

# **Executive Discretion and Accountability in Southeast European Countries**

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**EARLY DRAFT – PLEASE DO NOT QUOTE, COMMENTS ARE VERY WELCOME**

## **Introduction**

Southeast Europe's accession to the European Union and its exposure to the global economic and financial crisis have highlighted the bottleneck of administrative and regulatory capacities for implementing EU legislation and stabilizing financial systems. However, theoretically informed policy or governance research on the countries of this region has so far been rare. Scholars studying Southeast Europe as an area have long been preoccupied with issues of statehood rather than state capacity. Comparativists interested in democratisation or Europeanisation have tended to focus on the more comparable East-Central European cases not affected by 'intervening variables' of violent conflict. As a consequence, insider practitioners, consultants and international agencies have so far dominated our empirical knowledge on how states function in Southeast Europe. Their studies usually benefit from the unique access these experts have had to governments in the context of their advisory work, but they have often been written with very concrete policy objectives or best practice prescriptions in mind. These orientations make them less useful for learning about the political mechanisms that generate and sustain deficits in state capacity.

The present paper seeks to address this lacuna by exploring the impact constellations of political actors might have on policymaking in a cross-national comparison. More specifically, I ask whether and how party competition constrains the discretionary authority and patronage incentives of governing parties in nine Southeast European countries. This question is based on the idea of a mutually reinforcing interaction between executive capacity and executive accountability. Institutional and political constraints that ensure the public accountability of executives are seen as enhancing the capacity of executives to enforce rules and allocate resources in the public interest. This idea can be traced back to the Federalist Papers but is also nourished by recent broad theories of democratic governance (Gerring and Thacker 2008; Pierre and Peters 2005). These authors conceive good governance as resulting from the combination of administrative enforcement capacity or centralized political authority on the one hand, unbiased societal information or the inclusion of societal interests on the other.

To examine the impact of party competition on executive discretion, I start with a selective list of particularly grave problems Southeast European democracies encounter today. Threats to the independence of public media, parliaments and courts are associated with spectacular incidents of high-level political corruption. Contrary to policy-centered or culturalist explanations of these problems, I argue for a political explanation that is based on the incentives of governing parties to create and sustain patronage networks. A third section provides empirical evidence for the growth of executive discretion in Southeast Europe, providing patronage opportunities for incumbent governments. Building on the books of Anna Grzymała-Busse and Conor O'Dwyer (2007; 2006), the final section examines to what extent robust party competition exists and constrains patronage in individual countries of the region.

## 1. Persisting democratic deficits

Southeast European countries are today characterized by regular democratic elections with improving standards also in Albania and the Former Yugoslav Republic of Macedonia (in the following: Macedonia), the absence of new openly authoritarian tendencies, broad popular support for democratic norms and regulated statehood conflicts. However, significant problems continue to hamper the functioning of public media, parliaments and courts, thereby damaging the quality of democracy.

(1) There are numerous threats to the independence and pluralism of the media. Four Southeast European countries were degraded by the non-governmental organisation Reporters Sans Frontières in the 2009 edition of its annual Press Freedom Index.<sup>1</sup> Nearly two thirds of the 306 Serbian media outlets surveyed by the Organisation for Security and Cooperation in Europe (OSCE) in April/May 2008 identified serious obstacles to the practical enjoyment of media freedom (OSCE 2009, 81). Dominant ruling parties have encroached upon the institutional autonomy of public broadcasting corporations, most notably in Bosnia and Herzegovina (in the following: Bosnia), Croatia, Kosovo and Montenegro.<sup>2</sup> Private media are economically weak and therefore dependent on powerful, sometimes dubious business groups which use their control over print or electronic media to promote their political objectives (cf., for example Zlatarsky and Förger 2009, 77). Investigative journalists perceived as violating the business interests of these groups risk their lives, as in the case of two journalists of the Croatian weekly 'Nacional' who were liquidated in October 2008 (Kasapović 2009, 221).

(2) Parliaments often lack the resources to hold executives accountable or to ensure a qualified deliberation of bills. Deputies, parliamentary groups of parties and committees do not have sufficient qualified staff, plenary debates with their logic of symbolic ritualist political confrontation dominate over the detailed, evidence-based and policy-oriented discussion of bills in committees. Reflecting this role of parliament, opposition deputies have frequently boycotted parliamentary sessions. In Albania for example, the socialist opposition repeatedly boycotted parliament to protest against alleged electoral fraud (June 2009 – February 2010), the abuse of the lustration law (December 2008) and the election of President Bamir Topi (July 2007). Similarly, opposition deputies refused to participate in the parliaments of Macedonia, Montenegro and Serbia to campaign against majority decisions ignoring their concerns. Bosnia's Prime Minister Nikola Spirić and the Republika Srpska (RS) delegates in the state-level parliament ceased to participate in parliament and government for several months to oppose the High Representative's decision to simplifying voting procedures in these institutions (Sarajlić-Maglić 2009, 178). Parliamentary rules of procedure were ignored for example in Bulgaria, where a survey found that more than half of the votings during a period of three and a half years violated the rules of procedure because the quorum of MPs present to vote a decision was not reached (Markova and Zahariev 2009, 201).

(3) Executives and parties continue to interfere with judicial independence. Courts lack financial autonomy, appointments of judges are politicized, and politicians have publicly criticized court decisions. For example, Montenegro adopted a law on a judicial council in February 2008, but the political independence of this new body still leaves doubts (SIGMA 2008, 4). Serbia's new Constitution from 2006 entrusted the parliament not only with the election of judges and prosecutors, but also with the election of members of the High Judicial Council, the body proposing candidates to the parliament. According to the Venice Commission of legal experts attached to the Council of Europe, Serbia's parliament "hitherto has not limited its role to confirming candidates presented by the High Judicial Council but it has rejected a

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<sup>1</sup> ALB -9; BIH -3; BUL -9; CRO -33; KOS -17; ROM -4; MNE -24 <http://www.rsf.org/>, 21.12.2009.

<sup>2</sup> The chairman of the board of directors of Kosovo's public broadcaster, Vjosa Dobruna, complained: „The government is blackmailing us. They are pressuring us to keep in line.” *Economist*, 2 July 2009.

considerable number of such candidates under circumstances where it seemed questionable that the decisions were based on merit.” (Venice Commission 2007, 14) In December 2009, the High Judicial Council decided to dismiss approximately one third of all judges of Serbia, in order to deselect judges with linkages to organized crime or the Milošević regime. This decision raised a broad public debate and numerous allegations regarding the intransparency and politicization of the appraisal procedure.

The new Albanian law on the organisation of the judiciary from March 2008 enabled the minister of justice to appoint key court administrative officials, which could, according to the National Association of Judges, undermine the independence of the courts and enable the government to intimidate judges (Bertelsmann Stiftung 2009). The Berisha government also threatened to sue Albania’s public prosecutor and sought to bring the office under its political control. Croatia’s minister of justice appoints the presidents of most courts (except for the supreme and constitutional courts), which enables the executive to influence the work of courts (Kasapović 2009, 222). RS Prime Minister Dodik attacked judicial independence when he accused Bosnia’s High Judicial and Prosecutorial Council of being corrupt and biased. His government refused to cooperate with the State Prosecutor and the State Protection and Investigation Agency (Sarajlić-Maglić 2009, 175).

(4) Finally, numerous cases of high-level corruption indicate the extent to which political elites have abused public offices to serve their private and party interests. For example, the Bulgarian minister of economy and energy and the minister of interior resigned in 2007 and 2008 due to corruption scandals (Markova and Zahariev 2009, 198). In July 2008 the EU Commission suspended the payment of 500 m Euros from the pre-accession funds to Bulgaria as it suspected the embezzlement of EU assistance and conflicts of interest in the Stanishev government. In March 2010, Croatia’s former Deputy Prime Minister Damir Polančec was arrested due to corruption charges in connection with the privatization of the Croatian oil company INA and a takeover attack aimed at the food company Podravka.<sup>3</sup> Following the resignation of Croatia’s Prime Minister Ivo Sanader, he was increasingly suspected of being involved in corruption affairs.<sup>4</sup> The Romanian National Anti-Corruption Directorate indicted the former Prime Minister Adrian Năstase, a former deputy prime minister, two ministers, several parliamentary deputies, directors of national companies and regional prefects (CEC 2009, 5). In June 2009, the FBiH Prime Minister Nedžad Branković resigned after he and an FBiH minister had been accused of granting illegal preferences to companies for the construction of electric power plants in eleven cases. The state prosecutor investigated similar cases of office abuse by RS Prime Minister Dodik, including the privatisation of an oil refinery and the construction of the RS government building.<sup>5</sup>

## 2. Discussing causes

What are the causes of these deficits? Three groups of explanatory factors may be distinguished: policy failures, inauspicious sociocultural or socioeconomic conditions and detrimental political mechanisms or incentive constellations. Numerous agency reports and scholarly analyses have identified the ineffectiveness of existing policies as causes, noting the loopholes and ambiguities in the legal frameworks regulating the media and judicial systems, public administration or the legislative process. Such explanations also refer to dysfunctional organisations or unqualified civil servants. Policy failures can often be traced back to a lack of

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<sup>3</sup> Frankfurter Allgemeine Zeitung, 3 February 2009.

<sup>4</sup> Vreme, 8 April 2010.

<sup>5</sup> Frankfurter Allgemeine Zeitung, 18 June 2009.

administrative capacity, and ‘capacity-building’ has become a mantra for international organisations suggesting and assisting policy reforms in Southeast Europe. However, it may be asked whether policy-centered explanations tend to frame multi-dimensional problems as technical or organisational issues and ignore contextual variables that affect the outcomes of policy reforms.

Policy failures may be rooted in more fundamental structural problems associated with institutional traditions and culturally entrenched patterns of behaviour. The deep-seated structural causes of democratic deficits include weak civil societies and socioeconomic backwardness. The insulation of educated urban middle classes, the weakness of civic engagement and the fragility of independent non-governmental as well as non-profit organisations form sociocultural obstacles to the emergence of truly independent media and judicial professions. Paternalist styles and confrontational, zero-sum patterns of political conflict can be conceived as cultural legacies of traditional, late modernizing societies that induce political leaders to seek political control through personal exchange relations and to refuse humiliating public compromises with opposing politicians. However, these cultural and structural causes of democratic deficits constitute insufficient explanations insofar as one can not assume that rational, strategic political actors are necessarily driven by cultural legacies or institutional traditions. Explanations referring to aspects of a ‘Balkan political culture or society’ would thus have to reconstruct and substantiate the causal chain from structural conditions to the adaptation of strategies and the interpretation of democratic deficits as outcomes of actors’ strategic choices under given conditions. If this chain is not specified and supported by evidence, explanations based on cultural or societal specificities will turn into deterministic traps actors can not escape or into containers of unexplained, residual variance.

This insight leads to the third group of explanatory factors that occupy an intermediate position between deep-seated structural roots and proximate policy sources of democratic deficits. I argue that political actors interested in expanding and sustaining networks of patronage contribute to the democratic deficits outlined above. Following Martin Shefter and Herbert Kitschelt / Steven Wilkinson, patronage is defined as the contingent direct exchange of political support for divisible goods (1994, 283) (2006, 9-10). Governing political elites who rely on patronage to stabilize their rule require discretionary access to state resources and tend to perceive independent parliaments, media, judges, public prosecutors or impartial bureaucrats as potentially constraining their disposal over state resources. These elites can also be assumed to be interested in expanding clientelist networks into public administration, the media and the judicial system. Their interest in protecting such networks runs contrary to their publicly declared interest in strengthening independent institutions of executive accountability. Creating and sustaining patronage networks constitutes a political mechanism that may link structural to policy causes: patronage is facilitated by the sociocultural context of Southeast European countries and may account for the shortcomings of policy-centered strategies addressing democratic deficits.

Empirical case studies of Southeast European countries provide impressive evidence of patronage mechanisms (Bogdani and Loughlin 2007; Georgiev 2009; Hensell 2009; Roper 2006). For example, Vesna Pesić has shown how the first government of Vojislav Koštunica functioned as a “confederation of party ‘fiefs’” where the governing parties divided ministerial portfolios among themselves and placed their supporters in leading public sector positions (Pesić 2007, 8ff.). For the case of Bulgaria, Venelin Ganev has analyzed how post-communist elites extracted resources from the state-owned economy and how the absence of popular resistance against their policies enabled them to “prey on the state” (Ganev 2007, 186). Press reports indicate the persistence of clientelist linkages between parties and public sector employees. For example, a recent article in the Serbian weekly *Vreme* claimed that “parties receive a percentage of the salaries of those party members who have been provided with jobs

in the state administration and public enterprises. This percentage is about five percent, but it may also be more.”<sup>6</sup>

In the remainder of the paper, I shall ask how the political conditions for patronage policies have evolved in Southeast Europe. If discretion over state resources is crucial for patronage policies, one can infer that increases in the authority of executives widen such elite discretion as long as executives are not constrained by more effective checks that allow to hold incumbent governments accountable (Bruszt and Stark 1998; Hellman 1998). First, I seek to identify general trends suggesting an increasing authority of executives. Second, I study whether the varying competitiveness of party systems can explain cross-national differences in patronage.

### 3. General trends

A look at recent elections and reforms of political systems in Southeast European countries indicates that governing parties have consolidated and gradually enhanced their political and institutional powers. Electoral volatility has decreased in most countries of the region, with the exception of Bulgaria and the relatively new party system of Kosovo (see table 1). The volatility rates in the other seven countries are now below or slightly above the average volatility rate of 19 found for a sample of European countries (Lane and Ersson 2007). The declines in volatility are related to an increasing organizational continuity of major parties that have managed to survive subsequent elections without reshuffles. Moreover, the most recent elections confirmed nearly all governing parties in office, a coincidence that had not occurred before in East-Central European transition countries.

Secondly, party systems have become less fragmented in most countries (again, except for Bulgaria and Kosovo) (table 1). Most countries now appear to converge towards bi- or tripolar party systems. Albania’s party system continues to be the most bipolar in the region which provides an explanation for the sharp polarization of Albanian politics. *Prima facie*, Bosnia’s highly fragmented House of Representatives appears to be an exception to the general trend of decreasing fragmentation. However, high effective number of parties in the state parliament can be explained with the ethnoterritorial proportionality rule and the persistence of an ethnically segmented party system. Notably, the fragmentation of party systems within entities and within the country’s three main ethnic communities is considerably lower.

Thirdly, governing coalitions in Macedonia and Montenegro rely on large parliamentary majorities that enable a safe adoption of governmental bills. The difference between the seat shares of the Montenegrin governing coalition and the largest opposition party amounted to nearly 40 percentage points after the elections of March 2009. The analogous difference in Macedonia was 45 percentage points in July 2008. Both the Macedonian and Montenegrin governments deliberately initiated pre-term elections to expand their parliamentary majority. Governments in Kosovo and Republika Srpska also control comfortable parliamentary majorities. Splits of major opposition parties further strengthened the governing blocks in Montenegro and Serbia (Bieber 2008, 332). In September 2009, Macedonia also enfranchised diaspora Macedonians who are likely to lean towards supporting the conservative governing coalition.<sup>7</sup>

Admittedly, leading governing parties in Macedonia (VMRO-DPMNE), Montenegro (DPS) and Serbia (DS) dominate electoral alliances with numerous smaller parties that insist on pre-

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<sup>6</sup> Vreme 1001, 11 March 2010.

<sup>7</sup> In Croatia’s parliamentary elections of November 2007, more than 80 percent of about 90000 participating diaspora Croatians voted for the center-right HDZ, whereas the total share of HDZ votes was only 36 percent.

serving their autonomy, thus reducing the cohesion of the governing coalition. However, these alliances have so far turned out to be relatively stable, perhaps because dissenting small parties have faced high risks of exclusion from parliament in the event of new elections triggered by their defection. Cabinets in Albania and Bulgaria stayed in office from 2005 to 2008 without changes to their party composition.

Fourthly, parties and governments in several countries have implemented institutional reforms to stabilize party systems and strengthen governmental leadership. For example, in 2008 the main parties in Albania and Romania agreed on changes of electoral systems that favored bigger parties. The Albanian law from 29 December 2008 replaced the mixed system by a proportional formula with 12 electoral districts and unified party lists that reduced the number of parliamentary parties to six. Romania introduced a mixed system that contributed to the marginalization of extremist parties in the elections of November 2008 (Gabanyi 2009, 71). Serbian parties expect their parliamentary deputies to sign blank resignations so that the party leadership can discipline deputies by threatening to deprive dissenters of their mandates (Venice Commission 2007, 12). Serbia's President Tadić proposed to replace the proportional with a majoritarian electoral system in order to reduce the number of parties.<sup>8</sup> In June 2009, the Serbian parliament adopted a law on political parties that raised the requirements for registering political parties.

In April 2008, the Albanian parliament amended the constitution to introduce a constructive vote of no confidence, empowering the prime minister to initiate the dissolution of parliament if a motion of confidence is rejected (Venice Commission 2005, 5). A parliamentary opposition attempting to oust the prime minister now has to agree on a new candidate, and the prime minister can discipline dissenting parliamentary deputies of the governing parties by threatening to terminate their mandates.

Fifth, governing parties in several countries managed to weaken the veto role of presidents, thus unifying executive authority. Directly elected presidents in Bulgaria, Croatia, Macedonia, Montenegro, Romania and Serbia possess the democratic legitimacy to limit the power of prime ministers and governing parties. Presidents affiliated with or close to opposition parties have used their positions to constrain governments also where the president lacks the constitutional powers to act against the parliamentary majority. However, such "cohabitation" periods ended in Macedonia and in Serbia in 2009 and 2008, respectively. Albania's Prime Minister Sali Berisha achieved the election of a deputy leader of his Democratic Party as President in July 2007, and the Democratic-Liberal Party supporting Romania's President Traian Basescu re-entered government after the elections in November 2008. The Montenegrin president, who was elected in April 2009, is a close associate of Prime Minister Milo Djukanović. In contrast, Croatia's new President Ivo Josipović has so far demonstrated considerable differences with the HDZ-led government.

Sixth, executives have dominated legislation in most countries of the region. For example, governments in Macedonia and Serbia have frequently used emergency procedures to get laws adopted, which marginalized the influence of parliamentary deliberation. A SIGMA report on Macedonia noted that between July and August, 140 laws out of a total number of 172 laws were adopted according to the emergency procedure. "The average time for the adoption of a single piece of legislation in one of the parliamentary sessions in August 2008 was 35-40 seconds; in this session 52 laws were passed." (SIGMA 2009, 6) Of the 95 bills submitted to Serbia's parliament between July 2008 and July 2009, 82 (86 percent) were drafted by the government.<sup>9</sup>

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<sup>8</sup> Vreme, 7 May 2009.

<sup>9</sup> <http://www.parlament.sr.gov.yu/content/lat/akta/predzakoni.asp>.

#### 4. Cross-national variation

Enhanced executive authority provides governing elites more discretion over state resources if this authority is not constrained by institutions and mechanisms of public accountability. The overview of democratic deficits in the present paper has illustrated the weakening or persisting weakness of public media, parliaments and judicial systems as accountability providers. While acknowledging that the malfunctioning of these institutions also contributes to unconstrained executive discretion, this paper assumes that constellations of political actors exert a stronger impact on executive discretion and, through governmental decisionmaking, on other institutions of public accountability. If political actors sustain patronage networks because they face particular incentives (and are not exclusively driven by the habits of a Balkan political culture), it should be possible to distinguish countries according to the extent to which such constellations support or discourage patronage.

To develop explanations for cross-national differences, I draw on two recent studies of administrative reforms in Central and East European countries (Grzymała-Busse 2007; O'Dwyer 2006). Anna Grzymała-Busse and Conor O'Dwyer argue that a robust competition between a limited number of stable parties can constrain patronage. The different extent of such party competition may, as they claim, explain the varying extent of patronage in countries of the region. Both authors assume that robust party competition ensures an effective public scrutiny of governing parties and thus increases the costs of clientelist policies. A vigorous opposition leads "governing parties to moderate their rent seeking, anticipate an exit from office by building formal constraints, and coopt the opposition through power-sharing measures that limited any one party's ability to gain private benefits from the state." (Grzymała-Busse 2007, 10) For Grzymała-Busse, robust party competition also increases the incentives for governing parties to establish self-constraining institutions in order to preempt state exploitation by opposition parties after a possible change of government.

O'Dwyer distinguishes a "weak governance" and a "dominant party" mechanism of patronage (23-27). Big, heterogenous governing coalitions of organisationally unstable parties provide opportunities for patronage according to a weak governance logic, as individual parties are more likely to escape the scrutiny and sanctioning by voters (26). Alternatively, dominant governing parties not challenged by a credible opposition have incentives to reward their voters with offices or state resources.

Grzymała-Busse and O'Dwyer differ regarding the key features of robust party competition and the extent of patronage or "state exploitation" by governing parties.<sup>10</sup> O'Dwyer identifies five indicators of party system competitiveness: low sustained vote differentials between the largest party or electoral coalition and the next most popular alternative; a low effective number of parties; low electoral volatility; stable patterns of government formation and opposition behaviour (party system closure)<sup>11</sup>; centralized and homogenous parties organized around distinct programmes. Grzymała-Busse, in contrast, does not consider fragmentation and volatility appropriate indicators of robust party competition. Instead, she examines the extent to which the former ruling communist party has been transformed into a moderate centre-left

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<sup>10</sup> Grzymała-Busse differentiates between exploitation and patronage, with the latter requiring parties with extensive organisational resources (2007, 32). However, she does not further distinguish exploitation from patronage activities.

<sup>11</sup> O'Dwyer operationalizes party system closure as follows: 1. regular, post-election, wholesale government alternation; 2. government coalitions consisting of familiar party combinations; 3. outsider parties excluded from government (O'Dwyer 2006; Mair 1997).

bloc, the average seat share of parties considered as possible coalition partners by other parties and the intensity of public critique by parties.

As her first indicator does not vary in Southeast European countries, her second indicator is partly covered by O'Dwyer's measure party system closure and her third indicator is difficult to operationalise, I have decided to use O'Dwyer's indicators in order to compare the robustness of party competition (see table 1). Lacking detailed information on the internal organisation of parties in most countries in the region, I confine myself to the effective number of legislative parties, electoral volatility, vote differential and party system closure.

**Table 1: Indicators of robust party competition**

	Effective number of parties	Volatility	Vote differential	Closure	Robust party competition
<b>Albania (6/09)</b>	2.2 ▼	20.9 ▼	0.8	SO	+
<b>Bosnia and Herzegovina (10/06)</b>	7.2	21.7	2.4	SO	-
<b>Bulgaria (7/09)</b>	3.3 ▼	40.8	25.3	O	--
<b>Croatia (11/07)</b>	3.0 ▼	11.7	5.2	C	+
<b>Kosovo (11/07)</b>	5.0 ▲ -	28.1 ▲ -	11.7	O	---
<b>Macedonia (7/08)</b>	2.8 ▼	18.3	25.1	SO	+
<b>Montenegro (3/09)</b>	2.5	4.8	34.5	SO	-
<b>Romania (11/08)</b>	3.6 ▼	21.6	0.7	SO	o
<b>Serbia (5/08)</b>	3.5 ▼	7.7	9.0	SO	o

Source: Author's calculations (election months and years in brackets behind country names). Effective number of legislative parties: The reciprocal sum of the squares of each party's proportion of the total parliamentary seats (Laakso and Taagepera 1979). Due to the limited availability of more detailed data, the figures reflect the seat shares of electoral coalitions and the post-election composition of parliaments. Volatility: The sum of the gains made in the last election by all parties represented in parliament, compared to the second-most-recent election. In Romania: first chamber of parliament; in Bosnia: state parliament. Triangles denote major changes from the previous legislative period (+/- ≥ 1 parties; +/- ≥ 20 percentage-point gain or loss). Vote differential: Gap in percentage points between the vote share of the most and the second most popular party (electoral alliance). Closure: qualitative assessment of the degree to which government coalitions and changes of government are predictable (see footnote). Three levels are distinguished: Open (O), semi-open (SO), closed (C).

The four indicators are aggregated into a composite indicator of robust party competition (RPC), using the following thresholds and rules: (1) An effective number of parties exceeding four (falling below three) is rated negatively (positively). Numbers between these thresholds are considered as neutral (o). (2) A volatility rate exceeding 25 (falling below 5) is rated negatively (positively). (3) To take into account the patronage opportunities provided in systems with dominant parties, party systems characterized by a vote differential of more than 20 percentage points are rated negatively even if the effective number of parties is below three. (4) Closed party systems are rated positively, and open systems score negatively.

Based upon the individual indicators and aggregation rules, party competition appears to be most robust in Albania, Croatia and Macedonia, whereas party systems in Bosnia, Bulgaria and Kosovo suffer from relative fragmentation, comparatively high volatility and unstable patterns of government formation. Thus, one would expect less constrained executive authority and more patronage in the latter group of countries. Montenegro appears to be a case that corresponds most closely to the dominant party model of governance.



Identifying good proxy measures of patronage is difficult. Both O'Dwyer and Grzymała-Busse use the growth of employees in the state administration as a key indicator of patronage, but their figures and trends differ even for those countries that they both study: Poland, the Czech Republic and Slovakia (Hanley 2008). It is even more difficult (and would require costly field research) to obtain cross-nationally comparable time series of state administration staff for Southeast Europe. I have therefore chosen to use five more accessible measures: general government expenditure as a percentage of GDP, the Governance Indicators produced by Daniel Kaufmann and colleagues at the World Bank Institute (Kaufmann, Kraay, and Mastruzzi 2004) and ratings of party and candidate financing rules provided by the Global Integrity project.<sup>12</sup>

Large government sectors may be seen as conducive to, and reflecting widespread patronage. However, government expenditure is strongly influenced by income levels and these income levels vary considerably in Southeast Europe. To control for this influence and for temporal variation, an adjusted average figure was calculated.<sup>13</sup> Of the Governance Indicators, two indicators were selected: "Government Effectiveness" measures "the quality of public service provision, the quality of the bureaucracy, the competence and independence of the civil service, and the credibility of the government's commitment to such policies" (Kaufmann, Kraay, and Mastruzzi 2004, 255); "Control of Corruption" measures, "perceptions of corruption, conventionally defined as the exercise of public power for private gain" (Kaufmann, Kraay, and Mastruzzi 2004, 255). More negative scores on these two indicators may be interpreted as reflecting higher degrees of patronage. The 2008 scores of both indicators were used, and a four year trend was calculated for "Control of Corruption" in order to capture the development of corruption. Finally, an indicator measuring the existence and effectiveness of regulations governing party and candidate financing was taken from the Global Integrity Index data set.<sup>14</sup> Weak regulations in this area can be interpreted as opportunities for patronage policies (Grzymała-Busse 2007). These indicators were transformed into categorical variables, with + and - denoting less and more potential for patronage (see table 2).<sup>15</sup>

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<sup>12</sup> <http://www.globalintegrity.org/>, accessed 1 May 2010.

<sup>13</sup> The annual average general government expenditure for 2006-2008 was regressed on 2007 gross national income per capita at purchasing power parities (EBRD and World Bank data). The resulting residuals were then used as indicators of large or small government sectors. Kosovo's income level was estimated to be 2300 US-\$.

<sup>14</sup> Unfortunately, only four Southeast European countries are covered by the reports and expert ratings of the Global Integrity Project.

<sup>15</sup> To reflect the relative differences between the countries, the categorization is based on means and standard deviations of each variable. A + (-) indicates that the underlying score lies more than 0.5 standard deviations above (below) the mean; scores lying between these boundaries are coded o.

**Table 2: Robust party competition and patronage measures**

	RPC	Adj. government expenditure 2006-08	Government effectiveness	Control of corruption	CC trend	Political financing
<b>Albania</b>	+	+	o	-	+	
<b>Bosnia and Herzegovina</b>	-	-	-	o	o	+
<b>Bulgaria</b>	--	o	+	o	-	
<b>Croatia</b>	+	o	+	+	-	
<b>Kosovo</b>	---	+	-	-	o	-
<b>Macedonia</b>	+	o	o	+	+	+
<b>Montenegro</b>	-	o	+	o	-	
<b>Romania</b>	o	+	o	+	+	
<b>Serbia</b>	o	-	o	o	+	o
<b>Model fit</b>		<b>2/9</b>	<b>5/9</b>	<b>4/9</b>	<b>4/9</b>	<b>3/4</b>

Source: Author's calculations. For the original data, see the appendix.

The table shows that robust party competition (RPC) may provide an explanation for about half of the variation on government effectiveness and control of corruption. Its explanatory power is slightly higher for the regulation of party and candidate financing, but also limited due to the low number of cases. Regarding the extent to which government sectors are larger or smaller than the income-related size of government, robust party competition appears to be a less useful predictor.

Expecting a higher model fit is perhaps overly ambitious given the difficulties of measuring patronage and the associated imperfectness of proxy measures. The insufficiency of the measures is already visible from the low correlations between them which may be due to measurement error or to the complexity, perhaps multi-dimensionality of patronage as a concept. Some apparently deviant cases can be well explained by taking country-specific aspects into account. Albania's bipolar party system suggests a robust party competition, but one may ask whether party competition is so extremely polarized that a partisan hostility undermines the responsible party government model O'Dwyer considers necessary to constrain patronage. If control over state resources is framed according to an adversarial, friend-or-foe logic, incumbent parties have little incentive to believe that pre-emptive self-constraints will work. Bosnia and Kosovo are special cases insofar as representatives of the international community continue to intervene in policymaking and international organisations have led sectoral policy reforms. These specificities may be behind Bosnia's relatively high level of regulations for political financing and Kosovo's relatively low level of government spending.

In the case of Bulgaria, the high volatility of the party system reflects the landslide victory of Boyko Borisov's movement "Citizens for a European Republic of Bulgaria" whereas the relatively good performance on government expenditure, effectiveness and corruption control may be read as a 'hysteresis' effect of preceding robust party competition, EU accession conditionality and the institutional entrenchment of fiscal discipline in the currency board adopted after the grave economic crisis of 1997. Montenegro's dominant party system corresponds to the country's negative corruption trend, but clearly contradicts the positive scores particularly on government effectiveness. One explanation for this inconsistency may be that Milo Djukanović's Democratic Party of Socialists has been more able to reconcile patronage policies with a relatively high quality of public service provision because the party embraced technocratic ideas of public sector management and has been less forced to divide the state administration with other parties than in weak governance settings.

## Conclusion

The present paper has developed two somewhat counterintuitive arguments. Firstly, recent election results, shifting parameters of party systems and institutional reforms suggest an increase of party control over executives despite the current challenge to governmental and political stability posed by the economic and financial crisis. Secondly, more competitive party systems constrain patronage policies despite the intuition that reform-minded governments with uncontested political power are more likely to implement policies aimed at a depoliticized and impartial public sector. Aggregate levels of robust party competition correspond to levels of government effectiveness in Bosnia, Croatia, Kosovo, Romania, Serbia and do not clearly contradict the degrees of government effectiveness observed in Albania and Macedonia.

These findings are still very tentative and require further investigation. Particular effort is needed to find better measures of patronage, such as the turnover of high-level civil servants after changes of government (Dimitrov, Goetz, and Wollmann 2006). But the observations from Albania and Montenegro also suggest refining the O'Dwyer's concept of robust party competition. The link between a paralyzing political confrontation and high levels of corruption in Albania suggests including an indicator of polarization among the components of robust party competition. The Montenegrin case suggests that patronage in a dominant party model functions is different from patronage in the weak governance models of Bosnia, Bulgaria or Kosovo. Finally, the links between patronage mechanisms and persisting or even increasing threats to the independence of public media, parliaments and courts would have to be studied in a more systematic cross-national comparison.

Research focusing on the domestic political mechanisms that may support or subvert the newly created policies or institutions could well complement studies that are primarily concerned with policies and relate policy changes to EU conditionality or to the incentives of EU membership. Such research would allow to study the EU's impact in conjunction with domestic factors and from the perspective of domestic political actors – a perspective that appears more fruitful than views domestic actors just as complying versus non-complying with external expectations.

## Appendix

	RPC	Adj. government expenditure 2006-08	Government effectiveness	Control of corruption	CC Trend	Party financing
<b>Albania (6/09)</b>	+	-3,3	-0.34	-0.45	0,30	
<b>Bosnia and Herzegovina (10/06)</b>	-	13,2	-0.55	-0.32	0,02	57
<b>Bulgaria (7/09)</b>	--	-2,5	0.10	-0.17	-0,37	
<b>Croatia (11/07)</b>	+	-2,8	0.52	0.12	-0,089	
<b>Kosovo (11/07)</b>	---	-5,8	-0.81	-0.66	-0,075	19
<b>Macedonia (7/08)</b>	+	-2,0	-0.14	-0.11	0,33	63
<b>Montenegro (3/09)</b>	-	1,8	0.01	-0.28	-0,28	
<b>Romania (11/08)</b>	o	-5,6	-0.14	-0.06	0,19	
<b>Serbia (5/08)</b>	o	7,1	-0.28	-0.16	0,29	39

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