding elections; democracy; post-communist*

The links between a strong state and democratic institutions have been emphasized by many scholars.¹ Linz and Stepan, for example, argue that an effective state is essential to support the other building blocks of democratic consolidation (civil, political, economic, and the rule of law).² For democracy to flourish, the state must possess the means necessary to maintain the rule of law, to protect the rights of citizens, and to regulate economic transactions. But what is the mechanism by which this dynamic operates? Using the case of former communist countries, the hypothesis developed in this article links levels of state capacity with the results of founding elections: rejection of the past was less likely in states which were least efficient in providing public goods.

The literature generally assigns considerable importance to founding elections. Not only are first democratic elections used as time markers of change, the outcomes

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of such elections have also been theorized as setting the tone for the transition path followed in post-communist countries. Among others, Steven Fish demonstrated that the results of the first democratic elections empowered governments which then set the course for economic policy change. Valerie Bunce also emphasized the significance of a clear victory for the “opposition” over the old regime forces. Only in such scenarios—where opposition forces obtain a clear victory—would democratization and transition to capitalism come together, as a package.³ By contrast, where communists emerged victorious, economic transition would be rejected. In the many cases in between the two extremes, where neither side wins a clear victory, regimes would not necessarily pursue a dual approach of adopting both democratization and economic liberalization.

Given the importance of founding elections for democratic and economic developments, this article examines the empirical evidence for some of their determinants. The hypothesis I defend is that there exists a strong relationship between the administrative capacity of the state upon reaching independence and the rejection of the communist past, operationalized through popular support for communist successor parties in the first free post-communist elections. The rationale behind this choice is simple: successor communist parties were the most visible manifestations of continuity with the authoritarian past. The present article uses statistical modeling to evaluate how well this hypothesis reflects the reality of post-communist transformations and proceeds in two steps. In a first step, I look at twenty-six post-communist countries to demonstrate that initial state capacity scores are crucial explanatory factors of why certain countries held founding elections and some others did not. In the second step, I examine the sixteen countries in which founding elections took place to demonstrate that initial state capacity scores are also linked to the success of communist successor parties in these contests. I propose two explanations for this finding. Firstly, the emergence of an autonomous civil society and of political parties was constrained in environments in which the state administration was inefficient and corruption rife. In environments of state capture such as these, which are devoid of a vocal opposition, entrenched former communist elites were more likely to thrive since they were able to use their position to gain electoral advantages, for instance by using the resources of the state to buy support.

Rejecting the Communist Past, or Not

Considering citizens’ newfound capacity to hold officials accountable in free and fair elections, it might have seemed reasonable to expect support for the party responsible for the maintenance of an authoritarian and unpopular regime to be low across the board in the first post-communist elections. Some commentators even believed that communist parties would simply disappear as the arena for competition

opened up. Yet in reality, most communist parties not only survived, but also garnered sizeable electoral success in the first free and fair elections held after the collapse of state communism. Support for communist successor parties varied from 0.66 percent in Latvia (where the official party had been banned) to 56.2 percent in Albania. Despite previous experience with democracy and the existence of political parties in Eastern Central Europe (ECE) prior to the establishment of communism, most political parties predating the communist period failed to achieve significant success with the restoration of free electoral competition. For example, the Hungarian founding elections held in March 1990 were dominated by new political parties formed in the late 1980s, not by the pre-communist entities. This has led observers to question the continuity of party systems.⁴ Hence, preexisting political parties cannot provide a sufficient explanation for the different success rates of communist successor parties in most cases. What then accounts for such large differences in patterns of rejection of the communist past?

The interpretation of electoral success I propose in this article is mainly externalist. Given the very short time span between the collapse of authoritarian regimes and the holding of founding elections in most post-communist countries, early success is not only linked to the quality of party organization, but more immediately to the capacity of the state to perform its crucial role as a provider of public goods at the outset of the transition. Modern states must be able to provide essential public goods for the smooth functioning of society. At the very least, basic public goods involve guaranteeing territorial integrity, safeguarding physical and material security, mobilizing public savings, coordinating resource allocation, and providing the conditions for effective citizenship.⁵ Many former Soviet Union (FSU) countries gained independence without the infrastructural capacities to perform these tasks as successfully as other more established states. In comparison, ECE countries already had much more experience of statehood. In this article, I argue that these differences matter in patterns of founding elections because inefficient public good provision constrains competition and creates an environment in which captor parties are in a better position to exploit state resources to stay in power.

In the cases at hand, the fall of ruling communist parties, the collapse of the Soviet Union and Yugoslavia, signaled an opening in the political arena to new players. A plethora of political parties, often representing particular interests, responded to this opportunity. Between fifty and two hundred political parties initially appeared in most countries whose political scene was at least partly free. However, with this proliferation of options and a lack of examples from the near past to rely on, the transitional period between the fall of communist regimes and the first democratic elections presented a special case of party competition. In this situation voters had only very inchoate ideas about each party's viability or their ideological placement. The transitional partisan environment was characterized by weak or non-existent partisan attachment, but also by very fragmented competition along several salient dimensions, with a public highly distrustful of political parties.⁶ In fact, the

opposing forces taking part in the first democratic elections each generally concentrated around one of two clusters. These consisted of the former communist parties, on the one hand, and umbrella groups around which many smaller anticommunist groups coalesced, on the other. These latter were not political parties in the classical sense of the term.⁷ In this setting, communist successor parties were the most recognizable political formations in a sea of new parties. Former party elites also enjoyed high public recognition as well as important levels of political experience and organizational skills.

Di Palma argues that democratic transitions are more likely to be orderly and peaceful when the democratic opposition respects state institutions and considers them able to service democracy.⁸ However, what happens when the state is failing, or inefficient in its allocation and delivery of public goods? The twin challenge of establishing democracy and organizing the state on a new basis of legitimacy was unquestionably a mammoth task for interim governments. The issue of state legitimacy posed an additional challenge during the transition process for the new states emerging from the Soviet Union and Yugoslavia. The employment of old-regime legality to build democratic institutions was not evident in all cases. The independent countries that surfaced after the collapse of the Soviet Union were not completely new entities, and most of them sported the institutions, bureaucracy and staff left behind by the previous regime.

The capacity of each state at the time of transition is therefore a direct legacy of the previous regime and thus a particularly important factor in understanding regime outcomes. Once the USSR fell apart, the concentration of formal governing institutions in Moscow, in the shape of All-Union ministries and Union-republican ministries, meant that republics that had never been independent before needed to fill a large institutional vacuum in a short period of time. ECE countries only needed to reform their existing state institutions, and Baltic states were at least able to draw on their pre-war democratic experience. Adding to these challenges, the disappearance of the Communist Party of the Soviet Union (CPSU), the main institution of oversight at all levels of government, also left an institutional void that needed to be filled. However, even the capacities of the successor states—founding members of the USSR—that emerged from seven decades of Soviet rule varied enormously. This diversity of capacity was likewise reflected in the challenges new (or incumbent) rulers faced in imposing state authority on the new sovereign territories. Consequently former communist states did not commence their transition to democracy or new found independence from the same starting point: ECE and Baltic States were considerably advantaged in infrastructural capacity in relation to their Soviet counterparts.⁹ In those cases where the state's legal structures were weak or nonexistent during the transition, incumbents were in a better position to utilize state assets to further their own political positions and hinder the rise of competition.

We already know that communist parties which stayed close to power, or managed the transition, had both formal and informal advantages over their opponents. They were able to influence the rules of the new game in interim governments and to use their access to state resources to either gather support or undermine the competition.¹⁰ The necessary condition for the exit of communist parties was the rise of competing political parties capable of providing a credible alternative. This could only happen where formal political institutions—which influence political opportunity structures—were open to a certain degree.¹¹ Is it the case that, in former communist countries, a climate associated with a weaker state where collective goods are not adequately provided and the administration is subject to high levels of corruption makes it more difficult for the opposition to mobilize to overthrow a country's former rulers? My contention here is that robust opposition was more likely to arise in an environment of efficient public good provision in which elites faced more constraints in extracting state assets to finance their hold on power. By contrast, environments of inefficient public good provision breed corruption and state capture, which in turn generally constrain competition. As in a market environment where captor firms use their connections with public officials to enact barriers to thwart the rise of competitors and burden them with regulations, captor political parties have had a vested interest in keeping the state weak. This enables these parties to continue extracting rents and to restrain competing parties from accessing these advantages. Therefore, it is not only a question of who governs during the interim period, communists or opposition, that is crucial to the outcome of regime transition, but also with what kind of institutional capacity these governments were operating.

As demonstrated by Anna Grzymala-Busse in her analysis of post-communist state reconstruction, opportunistic behavior by ruling parties tends to be curbed in the presence of robust political opposition. This is similar to Hellman, Jones and Kaufmann's finding that levels of state capture can be kept in check by sufficiently developed civil societies.¹² Given the twin process of privatization and retrenchment of the state from many sectors of the economy in countries where state regulation was inefficient in the early transition, the state elites who benefited from the early stages of economic change also thwarted the rise of political institutions, such as political parties, that might have jeopardized their earnings by making them accountable.¹³ Unchecked governing coalitions have tended to engage in more resource exploitation, clientelistic and rent seeking behavior. As a result, ruling parties in less competitive settings had a better hand in fashioning state institutions that facilitated such predatory behavior by thwarting the development of formal institutions of monitoring and oversight. To that effect, the remaining proof might lie in cases where the transition period did not lead to a democratic regime, where no institutionalized procedures for power transition existed, and where personal ties remained dominant throughout the transitional period and subsequently, even if elections were held. The following analyses will attempt to support these propositions empirically.

Case and Variable Selection

The role of the first free and fair elections after an authoritarian episode is often considered to be the official step through which a democratic regime is established. However in reality, this time marker is often not definite. The democratic transition phase begins earlier—with the fall of the authoritarian regime. Between authoritarian regime collapse and the first legislative elections, an interim government—often composed of the old rulers and their opposition—negotiates the rules by which the next government will be selected. We can differentiate between types of transitional governments by the potency of the opposition facing communist parties upon the collapse of the communist regimes in ECE, or the breakup of the Soviet and Yugoslav states. The rules of the game are established through a series of round tables in which competing parties are allowed to group and agree on the procedures.¹⁴ In this understanding, a founding election is a popular ratification of this essentially elite-based pact. Yet even then, transition to democracy is rarely completed after the first elections. The subsequent process depends largely on constitution making, power distribution between the executive and legislative, electoral laws, and so on.

In most cases in ECE, first elections were an affirmation of a democratic transition toward consolidation. The Czech and Slovak republics, Hungary, Estonia, Latvia, Lithuania, Bulgaria, and Slovenia, are unequivocal demonstrations of this kind of clearer transition. Other cases are less straightforward and, to complicate matters further, not all first post-authoritarian elections held in post-communist countries were founding elections. In some circumstances, the elections that are considered “founding” were the second elections after the authoritarian spell. As cases in point, Poland and Romania both held elections in 1989 and 1990, although the elections of 1991 and 1992, respectively, were the first free and fair democratic exercises, and generally considered to be the “founding” ones. But there are more contentious cases, namely Croatia, Albania, Moldova, Russia, the Former Yugoslav Republic of Macedonia (FYROM) and Ukraine, where either the steps to democracy were more progressive or were even reversed later on. Romania, for instance, whose first post-authoritarian elections were probably fair, but not free, was still able to consolidate democracy upon the following elections. On occasion, what we face is more akin to electoral sequences rather than a clear instance of founding elections, such as in the case of Poland. What to do with a case such as the Ukraine whose transition to democracy extended over a longer period? Which elections are most “foundational” in such a protracted transition? Given that the fairness of elections is a relative concept, it becomes difficult to impose a strict empirical cutoff. As it may take some time to consolidate democracy, how do we recognize founding elections and can we revoke the concept after noticing a regime reversal some years later, as was the case in Russia?

O'Donnell and Schmitter consider the first free and fair elections following an episode of authoritarianism to be founding elections.¹⁵ However in practice, the

qualifications of “free” and “fair” are rarely absolutes but vary in degree. For instance, under a climate of electoral authoritarianism, elections that are broadly inclusive, and somewhat pluralistic and competitive are held regularly to confer legitimacy to a regime.¹⁶ What is more, it is difficult to truly assess the concept of fairness since it requires observation well before the election date and is difficult to measure with certainty in borderline cases which likely constitute the majority of occurrences in the case of post-communist countries. Keeping these caveats in mind, the empirical cutoff I selected is a Freedom House rating of at least 3 in 2006, which indicates a significant movement towards democracy, and hence presupposes the holding of relatively free and fair elections.¹⁷ Because of the nondiscreet aspect of this phenomenon, I also chose to look at a larger variety of cases, namely Russia and Moldova, where competitive elections are held although their regime is not fully democratic. I will carefully evaluate whether their inclusion significantly affects results where relevant.

At this point, it is important to mention that this article only focuses on the first free and fair elections. There are two reasons for this decision. First, since political parties have not had enough time to adapt and change the constitution of old elites in their ranks, or refit their image to be responsive in a situation where voters have a genuine choice, they still represent the most obvious element of continuity with the past in the electoral arena. Second, I also only include the first (founding elections) for theoretical reasons, given that it was already convincingly demonstrated that the political success of successor parties in the following elections is not necessarily linked to communist nostalgia or anti-democratic attitudes in the electorate, but to organizational developments post-transition.¹⁸

A. Dependent Variable: Rejection of the Past in Founding Elections

In the present article, I operationalize the concept of rejection of the communist past using the voting pattern of the first free and fair post-authoritarian elections. The rationale is based on the following assertion: “In a new regime, competition for political support is not so much competition between political parties as it is between democratic and undemocratic systems.”¹⁹ These first elections provided the arena in which the forces of the old and the new regimes faced one another.²⁰ In the case at hand, I will consider the percentage of votes for the communist successor party, rather than the percentage of seats they obtained since the different countries under study displayed, and continue to display, different sets of electoral rules and hence, different levels of proportionality. Table 1 presents founding elections results for fourteen post-communist countries between 1990 and 1994. These elections can be considered “founding” as they were the first relatively free and fair post-authoritarian elections (in newly independent countries where applicable). What transpires from Table 1 is that the support for communist successor parties in these early elections

Table 1
Distribution of Vote for Communist Successor Parties in Founding Elections

Country	Founding Elections	Percentage Vote for Communist Successor Party	Effective Number of Parties (at Founding Election)	Name of Party
1 Latvia	6/5/1993	0.66	5.05	LSSP—Latvian Social Democratic Workers Party
2 Estonia	9/20/1992	1.50	5.90	EDWP—Estonian Democratic Workers' Party
3 Croatia	8/2/1992	5.53	2.49	Social Democratic Party
4 Hungary	3/25/1990	10.89	3.80	MSzP—Hungarian Socialist Party
5 Poland	10/27/1991	11.99	10.86	Democratic Left Alliance
6 Ukraine	3/24/1994	12.72	19.23	KPU—Communist Party of the Ukraine
7 Czech Republic	6/8/1990	13.48	2.26	KSCM—Communist Party of Czechoslovakia
8 Slovenia	12/6/1992	13.58	6.59	ZLSD—Associated List of Social Democrats
9 Slovakia	6/8/1990	13.81	4.98	KSCM—Communist Party of Czechoslovakia
10 Romania	09/27/1992	27.72/10.19	4.79	FDSN—Democratic National Salvation Front/ FSN—National Salvation Front
11 Lithuania	10/25/1992	43.98	5.05	LDDP—Democratic Labor Party of Lithuania
12 Bulgaria	6/10/1990	47.50	2.43	BSP—Bulgarian Socialist Party
13 Macedonia	10/30/1994	48.33	3.28	SDSM—Social Democratic Union of Macedonia
14 Albania	4/7/1991	56.20	1.81	AWP—Albanian Worker's Party

varies from practically none where the parties were banned and voting was based on exclusionary citizenship definitions (Estonia and Latvia) to very large in Bulgaria, Romania, Albania, and Lithuania.

B. Main Independent Variable: State Capacity

The way in which I propose to capture the concept of state capacity is to measure the quality of the provision of collective goods in each country.²¹ Some of the difficulty associated with this approach lies in finding not only measurable and comparable instances of public-goods delivery, but also relevant data documenting their existence and performance in the early years of transition. The index is based on the aggregation of five indicators: the ratio of tax revenue to GDP in order to illustrate state taxing capacity, progress in infrastructure reform (European Bank for Reconstruction and Development), levels of corruption (Heritage Foundation), the

quality of property rights protection (Heritage Foundation), and the ratio of contract intensive money. These are public goods that even a minimally redistributive state should be able to provide. To make the final index, all indicators were standardized, and combined as a single measure. Factor and correlation analyses reveal that the association among the items is strong and that they measure a similar latent construct.²²

C. Control Variables and Rival Hypotheses

To control the way in which initial levels of state capacity influenced the electoral performance of communist successor parties, additional variables are included to measure the effect of party systems, the timing of founding elections during the transition, the level of power concentration in the executive branch, the incidence of economic crisis, and openness of economies the incidence of economic crisis, and openness of economies.

The *Effective Number of parties (ENP)* is set to capture the dynamics of party systems as well as to serve as a control for electoral rules given that party system size is related to district magnitude.²³ While ENP is an outcome variable of the elections, I include this control to capture the dynamics of the rules governing the first elections. Following Barbara's Geddes's assumption that "those who make institutional changes pursue their own individual interests above all else and their interests center on furthering their political careers," we can expect former communist party elites to seek to maximize their performance in a competitive electoral setting through institutions that would benefit a large political party.²⁴ Proportional representation (PR) tends to promote parliaments with more political parties than single majority methods (SM). This item is a necessary control to assess the relative electoral performance of successor parties. The final measure used in the analyses was calculated using the formula developed by Laakso and Taagepera, $N = 1/\sum S_i^2$, where S_i is the percentage of seats obtained by each party.²⁵

Timing of founding elections. One of the main questions in the transition literature has revolved around the timing of first elections, whether holding speedy elections after authoritarian breakdown is a desirable option or not. On the one hand, Di Palma has advocated swift elections to "curb the chaos," while Samuel Huntington has warned against the holding of swift elections in certain categories of countries, for instance where the dominant culture is not compatible with liberal democracy.²⁶ Interim governments set the date for the holding of such elections. Previous attempts were made to rank the strength of post-communist civil societies and the timing of first elections. Since timing is understood to have an effect on the fractionalization of party systems as well as the likelihood for democratic consolidation, this control becomes essential for two reasons. First, given that the negotiating power of communists in favor of certain institutions was most potent in the early moments of

the transition, we should expect the holding of early first elections to yield more communist support.²⁷ Another reason for associating early elections with better communist successor party electoral performance is that the short period of time could be hypothesized to militate against public mobilization towards newly formed parties. For this variable, I use a simple calculation of days elapsed between the official fall of the authoritarian regime (or independence in the former Soviet and Yugoslav cases) and the date of the first legislative elections, ranging from 116 in Albania to 1,161 in the FYROM.

Executive dominance. A measure of the strength of executives is also included to control for the effects presidents have on party systems and electoral results. I use Polity IV based on the works of Ted Robert Gurr.²⁸ Polity IV provides a measure called “constraints on chief executive” with a scale ranging from 1 through 7, where 7 is executive parity or subordination. This control seems appropriate given that the effects of presidentialism (or weak legislatures) on party systems is vastly documented, more precisely Scott Mainwaring’s conjecture that strong executives reduce the incentive for forming large parties.²⁹ In the case at hand, I hypothesize that the presence of a strong executive would work to favour successor communist parties (given their large size) by hindering the formation of other large political parties to challenge it.

Economic crisis (inflation). One of the most important determinants of voting behavior in advanced industrial economies is related to a country’s macroeconomic performance. Existing studies use either the rate of unemployment or the rate of inflation to capture the impact of economic crises on voting behavior. Owing to data availability and item reliability the following models include inflation rates as a percentage change in consumer price indices (CPI) rather than unemployment rates. Unemployment rates for the early 1990s are not available for all the cases included in this study. Moreover, unemployment rates are said to be less reliable as a measurement of economic crisis for less developed countries because they often do not show the recurrent high levels of structural unemployment.³⁰ Inflation rates can be calculated for the trimester preceding the founding elections using the International Monetary Fund’s *International Financial Statistics*. I hypothesize that substantial inflation immediately prior to the elections could serve to boost support for successor parties: the public could link economic hardships directly or indirectly to the process of democratization and become disenchanted with the political figures associated with the transition and hence, be tempted turn to their former leaders.

Economic liberalization. Last, I include a measure of economic liberalization in the models to control for the link between liberalization and democratization. The analyses performed in the following section utilize the EBRD Price Liberalization Index. Related to the argument developed above, many studies have documented

Table 2
Predicted Probability of Founding Election by Level of State Capacity at $T = 0$
(Estimated from a Logistic Model)

State Capacity (Percentile)	Predicted Probability		
	No Founding Elections	Founding Elections	Difference
10	.88	.12	.76
20	.77	.13	.64
30	.71	.29	.42
40	.57	.43	.14
50	.44	.55	-.11
60	.17	.83	-.66
70	.11	.89	-.78
80	.10	.90	-.80
90	.04	.96	-.92

Predicted probabilities obtained with CLARIFY in STATA (Gary King, Michael Tomz, and Jason Wittenberg, "Marking Most of Statistical Analyses: Improving Interpretation and Presentation," *American Journal of Political Science* 44:2 (2000): 347-61.

that drastic neoliberal reforms introduced early in the transition led to hardships for people, consequently producing some discontentment with democratic opposition, at least in the shorter term.³¹ The end item included in the analyses is a difference between the starting score of the degree of economic liberalization (first year of independence and/or collapse of communist regime) and the score at the time of the founding elections, as published by the EBRD.³²

Analyses

Do initial levels of state capacity have an influence over the holding of founding elections? The first step to determine the importance of initial levels of state capacity was to perform a bivariate logistic regression, estimating the likelihood of holding founding elections (binary variable) given initial state capacity levels, using twenty-six post-communist countries.³³ Despite limited sample size for performing this kind of estimation, evidence from the logistic regression (not shown) suggests that initial levels of state capacity have a large impact on the odds of experiencing founding elections to democracy. In particular, the odds of experiencing founding elections increase by about 4.5 times with each standard deviation increase in state capacity at $t = 0$. To further illustrate this relationship in more substantive terms, Table 2 presents a selection of predicted probabilities based on a binary logistic regression, at several values of initial state capacity scores. Although these figures should be interpreted conservatively given the estimated nature of the variable depicting state capacity, as well as the small number of cases, the predicted probability of

Table 3
Ordinary Least Squares (OLS) Regression (Robust) of the Effects of State Capacity at $T = 0$ on Founding Elections Results

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	β (SE)	β (SE)	β (SE)	β (SE)	β (SE)	β (SE)
Performance of Communist Successor Party						
State Capacity at $t=0$	-16.99*** (3.59)	-20.76*** (2.40)	-14.95*** (5.37)	-15.94* (8.90)	-11.65*** (6.64)	-15.70*** (3.81)
Effective number of parties	-1.87*** (0.51)	-1.79*** (0.41)	-1.43** (0.67)	-1.48** (0.38)	-1.71*** (0.57)	-0.98*** (0.38)
Time elapsed to elections			-0.01 (0.01)			
Strength of executive (at founding election [FE])				1.53 (4.33)		
Economic crisis (semester preceding FE)					0.01 (0.01)	
Δ price liberalization (FE $\Delta t = 0$)						-7.80** (3.36)
Constant	33.18***	34.66***	35.78***	25.13	30.92***	36.23***
R^2	.57	.67	.46	.47	.48	.56
Adjusted R^2	.51	.61	.32	.32	.35	.45
Prob > F	.00	.00	.05	.05	.04	.02
N	16	14	16	16	16	16

Cells contain unstandardized OLS regression coefficients, with robust standard errors in brackets.

*Significant at the .1 level. **Significant at the .05 level. ***Significant at the .01 level.

experiencing founding elections is consistently tipped in favor of higher scores. Furthermore, the effects of state capacity on the probability of experiencing founding elections seem to be linear, with the likelihood of first elections becoming higher with rises in state capacity scores.

Let us now turn to the second set of hypotheses, using the subgroup of countries which have experienced free and fair elections. Depending on the definition used, this group can either contain sixteen or fourteen states. Russia and Moldova are borderline cases that will be considered separately where appropriate.³⁴ Do levels of state capacity have an influence over the electoral success of communist successor parties in founding elections? Table 3, which contains six regression models using a series of different independent variables, presents convincing evidence in favor of this hypothesis. In the six models estimated using different independent variables as controls, the parameter estimate depicting infrastructural state capacity at the first

year of independence remains statistically significant, no matter what controls are included. Overall, for every unit of increase in state capacity at $t = 0$, there is a decline in the electoral performance of communist successor parties in founding elections.

An important finding concerns the inclusiveness of the definition of founding elections chosen, whether a strict or loose definition is more advisable. The results presented in Table 3 indicate that the removal of Russia and Moldova, in model 2 does not substantially affect the significance of parameter estimates. Therefore, these results clearly demonstrate that successor communist parties consistently registered their best electoral performances in settings where the state was least efficient in collecting taxes and protecting private property, and where corruption levels and ratios of cash transactions were highest, even when several other factors are controlled for, no matter which cases are included in the analyses.³⁵

The second interesting finding displayed in Table 3 concerns the effective numbers of political parties that emerged in founding elections. All other factors remaining constant, every unit increase in effective number of parties is associated with a decrease in electoral performance of communist successor parties. This result is not surprising given that larger majorities are more difficult to obtain in multiparty settings, often due to the use of PR—but also that when faced with more options in a proportional system of representation, individuals were less likely to cast a vote for communist successor parties. Since the effective number of parties is a consequence of institutional features such as the chosen electoral formula, thresholds, and district magnitude, the significance of this variable also points to the importance of institutional choice in explaining founding elections results.

Thus, knowing which parties selected the electoral system is one important key to the puzzle: the communists, the democratic opposition, or a compromise of the two factions, led to the adoption of rules that would facilitate the victory of the strongest faction. The Polish MDRP, and the Hungarian MSzP exited power during the transition and had little bearing on electoral rule making, which explains in part their feeble performance in the first elections. In Czechoslovakia, following the communist successor party's loss of power, the electoral laws (proportional representation) were imposed almost entirely by the opposition resulting in poor performance of the KSCM.³⁶ By contrast, in Romania, Albania, and to a lesser degree Bulgaria, communists were influential partners in caretaker governments and also managed to obtain strong electoral performance in the first democratic elections, despite popular resentment, due to built-in advantages in the electoral rules. In Bulgaria the communists (BSP) had to reach a compromise with the opposition for a mixed system, hoping that the seats distributed under the majoritarian method would be easier to capture. These rules were changed after the first elections for a more proportional set of rules using a 4 percent threshold.³⁷

Surprisingly, the Polity IV index of presidential powers does not achieve statistical significance in either subgroup of countries. All other factors held constant, a unit increase in presidential prerogatives is only associated with an increase in the

electoral performance of communist successor parties in the founding elections when both Moldova and Latvia, two influential outliers, are pulled from the analysis. Echoing previous research arguing that powerful presidencies had been detrimental to the rise of political parties in Russia, we could have hypothesized that the presence of a strong president, either elected before the legislative elections, or stemming from the former communist constitution, would benefit communist successor parties in founding elections, but this hypothesis is only weakly substantiated by the results presented in Table 3.³⁸ According to Ishiyama, the concentration of authority in a single office imparts more importance to the personality of the individual holding the office and makes it more difficult for political parties to develop coherent programs.³⁹ Although factors such as these may have favored communist successor parties where a president was already in position before the founding elections, the evidence in favor of this proposition is too weak to allow for generalization.

In spite of abundant theorizing linking timing of founding elections and some features of party systems (such as fractionalization), the results contained in Table 3 indicate that the period of time elapsed between the official fall of the authoritarian regime and the holding of first elections did not have an impact on the performance of communist successor parties no matter which countries or variables are included in the model. This finding is relatively counterintuitive since it could have been hypothesized that early elections would benefit successor parties whose infrastructure at the local level was the most organized, allowing only limited time for rival parties to emerge and be competitive on the national scene.

Another surprising finding from Table 3 is the lack of association between some of the economic variables thought to affect popular sentiments towards incumbent political parties. These economic variables include economic crisis operationalized through levels of inflation in the semester prior to the legislative elections. This is not found to be statistically significant. Despite this surprising finding, the difference in price liberalization (between $t = 0$ and the first elections) has a statistically significant impact on the performance of communist successor parties, albeit not in the direction expected. In the case at hand, a unit increase in difference between starting point and the score in the year of the founding elections has a negative impact on communist successor party electoral performance. All former communist economies, except Belarus and Uzbekistan, underwent serious contractions in the early 1990s coupled with massive inflation, translating into heavy losses in real revenue and hardships for citizens across the region. Although citizenry in the heaviest hit countries where shock therapy was employed might have turned against proponents of economic liberalization, our analyses present little evidence in favor of this scenario, at least at the macro level. Even when pulling other controls from the analyses, no matter which country sub-group is employed, the level of inflation preceding the elections appears not to have a statistically significant effect on the performance of communist successor parties in founding elections, while the difference in price liberalization has a robust negative impact on the dependent variable.⁴⁰ Based

on these variables the level of economic voting driven by hardship in founding elections seems to be less important than hypothesized. Nonetheless, individual-level surveys with personal retrospective economic evaluations to truly estimate economic effects on voting behavior in these elections would be needed to rule out this hypothesis. National aggregate figures might not accurately reflect the subtleties of individuals' perceived situations, and high aggregation might cover up more than we think in societies in which incomes are highly disproportionally distributed.

Discussion and Conclusions

Taken together these results reveal that low levels of state capacity in early transition contexts were not conducive to the holding of free and fair elections in former communist countries. Furthermore, among countries in which founding elections were held, levels of state capacity were also strongly associated with the success of successor communist parties. States that were less dependable providers of public goods were also those in which successor communist parties registered their best electoral performances. There are two reasons for this finding. First, the rise of an independent and active civil society could be impaired in environments of inefficient public good provision. As illustrated by Richard Rose, in settings where the government failed to accomplish basic tasks of statehood, citizens were more likely to exhibit what he called anti-modern attitudes: high levels of distrust towards one another and towards institutions in general, including political parties, but also a propensity to use alternative networks or to resort to bribery to "get things done." To illustrate this, Rose further noted that, mirroring the expectations of citizens that the system will or will not deliver what they are entitled to in the late 1990s, former Soviet citizens were several times more likely than Czechs, for example, to turn to anti-modern behavior and bribery to obtain goods and services they needed.⁴¹ The results from the present article expand on these findings. The strength of veto players that emerged after the collapse of communist regimes was a function of the strength and vibrancy of civil society. Successor communist parties performed poorly in elections where an opposition appeared that was robust enough to take part in the new rule-making, and where political parties capable of gaining electoral support emerged and competed in a free arena. At the other end of the spectrum, in the countries where the communist parties' informal ties were deep enough to undermine the state (measured through low state capacity scores) the elections that were held did not lead to the installation of democratic regimes.

Second, the results presented in this article cast a shadow on the notion of "founding elections" as an absolute concept that can be used reliably as a time marker between regime types. Results point more to a range in the concept of freedom and fairness of these nonetheless important elections. In reality, there were variations in the realm of fairness leading to strong electoral performances by communist

successor parties in spite of widespread popular resentment in countries where the state institutions were least efficient. In these cases, officials could use state resources for personal and political gains, but could also push in favor of electoral institutions that would maximize their power and access to assets. The use of state controlled media, tax audits, and police forces to monitor and harass opponents, all contribute to lessen the quality of electoral competition. What these findings ultimately suggest is that the amount of state capture and the depth of patronage networks preceding the transition seemed to have shaped the first post-communist electoral races more than the literature seems to allow for. Given the importance that founding elections have for the development of party systems in new democracies,⁴² but also of subsequent institution building,⁴³ the findings presented here underline the need to undertake further work on identifying factors that either favored or impeded a swift rejection of the authoritarian past in post-communist countries.

Notes

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2. Linz and Stepan, *Problems of Democratic Transition and Consolidation*.
3. Valerie Bunce, "Rethinking Recent Democratization: Lessons from the Post-Communist Experience," *World Politics* 55 (2003): 167–92; and Steven M. Fish, "The Determinants of Economic Reform in the Post-Communist World," *East European Politics and Societies* 12 (1998): 33–77.
4. András Körösnay, "Revival of the Past or New Beginning? The Nature of Post-Communist Politics," *Political Quarterly* 62:1 (2005): 52–74. Together, the new political parties (HDF, AFD, FYD) gained over 50 percent of the votes. By contrast, the pre-communist historical political parties (SHP, CDP, SDP) gained closed to 22 percent of the vote.
5. Przeworski, *Sustainable Democracy*, 12, 110.
6. Barbara Geddes, "A Comparative Perspective on the Leninist Legacy in Eastern Europe," *Comparative Political Studies* 28:2 (1995): 239–74; Richard Rose, "Beware the Opinion Polls—There Are Too Many Parties to Pick One Winner," *Transitions* 22 (1995): 6–13; and Richard Rose, *Understanding Post-Communist Transformation. A Bottom Up Approach* (London: Routledge, 2009).
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9. Jessica Fortin, "A Tool to Evaluate State Capacity in Post-Communist Countries, 1989–2006," *European Journal of Political Research* 49:5 (2010): 654–86.
10. Fish, "The Determinants of Economic Reform in the Post-Communist World."
11. Sidney Tarrow, "Struggle, Politics, and Reform: Collective Action, Social Movements, and Cycles of Protest," Western Societies Occasional Paper No. 21 (Ithaca, NY: Center for International Studies, Cornell University, 1991).
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14. Vernon Bogdanor, "Founding Elections and Regime Change," *Electoral Studies* 9:4 (1990): 288–294.
15. Guillermo O'Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore, MD: John Hopkins University Press, 1986).
16. Andreas Schedler, "The Logic of Electoral Authoritarianism," in *Electoral Authoritarianism. The Dynamics of Unfree Competition*, ed. A. Schedler (Boulder, CO: Lynne Reiner, 2006).
17. With this cutoff, we are left with fourteen cases: Albania, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, the FYROM, Poland, Romania, Slovakia, Slovenia, and Ukraine.
18. John T. Ishiyama, "Party Organization and the Political Success of the Communist Successor Parties," *Social Science Quarterly* 82:4 (2001): 844–64.
19. Rose, *Understanding Post-Communist Transformation*, 164.
20. Bogdanor, "Founding Elections and Regime Change"; O'Dwyer, *Runaway State-Building*; and Gordon White, "Democratizing Eastern Europe: The Elections of 1990," *Electoral Studies* 9:4 (1990): 277–87.
21. Fortin, "A Tool to Evaluate State Capacity in Post-Communist Countries, 1989–2006."
22. Ibid. Despite being high in validity and reliability, this index suffers from an important weakness: missing data in the early years of transition. To make up for such a lacunae, some of the missing cases (for tax revenue and contract intensive money) were imputed using *Amelia II*, a multiple imputation program developed by King et al., the best option available to produce plausible and unbiased results. Gary King, James Honaker, Anne Joseph, and Kenneth Scheve, "Analyzing Incomplete Political Science

Data: An Alternative Algorithm for Multiple Imputation," *American Political Science Review* 95:1 (2001): 49–69; and Paul D. Allison, "Multiple Imputation for Missing Data: A Cautionary Tale," *Sociological Methods and Research* 28:3 (2000): 301–9. In the case of corruption and private property protection, a conservative data interpolation technique where starting values are closely associated with the first year of actual data coverage by Heritage Foundation (in most cases around 1995) was adopted. The final index of state capacity used in this article therefore contains both actual measurements and estimated measurements of individual indicators and should be handled and interpreted with a measure of prudence.

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24. Geddes, "A Comparative Perspective on the Leninist Legacy in Eastern Europe," 241.

25. Markku Laasko and Rein Taagepera, "Effective Number of Parties: A Measure with Application to West Europe," *Comparative Political Studies* 3 (1979): 3–27.

26. Di Palma, *To Craft Democracies*; and Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).

27. Geddes, "A Comparative Perspective on the Leninist Legacy in Eastern Europe."

28. I use Polity IV based on the works of Ted Robert Gurr. See Monty G. Marshall and Keith Jaggers, "Polity IV Project: Political Regime Characteristics and Transitions, 1800–2003," The Polity IV Dataset (2003), <http://www.cidcm.umd.edu/inscr/polity/>.

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30. Gary M. Reich, "Coordinating Party Choice in Founding Elections: Why Timing Matters," *Comparative Political Studies* 34 (2001): 1237–63. Also of importance, the two existing measurements of unemployment covering post-communist countries are not always similar and can lead to different results depending which data source is employed.

31. Jan Fidrmuc, "Economics of Voting in Post-Communist Countries," *Electoral Studies* 19:2/3 (2000): 199–217; Alexander C. Pacek, "Macroeconomic Conditions and Electoral Politics in East Central Europe," *American Journal of Political Science* 38:3 (1994): 723–44; Alexander S. Tsipko, "Why Gennady Zyuganov's Communist Party Finished First," *Demokratizatsiya* 4:2 (1996): 185–200; Joshua Tucker, "Economic Conditions and the Vote for Incumbent Parties in Russia, Poland, Hungary, Slovakia, and the Czech Republic from 1990 to 1996," *Post-Soviet Affairs* 17:4 (2001): 309–31.

32. EBRD, *Transition Report* (London: European Bank for Reconstruction and Development, 1999).

33. In the following models, I consider the following countries as not having undergone founding elections: Uzbekistan, Turkmenistan, Kyrgyzstan, Armenia, Tajikistan, Georgia, Azerbaijan, Belarus, and Kazakhstan.

34. While we can no longer consider these countries democracies, or as transitioning towards democracy, both countries experienced competitive elections in the 1990s. For instance, Russia's 1993 elections did not lead to a victory of the party of the president. Likewise in Moldova, before the communists regained power and restricted competition, the political arena had been competitive throughout the 1990s.

35. In models 1 and 2, no DF_{beta} value is located above the threshold of 1. No observation presents a Cook's D statistic is above $4/n - k - 1$. Influential outliers here do not technically pose a serious problem.

36. Anna Grzymala-Busse, "Authoritarian Determinants of Democratic Party Competition," *Party Politics* 12:3 (2006): 415–37.

37. Jon Elster, Claus Offe, and Ulrich K. Preuss, *Institutional Design in Post-Communist Societies* (Cambridge: Cambridge University Press, 1998).

38. Terry D. Clark and Jill Wittrock, "Presidentialism and the Effect of Electoral Law in Postcommunist Systems: Regime Type Matters," *Comparative Political Studies* 38:2 (2005): 171–88; Timothy Colton, "Superpresidentialism and Russia's Backward State," *Post-Soviet Affairs* 11:2 (1995): 144–48; Eugene Huskey, *Presidential Power in Russia* (Boulder, CO: M.E. Sharpe, 1997); John T. Ishiyama, "A Typology of Communist Successor Parties. An Overview," in *The Communist Successor Parties of Central and Eastern Europe*, ed. A. Bozoki and J. T. Ishiyama (Boulder, CO: M.E. Sharpe, 2002); Philipp G. Roeder, "Varieties of Post-Soviet Authoritarian Regimes," *Post-Soviet Affairs* 10 (1994): 61–101; and Stephen White, Matthew Wyman, and Olga Kryzhanovskaya, "Parties and Politics in Post-Communist Russia," *Communist and Post-Communist Studies* 28:2 (1995): 183–202.

39. Ishiyama, "Typology of Communist Successor Parties," 279.

40. Also controlling for potential outliers.

41. Rose, *Understanding Post-Communist Transformation*, 69.

42. Reich, "Coordinating Party Choice in Founding Elections."

43. Nancy Bermeo, "Redemocratization and Transition Elections: A Comparison of Spain and Portugal," *Comparative Politics* 19 (1987): 213–31; and Bunce, "Rethinking Recent Democratization."

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