
Re-stating Party Development in Central and Eastern Europe: A Response

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In his thoughtful review essay, Seán Hanley addresses both the common themes of *Runaway State-building* and *Rebuilding Leviathan* and their points of divergence. I, too, am struck (and pleased) that the two books speak to each other so directly, and I am grateful to Seán Hanley for such a detailed critique. In my comments, I will focus on a few critical points and clarify where possible a) the central analytical issues involved; b) the meaning and specification of state size; and c) the role of party competition.

The central analytical concern in *Rebuilding Leviathan* is explaining how competition among political parties, hungry for resources and well-placed to prey on the state by dint of their access to policy and governance, resulted in distinct configurations of state institutions. These state institutions are not limited to the civil service: they range from central state administration, to formal institutions of oversight, to party funding regimes. To clarify, the book concerns itself less with what the state was able to do (state efficiency) or sheer state size, and more with how the state was rebuilt, and to whose benefit (state politicisation.) The key actors are political parties, who constrained – or enabled – each other's exploitation of state resources.

State size alone is neither the central preoccupation of the analysis, nor the key indicator of state politicisation – as I note in the book, the *mechanisms* of state expansion and state politicisation indicate whether or not the state expanded to meet functional demands, or as a result of the entrenchment of political party interests. After all, state employment may increase as a result of new demands placed upon the state administration, patronage hiring by party organisations burgeoning with members (as Conor O'Dwyer and other scholars of clientelism have argued), or as the result of political parties creating new state agency fiefdoms for their elites, which justify increased spending and hiring (as I argue). Without a careful examination of how the growth occurred, employment increases themselves (or the changes in the rates of increase) have little to tell us.

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That said, the differences that O'Dwyer and I find in the rates of growth of state administration broadly confirm each other, as do several of the other indicators of state employment (see Appendix B of *Rebuilding Leviathan* for the correlations between the various indices.) I also find that other indicators of state politicisation corroborate my findings regarding state size. At the same time, the discrepancies in our accounts point to the enormous difficulties with measuring state size, especially given low state capacity to accurately and precisely measure its own employees. Moreover, state administration size tends to oscillate over time, lurching upwards instead of smoothly increasing, making extrapolation and triangulation all the more difficult. As we both note, however, the means and location of the increases matter far more than the numbers alone.

Nor can we take other indicators of state politicisation, such as the creation of formal institutions of regulatory oversight or party financing laws, simply at face value. The number of formal institutions that arose is not as relevant as the timing of their foundation, their regulatory powers and the extent of partisan control over them (RL: 82–86.) By the same token, whether or not the state formally funds parties matters less than the strictures and constraints that are imposed (and enforced) on this funding: the degree to which state financing of parties is transparent, regulated, and well enforced. When such funding regimes prevent new entrants to the political market, they in effect help to ensure the dominance of existing political parties. Finally, privatisation *per se* did not benefit the parties simply because political parties sold off enterprises and directly benefited political allies (though there were some notable cases, notably in Slovakia and in Latvia). Rather, the processes of privatisation allowed political parties to pack enterprise oversight boards, create new domains of state regulation and control of privatisation, and channel funds to quasi-state agencies: in short, to build the state and simultaneously expand party control of state agencies and resources.

Turning to political competition, and the context in which it operates, a few points need clarification. It is not the case that competition alone mattered, of course. As *Rebuilding Leviathan* notes, political legacies inherited from the communist fusion of party and state played a significant role, in two ways. First, the communist successor parties became both the main critic of post-1989 governments, and the lightning rod themselves for criticism. In this way, they became a mainstay of robust party competition. In exceptional cases, such as Estonia, highly controversial figures and parties could serve as analogues, as Edgar Savisaar and the Estonian Centre Party (EK) did. Second, and even more importantly, the communist state itself left behind a legacy of politicised hiring, limited oversight, hollowed-out institutions, and partisan control. This was the baseline for post-communist state-building efforts: and this situation is responsible for the overall difficulties faced by state-building political actors in the post-communist setting.

These legacies of the communist party-state were all the more critical, given the importance of the sequencing of state institutions and state domains. In the

analysis of the building and exploitation of the post-communist state, the relevant political sequencing is not 'Shefterian' – i.e. whether democracy preceded the rise of a bureaucracy, or vice versa (especially since his central argument involves the difference between internally and externally mobilised parties, a central distinction that is missing from most empirical tests of Shefter's argument). Rather, the critical sequencing is whether new constraints and oversight are imposed onto an existing, unwieldy, and highly politicised state apparatus, or onto nascent new domains of state action. Regulation that arose concomitantly with the state domains to which it is applied (such as securities and exchange commissions and stock markets) could be so much more effective than that imposed on existing and entrenched sectors (such as the civil service.) This sequencing goes a long way to explain *both* why existing state sectors proved so intransigent to reform across the post-communist cases, and why there is variation in the politicisation of newly arisen state sectors. The establishing of a securities and exchange commission eight years after the rise of the stock market, as was the case in the Czech Republic, facilitated murky ownership patterns, tunnelling, and unclear property rights. That said, we need to specify the *actors* responsible for this sequencing, who undertook the decision to hasten or to delay the introduction of some of these new state institutions.

Party competition in this context explains the variation in state politicisation and differentiates the patterns of state formation. It is a primary direct influence on state (re)building, since a) political parties were directly responsible for constructing new institutions of the state (along with the market and democracy), and b) other potential explanations have little empirical support. As Hanley notes, O'Dwyer and I specify political competition rather differently. *Rebuilding Leviathan* conceptualises robust competition as competition that is clear (the camps are easily discernible to the voters), critical (parties monitor and publicise each other's misdoings), and plausible (as measured by the percentage of parties explicitly excluded from potential coalitions by *all* other parties. Parties that were excluded from governance *a priori* could not be plausible alternatives to incumbents). *Runaway State-building* sees political competition as characterised by a responsible party system, where a few institutionalised, predictable competitors anchor party competition. Rather than viewing this simply as conceptual confusion, one way to characterise these differences is that I focus on the *means* of, and O'Dwyer on the *opportunities* for, political constraint.

Precisely because O'Dwyer's set of measures includes turnover and fragmentation and mine do not, we code our cases differently. These differences may lead to some misunderstanding. For example, the long-term incumbents in Slovenia were re-elected to office – but were nonetheless constrained by the opposition, I argue, because clear and credible opponents continually and severely criticised the incumbents in parliament, spawning no less than six government party crises. Similarly, the number of opposing parties (or camps) is far less relevant than their observed behaviour.

Conversely, precisely because all three factors are jointly necessary for robust competition, the absence of one greatly weakens the constraining effects of competition. Thus, I agree with O'Dwyer that, after 2004, party competition in Poland became far less robust – the disappearance of the Democratic Left Alliance (SLD) meant that no clear alternative remained to Poland's Law and Justice Party/Civic Platform (PiS/PO). Recall that until the two diverged in their modus operandi during the Kaczyński premiership, they were assumed to be natural coalition partners. To illustrate further, this tripartite characterisation of competition also means that the Czech Republic generally had low levels of robust competition – not only in the early years of the transition (1990–1994), when the Social Democratic Party (ČSSD) were polling less than 10% in public opinion polls, but after their 1996 electoral victory as well. The resurgence of the Social Democrats in public opinion polls over the course of 1995, and their 27% vote share in the 1996 elections did not make ČSSD an effective opposition. Again, numerical strength and duration in office are not indicators of the robustness of competition. The Social Democrats' parliamentary criticism remained muted: the party did not increase its challenges to the Civic Democratic Party's (ODS) policies in parliament (as measured by parliamentary interpellations or investigation attempts.) And whatever criticism the opposition could have provided subsequently was dampened by the Opposition Agreement of 1998–2002, and the Communist Party's (KSČM) continued ostracism. Since KSČM could not be a part of any governing coalition, ODS and ČSSD were stuck with each other – both during the period of the Opposition Agreement and then in the series of deadlocks that followed in the 2000s.

I am grateful to Seán Hanley for his engaged and critical reading of the two books, and I hope I have cleared up some outstanding analytical issues. The analysis of the state needs to go beyond the civil service – as I have also argued, employment in the central state administration is only one facet, and one potential indicator, of state politicisation and opportunistic state reconstruction. The 'heavy reliance' on party competition as an explanatory variable does not preclude a serious consideration of communist legacies. Further research can indeed help us to refine both the conceptual apparatus, and the empirical findings on post-communist states.

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