6 Institution-Building and Democratization

THE INSTITUTIONAL SYSTEM AND ITS NETWORKS

The problem of institution-building has been solved differently in every new wave of democratization in the 20th century. In most cases the new regimes did not experiment in an institutional vacuum and in Europe all of the systems that had collapsed left behind a fairly complex set of institutions. In most cases system's change led to a restructuring of the institutions, not to institution-building from scratch:

1. In the first wave (Finland, Germany, Austria and later Spain) the Republic was built into the system. Even though a new constitution and new electoral law were introduced, many other institutions were inherited from the old regime.

2. After 1945, in the second wave, only rarely were the old institutions revivified, as in Austria. Most systems, even those of the guest victors, such as France and Italy, were completely restructured.

3. In the third wave of the 1970s the depth of institutional change was below the level of 1945.

4. The fourth wave of democratization, after 1989, showed a rather ambivalent process: on the one hand, the old regime was less discredited with the majority of the citizens than the authoritarian and fascist systems which collapsed in 1945. Socialist systems, on paper at least, had preserved many achievements of the bourgeois legal state. The social and socialist declaration on citizens' rights were eligible for consensus even in a post-communist society. Elite continuity, moreover, on the meso- and lower level was considerable.

Institutional change after 1989 could not be steered from above, as a coalition of ‘antifascist parties’ had tried this after 1945 and failed. In consonance with the ideas of deregulation, there prevailed in many fields a para-steering by private institutions, policy-advice-administrations and trusteeship institutions. There was also a certain amount of continuity among the old nomenclatura elites in these organizations. Never in history had a group of nations with similar sets of institutions democra-
tized at the same time. The Communist regimes in the era of Brezhnev had differentiated, but on the whole, the standard system of a socialist regime was preserved. Topornin (1972) has classified nine features of a socialist system. It reads like a refutation of tendencies of new institution-building among the reformers of the Prague Spring in 1968. The normal socialist system had admitted only small national derivations. In the 1980s some of the socialist countries introduced ‘judicial review’ into their constitutional courts which was completely alien to the monopoly of power by the party (Poland, Yugoslavia). The new process of institution-building after the peaceful revolutions included three different types of institutions:

- Institutions which survived system’s change;
- Institutions which were abolished;
- New institutions.

Nominally, many institutions of the old regime survived. Some of them had been dead letters in the old regime, such as parliament. Justice and local administration had existed before, but only after democratization did they begin to have an independent life of their own. The most repressive institutions, such as the party monopoly, the planning commission and the old institution of state security, had no choice but to disappear. Others were cut back to the normal size of competences in a democracy, such as the prokuratura, the attorney general. Under socialist conditions, the prokuror encompassed not only functions as accusator in penal law, but also as an ombudsman and state control. These functions were differentiated under democratic conditions (see Figure 6.1).

New institutions were created most frequently in the economic subsystem. The most important of them was the differentiation between the central bank and the normal commercial and trade banks. In the sphere of social organizations true interest groups appeared and a certain division of labour between parties and interest groups developed, whereas they had blended together under the Communist system. Now the mass organizations also had the right to compete with parties in the electoral arena.

The scheme of the institutions in the transition to democracy shows that socialist regimes also had a fairly complex set of institutions. Parliament and democratized governmental and administrative organization received a certain amount of autonomy. The office of president was introduced and in many cases given too many competences in order to guarantee a balance between parliament and the head of state.