

Rebuilding Leviathan: Party Competition and State Exploitation in Post-Communist Democracies

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The relationship between the state and political parties has recently attracted considerable academic interest. *Rebuilding Leviathan* stresses the importance of *robust political competition* for the nature of that relationship. Presence of a vigorous opposition affects the very foundations of democracy in emerging democracies where the parties themselves are the shapers of institutions. Political competition is robust if a strong opposition party has real future potential to replace the incumbents. In most of the countries studied in the book the reformed Communist Party fills the niche, the success of which was the subject of Anna Grzymała-Busse's earlier major volume. Estonia presents an interesting exception as the key opposition party in the early stages of post-communist state-building the Centre Party – a direct successor of the Popular Front – occupied the niche.

Anna Grzymała-Busse argues that if feasible opposition does not constrain the governing parties by presenting a plausible alternative and vehemently criticising those in power, the parties at the helm resort to exploiting the state as a strategy of survival. The book highlights how in this regard the post-communist parties have been different not only from their West-European counterparts, but also from those in other emerging democracies such as Latin America. The parties in Central and Eastern Europe faced serious (financial) threats to their survival. As opposed to parties in long-standing democracies, they were not strongly rooted in the society and could not rely on contributions from membership (too scarce and poor) or entrepreneurial classes (neither initially wealthy enough). In contrast to Latin America and some other parts of the world, the post-communist parties could not resort to clientelism as they did not possess an organization penetrating all corners of the country that is necessary for the functioning of viable clientelistic networks.

Faced with the surmounting costs of modern political competition, the parties turned to the state as an attractive source of badly needed resources. Because of consensual commitment to democracy, the parties could not directly “prey” on the state (in contrast to post-communist countries further East) and used more ingenious methods of resource extraction. Anna Grzymała-Busse measures the extent of state exploitation by focussing on three key aspects: the expansion of state administration in terms of the number of civil servants; the proliferation of quasi-governmental institutions; and the establishment of agencies of control and oversight (audit offices, ombudsmen, anticorruption and civil service legislation etc). She contends that these institutions were established earlier in countries with robust political competition (Hungary, Estonia, Slovenia, Lithuania and Poland) as governing parties were forced to exercise self-restraint and apprehended that the opposition may soon replace them. In countries where the opposition was weak, fragmented or ostracized (the Czech Republic, Slovakia, Bulgaria and Latvia), those at the helm had much more freedom for exploitation and did not exercise restraint until much later – spurred by the conditionality associated to the prospect of future European Union membership.

Unsurprisingly, the main focus of the volume is on the larger Visegrád countries; the Baltic states have been mentioned mostly in passing – with only minor factual slips – and are largely ignored in case-by-case country comparisons. Yet, Latvia gets more limelight than Lithuania and Estonia combined. The reasons are obvious – especially in the light of evidence that has surfaced so prominently since the research for *Rebuilding Leviathan* was conducted. Latvia has developed a peculiar mechanism of public resource extraction by a few key businessmen where most political parties merely act as middlemen between the oligarchs and the state. Even though a decade ago the links between the tycoons and political parties – some would say the effective ownership of the latter by the former – were more covert, the collusion of Latvia's Way (LC) and People's Party with mighty corporate interests was clearly manifest as reported by Anna Grzymała-Busse. She contends that the governing

parties in Latvia had a large degree of freedom because the opposition there was weak – LC was a “merged elite” of reform communists, former communists, noncommunists and émigrés (p.77-78) and as the ethnic Russian parties were *a priori* excluded from coalitions, it safely remained the pillar of coalitions for years. It is another matter whether the state exploitation in Latvia is really parties’ survival strategy or it would be more meaningful to conceive of the parties as agents ultimately serving the interests of powerful patrons.

While the quantitative evidence presented on Estonia and Lithuania shows that they have had both more robust party competition and less exploitation of the state than in Latvia, the book does not consider at the two other Baltic states extensively. It would be difficult to call into question the upshot of the study, but more recent evidence from Estonia may call into question the neatness of the relationship between vigorous opposition and state exploitation. In 2000s, party competition remained every bit as robust as before, yet frequent dismissal of ministerial Secretaries General after change of ministers, appointment of heretofore members of the Reform Party to prominent non-political positions (Chief Justice, President of National Bank etc) and political horse trading around other appointments (Chancellor of Justice and State Auditor) all bear witness to an increasing politicization of administrative top echelons that does not fully conform with the book’s arguments. Furthermore, by 2008 the state subventions to political parties had increased *sevenfold* since the turn of the century – from an already impressive level back then. To be sure, Grzymała-Busse argues that as regards state exploitation, the regulation and oversight of party funding are more relevant than the actual presence and extent of state funding (p. 200) and budget subventions can in fact constrain exploitation (p. 220). However, as the Estonian case shows, substantial increases in state financing can be part of survival strategies under the circumstances of robust competition and can result from collusion between governing and oppositional parties. Regulations on party funding have come about with an undivided resolve from parliamentary parties of all stripes.

Rebuilding Leviathan correctly argues that incentives for collusive behaviour are weakened in Central and Eastern Europe due to the fluidity of party systems – it can be foolish to make a pact with actors who might well be gone by the next parliamentary term. Yet, the potential for cartelistic behaviour is perhaps too easily dismissed. Political parties may hope to stabilise the electoral scene by augmenting public subventions exclusively targeted to existing parties and restricting private donations so as to lessen the chances of new contenders. That has been the essence of the Estonian model – in stark contrast to the Latvian regime where oligarchic donors aim to maintain control of “their” parties by resisting calls for public funding while the parties exploit the state in other ways (e.g. by discretionary partisan appointments and creating patronage networks). Certainly, in both cases parties are bound to shoot themselves in the foot occasionally – as the rise of several new parties since the millennium demonstrates. That does not, however, decrease the potential proclivity for collusion on state subventions – the opposition may choose to be temporarily less vocal as long as its mouth is stuffed. While on one hand it may make government and opposition alike vulnerable for criticism by mass media and new parties, on the other hand, the latter’s chances of posing a successful challenge are severely constrained.

That said, the primary aim of the volume is to explain the patterns of state exploitation in the immediate post-communist period rather than to establish a regional model of party politics for decades to come. Even if some mechanisms at work in 1990s may have run down by mid-2000s, the volume excels in underlining the importance of political parties in institution-building and the crucial importance of vigorous opposition in constraining state exploitation. While the argument may have lost some of its significance in Central and Eastern Europe, it is still highly relevant for emerging democracies worldwide, today and in the future.

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