Democracy in Weak States
Broadening the Understanding of Democratization Mechanisms

Ever since Samuel Huntington’s book on the third wave of democracy was published, there has been almost euphoria on the prospect of further democratization. Democracy also seemed unstoppable when the communist Europe rapidly changed regimes.\(^1\) Despite such optimism, however, there is also reason to be pessimistic. The last phase of the third wave has not solely been successful. Out of 27 countries wishing to join the European Union, only eight, less than one third, have made the grade and the remaining 19 most likely have a long road ahead. Since the post-communist case is distinctively different from south Europe and Latin America, there may actually also be reason to talk about a fourth wave of democracy.\(^2\)

Closely connected to democratization is the question of democracy aid, which takes the form of technical assistance, training and political advice. Both the understanding of political transitions and aid to democratizing countries has been based on the South European and Latin American cases.\(^3\) When the post-communist transitions are added, however, those theories and assumptions are seriously challenged.\(^4\) Democratic aid is also put to a test with the increasing number of “problematic” states where the transition from dictatorship to democracy does not follow previous patterns, and where aid and advice seem incapable of solving the problem.

One problem has been to classify such problematic states. This has resulted in a handful of epithets describing them as democracies of some sort.\(^5\) It is obvious that there has been resistance to admitting that there are states that have moved from a known political system to one that is much less understood.

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\(^1\) Diamond (1996) is one good example.
\(^2\) McFaul (2002).
\(^3\) Bunce (2003).
\(^4\) McFaul (2002).
\(^5\) Collier and Levitsky (1997).
As these problematic states are being mapped, the question how this has affected democracy aid comes to mind. The simple answer is: little. The aid community has of course moved up a steep learning curve, but it does not necessarily reflect the findings in the academic field. The research on democracy has been mainly focused on the actors rather than structures, but with the growing insight that post-communist Europe is a different case altogether, the need for a different mode of analysis is increasing. Exploring a more structural approach to democracy and democratization produces an abundance of new questions and insights for further research.

The aim with this paper is to point at a more complex analysis of democracy and democratization, and to detect areas that need to be incorporated into the analysis as well as understood more deeply.

Promoting Democracy

Academia Meets Reality

There has been much academic research on democracy, its development and composition. There has also been extensive writing on transition and consolidation, but very little on the actual impact of democracy aid or hands-on practical design and implementation of aid. The democracy aid promoters, on the other hand, are in the process of evaluating their experiences in various documents with different availability to the public. While scholars are interested in the achievements of the aid agencies, the opposite interest is not always strong, perhaps because academic research has not focused on issues that make a direct contribution to the aid community, as indicated by Pinto-Duschinsky.

The perception of democratic transition, and thus the aid and support surrounding it, rests on subjective experience rather than on scientific research, with some backing from developments in the old, established democracies. The transitions and the aid programs have often focused on form rather than substance, and have even been encouraged to do so. However, there are critical voices advocating a closer look at, and perhaps even a shift in the

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6 McFaul (2002).
7 See Crawford (2003) for a discussion on evaluation.
8 Pinto-Duschinsky (1997) p 310
analyses of democratic transition in the post-cold war world. Before we can critically analyze the democracy aid and its foundations, we thus have to examine its composition.

**Learning while Doing**

Thomas Carothers has studied the learning curve of American democracy promoters and shows that the field of democracy aid has been built slowly as the aid providers have learned their lessons, as well as how much, despite some serious obstacles the democracy aid has developed and improved during the last 20 years or so.\(^\text{11}\) He has focused on what he knows best, the USAID and the American aid community, but also points out that he believes that his findings are relevant to democracy assistance in general, as most organizations and governments sponsor similar, rather than different programs.

American democracy aid rests on three pillars or assumptions: first the American model of democracy; second, seeing democracy promotion as institutional modeling; and third, the assumption that democratization follows a natural sequence of stages. The idea of institutional modeling forms the core of the two other pillars. If a country can reproduce the institutions of a democratic society, it will become democratic itself. Transforming societies is about transforming formal institutions. With this as the core, the other two pillars follow naturally. The model for institutional modeling is of course the society the democracy providers know the best, in this case the USA.

The issue of which institutions to start with is solved by the natural sequence of democratization, beginning with the fall of a non-democratic regime, followed by multi-party elections and political consolidation. Institutions are built, the judiciary is strengthened and civil society nurtured. The basis for the evolution theory is, according to Carothers, the unfolding of events and development of democracy aid programs in the world. The initial phase of the third wave seemed to follow the same pattern: elections, institution building and civil society support. It was easy to jump to the conclusion that democracy depends on the will of the leader and demands from the population, not on cultural, social or economic preconditions.

These three pillars have formed the background to most democracy promotion and aid; guiding it, but also restraining it. Starting with the democracy model, Carothers shows how strong belief in the own democratic concept is constraining development in the recipient country. By consciously or unconsciously assuming that democracy equals the model of the

\(^{11}\) Carothers (1999).
promoting agency (American or other nationality), the ability to see the special needs of the recipient country is lost. Supporting the American model in a country building a parliamentary system is likely to create confusion and frustration, if not anger among the recipients who might feel that their concerns are not heard or taken into consideration.

Carothers even goes so far as to saying that "[the democracy promoters] sometimes believe that American political ways are the best and should be universally emulated, little considering how they might work in other contexts." This is a comment that is probably true for other democracy promoters as well. The aid community, however, is slowly learning that there has to be flexibility in the building of a new democracy, and that the real experts may sometimes not be people from the established democracies, but perhaps those from a successful new democracy.

The notion of institutional modeling has made the democracy promoters focus on democracy as a form, rather than substance. The first democratic institution that comes to mind most often is that of elections and with it electoral aid. The initial electoral support, which consisted mainly of a few-days trip by enthusiastic, but not always prepared, observers, has developed into a huge industry organizing observing and monitoring activities that last for several months.

Pre-election monitoring and extensive support for building an adequate electoral infrastructure, including proper training, has not only improved the conduct of elections, but also the quality of electoral aid. Despite these improvements, however, there are still flawed and manipulated elections taking place under the very noses of the monitors. Just because the form is perfected, the content does not necessarily also have to be according to the formula.

The example of electoral aid is perhaps the clearest, but the whole range of programs established to re-shape institutions face the same problem. Training, teaching and education do not erase non-democratic behavior. It is not a lack of knowledge that sustains non-democratic behavior. Or, as Carothers puts it, “one imagines a crooked politician slapping his forehead, ‘If I had only known the courts are supposed to be independent, I would not have called that judge to scare him off my case!’”

Parallel to the development of a more diverse democratic formula, the democracy promoters are also starting to dig into the underlying political power struggles that shape and sustain undemocratic behavior, rather than trusting the institutions alone. This way of working

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13 Indeed, this is a view promoted as early as 1970 by Rustow, together with his view that there are no structural preconditions for democracy.
requires a different approach, which includes longer projects and a deeper pre-understanding of the recipient society. There is also a growing insight that in order to be able to achieve reform there has to be a will to change in the addressed institutions; otherwise the desired results will not emerge.

Realizing the difficulties to that rest in building democracy with the help of stubborn politicians and institutions alone has also shifted the focus to a more bottom-up approach, including civil society programs and civic education. The hope here is that the people will learn to take action and that their initiatives can make a difference. However, the civil society concept is not unproblematic either, especially not if it is equated with NGOs and other interest groups. A vivid civil society can take different shapes, not always detected by Western people.

Despite good programs and diverse concept of democracy, it is becoming increasingly clear that there is no natural sequence for democratic development. There are several examples of enthusiastic revolutions, where both the citizens of a country and the international community have excitedly taken on the democratization project. Only some years onwards it has become evident that the transition has slowed down, halted or even started to backslide. With the democratic development being stalled or sliding backwards, the well known formula no longer gives the expected results and the democracy promoters are left without a back-up plan.

Although it seems to be difficult for the democracy promoters to accept the diversity and the complexity of the societies they are working with, and to adapt to the context, Carothers nevertheless claims that there is a development on all fronts towards a diversified approach. The programs are being broadened, the experience of the experts is being questioned and there is growing acceptance that democracy does not have a set formula. Despite all the obstacles and problems, the democracy aid community is learning and improving in order to be able to promote democracy and prosperity for transforming countries.

**Moral Hazards**

Despite the steep learning curve, there are many transitions that seem to be very difficult to move further towards democracy. The whole concept of learning in this case is to avoid common mistakes and so-called moral hazards. The most obvious ones have of course already been identified, but being aware of their existence is not the same as being able to avoid them.
Among the more systemic problems we can find the notorious “Beltway bandits,” such groups and organizations that make a living out of implementing democracy aid alone (in a sort of middle-man position). They make good use of political contacts in Washington and in other capitals in order to secure government funds for their projects. Although the quality of their work has often been questioned that does not apply to their implicit rights to receive funds.\(^{15}\) Not only does the money often go to suspected failures, but also to pay expensive foreign consultants when it could have been spent on local experts to build a domestic expertise in the recipient country, and more cost effectively.

With aid being focused on political crafting, there is a risk of missing the important element of citizens’ participation in politics and society. By interpreting civil society as “the realm of organized intermediary groups that are voluntary, self-generating, independent of the state and the family, and bound by a legal order or set of shared rules,”\(^{16}\) there is a risk of totally missing a rich informal “civil society” that is not focused on politics but on other important aspects of the society. A lack of understanding of relevant political and social codes might result in endless institutional reshaping, when the real problem is covert power struggles. With a “square” and formalistic interpretation of democracy, one risks failing to address its content and associated modes of behavior.

Aid dependency and donor driven projects are other problems that divert time and resources from other, more efficient projects. The recipient country could end up with civic groups and organizations not really fitting the society just because there is money for a certain kind of groups and not another. Other projects may almost queue to reinvent the wheel because of shallow assessments and lack of insight in what has already been done. On top of that there are many potential recipients that do not dare to say no to something they actually do not need because they are afraid that they will be left without other proposals.

Another effect of donor driven projects, which also is connected to the aid itself, is that political leaders implementing the programs are accountable primarily to the foreign donors and not their own population. The important link between the people and the building of democracy is not established and the feeling of ownership is lost. Stephen Knack discusses these and other similar problems in a study from the World Bank, and he actually shows that there is strong evidence that aid in some circumstances actually undermines good governance.\(^{17}\)

\(^{15}\) Ibid., p. 258.
\(^{17}\) Knack (2000).
As Carothers showed, the aid community is learning and continuously improving their work and trying to overcome the problems of moral hazards. But with a large group of democratizing countries stagnating and not developing their democracy further, we have to ask ourselves if this fine-tuning is enough, or if a different approach is needed. Perhaps political crafting is not the answer to the problems in states where institutions are being built but without the desired result. If so, what could a different approach offer?

Towards a New Paradigm?

One model, different realities?
One can argue that democracy promotion as described by Carothers reflects a “classical” or “traditional” view on democracy aid and transition, where identified problems and their solutions are found within the discipline itself.\(^{18}\) The critical voices are concerned about the design of the tools within the model, not with the model itself. We have seen that the aid community is learning how to promote democracy better and better. Along the learning curve, they also discover how to avoid the most common moral hazards and to find the balance between naivety and cynicism. The question, however, remains why the progress is so very slow and often backsliding. Democratic transition cannot be rushed, but can backsliding be avoided, and how should different types of societies be approached?

As discussed above, the abyss that exists between practitioners and researchers gives rise to an interesting paradox where democracy and governance is penetrated in detail and surrounded by hot debates, but where democracy aid follows a set pattern that shows little concern for the academic disputes. Does democracy aid rest on feet of clay? Perhaps such a suggestion goes a bit too far, but there is certainly some interesting academic work suggesting that there is a great need to close the gap between practice and theory to gain a better insight in these matters and to understand how and to what extent democracy can be developed externally.

First we have to recognize that the model for transition to democracy is essentially based on experience. Somewhere during the 1980s or so it had become cemented not only for practitioners but also within the academic world,\(^ {19}\) generally being described as following three major phases: preparation, breakthrough and consolidation of democracy. The consolidation phase could be helped and strengthened by aid aimed at crafting the political

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\(^{18}\) Carothers (2002) goes so far as to calling it a paradigm.

institutions as described by Carothers above. The cases underpinning this model were all taken from the first and second wave as well as the initial phase of the third wave, all mainly confirming the model. Up till that point, most of the democratic countries were found in Western Europe, North America and parts of Latin America.

Secondly, whether one likes it or not, it has to be recognized that these countries are in one way or another connected to the “western cultural sphere,”\(^{20}\) and were at the time of transition mainly well established countries with a relatively well functioning state administration.

Thirdly, we also have to admit that most of the stagnated transitions are found in culturally very different areas, such as sub-Saharan Africa, and are often simultaneously facing state building as well as democratic transition, such as in the case of the countries that formed the former Soviet Union.

Huntington writes that both the first and the second wave were halted by reversing trends, causing the number of democratic countries to decline.\(^{21}\) Is the stagnation we can see today the beginning of a reverse trend? Perhaps, but given the different structural parameters between such countries as Spain and Albania, both part of the third wave, we may suspect that there is more to the problem than a reversing trend. What was true for Spain may not be true for Albania.

**The transition paradigm**

Carothers identifies what he calls a transition paradigm, which rests on five core assumptions.\(^{22}\) The first is that any country moving away from dictatorial rule can be considered a country in transition toward democracy. The second, as discussed above, is that democratization unfolds in a set sequence of phases. Third, there is a strong emphasis on the importance of elections as an instrument to broaden and deepen the political participation. Fourth, that structural and cultural parameters and underlying conditions are not major factors in the outcome of the transition. Fifth, third wave transitions rest on functioning states that need some institutional re-shaping and new design, but not support to build the state itself. The democracy aid workers have thus focused almost entirely on institutional modeling regardless the state of the state.

\(^{20}\) For a discussion on cultural spheres, see Inglehart and Carballo (1997) and Inglehart and Baker (2000).


\(^{22}\) Carothers (2002).
Carothers points out that about one fifth of the almost one hundred third wave transitions are clearly advancing toward consolidated, well-functioning democracy. The rest are mainly caught in a grey zone between democracy and some sort of authoritarian state. They are neither moving backward nor forward on the road towards democracy, but seem rather to be on a different track altogether. This phenomenon has forced those involved in democratization to coin new epithets: semi-democracy, illiberal democracy, electoral democracy, etc, all in order to be able to explain the state of transition within the paradigm. They may help classifying the problems and to sort out the facts, but none of these epithets help to solve the problem itself.

The “grey zone states”\textsuperscript{23} represent a type of governance we have not seen before. There are generally some basic democratic notions such as elections, democratic constitutions and a functioning opposition, but they also show clear signs of a non-democratic state: officials abusing the law, nepotism, low political participation, etc.\textsuperscript{24} The democratic components make us believe the countries are transforming into democracies when in fact their hybrid composition is increasingly consolidated despite professional democracy aid and often international pressure of different kinds. A very different approach seems to be needed in order to make these countries adopt democracy.

With this reasoning we touch upon a sixth point that could be added to Carothers version of the transition paradigm, namely that all countries, leaders and citizens alike do want a western style democracy. Leaders will happily embrace democracy when the institution of free and fair elections is installed, and citizens will give up their traditional loyalties and power structures in favor of the democratic values. The whole idea of democracy aid is to show transitioning countries how democracy works, not to force it down the throat on reluctant state leaders and their citizens.

But there could be, and indeed are, several issues that can face stiff resistance. Female suffrage is one example, something that took very long in the original countries to achieve. A very conservative country like Afghanistan will have problems to face this issue no matter what they do. It is impossible to write a democratic constitution acceptable to the foreign donors without political rights for women, and it will probably be equally impossible to sell the idea in practice to the Afghani male citizens, and perhaps even to a large part of the women. Maybe we also have to consider as a fact that liberal democracy is not a universal value.

\textsuperscript{23} Lacking a better term for these countries, I will use Carothers’ throughout this paper.
\textsuperscript{24} Carothers (2002), pp. 9-10.
State and Society

The grey-zone state

Many of the democratizing countries have a problematic state apparatus, where the state leadership is contested and the administration far from efficient. This is particularly true in many of the former Soviet and communist states, as well as in large parts of Africa. In this sort of society, it is not merely an issue of democratizing an otherwise relatively efficient administration and political culture, but also of strengthening and sometimes even building the state and seeking to make it a natural part of society. A modern democracy requires after all a rather firm grip on society to be able to offer the basic democratic fundamentals such as an accurately updated polling list for elections, and equal implementation of the law and regulations all over the country. Democratization in the grey-zone countries often goes hand in hand with state building and modernization.

Carothers identifies two main types of political syndromes in the grey-zone states: feckless pluralism and dominant-power politics. The first is characterized by shallow democracy where politicians and officials are perceived as corrupt and only working for their own interests. There is some pluralism, but the political elite does not reflect the society, and the state is poorly functioning and disorganized. The second syndrome normally bears those attributes as well, but political life is dominated by one grouping and there is little prospect for change of power. Elections are often dubious on the edge of being fraudulent. The state and its administration are highly politicized and there is a frequent turnover of ministers and other officials. All in all, the grey-zone states could be characterized as weak in most senses.

Guillermo O’Donnell adds to the analyses of these countries that there is a big gap between formal rules and actual behavior.\(^25\) Clientilism, or what O’Donnell calls particularism, prevails under the surface of democratic institutions. Democratic freedoms exist, but the liberal freedoms are restricted to a privileged few. The informal, personal modes of behavior are institutionalized but not always visible, especially not for those that fix their analyses on formal, established modes of democracy. Accountability is difficult in these societies, as the boundary between public and personal spheres is blurred and state agencies lack the mechanism of mutual control over each other.

Since the grey-zone states represent a political system that is rather new to us, it is important that we understand how it is built and the effects and mechanisms of such a system,

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not only for the sake of democratization. The established lenses through which we see the world – democracy, totalitarianism and authoritarianism – are insufficient and fail to provide accurate information about the grey-zone states.

Weak states and the problem of consolidation
There is no reason to start from scratch in order to establish a better understanding of the grey-zone states. There already exist different models for weak states, describing many of the problems the grey-zone states are facing. The literature normally uses the established language and terminology, but there are some very constructive insights into the problems a state consolidating its political system and administration could encounter.

Joel S. Migdal offers a useful framework to analyze and understand the mechanisms of a weak state and the building of a strong state. He says that in order to understand the capabilities and character of the state, one must first understand the social structure. Strong states have developed in societies where the state leaders do not have to compete with local strongmen, while weak societies are characterized by social fragmentation.

The theory that is laid out by Migdal rests on the assumption that a strong state “can occur only with a tremendous concentration of social control.” Weak states, on the other hand, have all been under the influence of colonizers where the foreign authority participated in the reallocation of resources to local strongmen and away from the government. Once these local strongmen were established, it was increasingly difficult for the state to challenge their influence over the population.

Migdal also presents the notion that the state has to be analyzed as a set of different levels and organizations, rather than as an apparatus abiding by its leadership. He identifies three levels of the state that have an impact on the state-society relations: the central executive leadership, the leadership of the central state agencies and the officials at the regional, and local levels. In weak states, the state leaders have tried to build strong agencies to confront local strongmen behind the social fragmentation, but these agencies have turned into power centers challenging the state leader himself.

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26 Migdal (1988). He uses the label strong for states with a consolidated, uncontested state presence in people’s life, not to indicate the strength of military or public security forces. Weak states are naturally on the other side of the spectrum, but could very well have a “strong” security approach towards its citizens. A strong state does not have to be democratic.


28 Migdal published his book 1988, before the fall of the Berlin wall and he focuses on post-colonial states. His description of weak states is today valid for other states as well.
These centrifugal forces have pushed the state leader into what Migdal calls *politics of survival*, i.e. using non-merit appointments and constant re-shuffles among the higher echelons of the administration in order to secure loyalty and to prevent power building, as well as perhaps even illegal means, what Migdal calls dirty tricks, to secure his power. These strategies of course do not improve the situation, but rather weaken the state capabilities and even undermine the leader’s legitimacy. As the weak state leader gets involved in the politics of survival, the state agencies are weakened towards the population and the local strongmen, and the state leader has to engage in even more in the politics of survival to sustain the delicate balance.

The problem is further aggravated by what Migdal calls the *triangle of accommodation*. The state, its agencies and the local strongmen accommodate each other in a system where the state helps strengthen the local strongmen against the state agencies, while they on their hand help keeping a stable society. Local authorities and state agencies are also working together with the local strongmen on the local level to avoid too much influence from the state leader. All three corners of the triangle thus work with and against each other. Upsetting this arrangement means upsetting society as a whole. It is extremely difficult to escape this negative spiral, and Migdal suggests that perhaps the only way is to pull the carpet from under the feet of the society and start from the very beginning.

Migdal’s model of a weak society is a good description of many non-democratic or democratizing societies of today. His model fits well into the above discussion, where we noted that many countries have administrations marked by nepotism on all levels with a frequent change of top-level bureaucrats and even changes of the law and suspicious arrests of opposition politicians and journalist; only to point out a few of the effects of politics of survival. While Migdal’s reasoning does not contribute anything essentially new, what he does show is how this behavior could be almost crucial to the political survival of the leader. Without the constant game of musical chairs he risks being toppled by either rivaling groups or even by forces within his own administration.

If we are to understand the behavior of the leaders and the mechanisms in society it is important to bring this insight into the analyses of the problems of a democratic transition. In a country where democracy exists on paper but the political life of the opposition is very insecure, there are few incentives for the leadership to jeopardize their grip on power. If direct control of large assets of money is a part of the power, and corruption, clientilism and nepotism are common, there are even fewer incentives for the leadership to give up its non-democratic behavior.
Democracy in Weak States

Democracy aid in a weak state

Do really weak, grey-zone states pose such a threat to the established political aid community and their standard operating procedures? Could it be that these states just need more time and resources to overcome their weaknesses and problems? Approaching a weak state that expresses a wish to strengthen or create a democracy, the possible aid donors face a delicate project. Many of the institutions have to be changed fundamentally to resemble those in democratic societies and much of the law system and its implementation have to adopt totally new norms.

Carothers has pointed out that American democracy aid aims at balancing the state institutions against what is normally perceived as a too strong government. Strengthening state institutions, and other parts of the state and society, is something very common among democracy aid organizations. The government per se might receive little or no support, and decentralization is a core concept as many of the transition states are strongly centralized. The approach and policy make sense from this point of view: to divide the power means preventing despotism. But the picture changes dramatically if we add Migdal’s findings to the equation.

If the state has the characteristics of a weak state, as Migdal describes it, the leadership is involved in an intricate balance of power and influence with other parts of the state, such as heads of administration, local leaders and perhaps even groups within the leading structures. The leadership struggles to keep control and to avoid other groups getting too much influence in order to be able to stay in power. The distribution of power between rivaling parts or different ethnic groups, such as for example in Afghanistan and Iraq, means that there is a risk of creating a weak leadership that is caught up in the checks and balances characterizing the politics of survival. An appointed interim government, such as in the two actual examples, also faces the difficult task of gaining the trust and legitimacy of the population. It is not at all certain that the state provides the most reliable and obvious set of values and norms.

The triangle of accommodation puts the state’s leadership in a very difficult position, where it has to balance institutions against each other, keeping them strong enough to counter the local strongmen but also sufficiently weak not to topple the leadership itself. The situation is further aggravated by the politics of survival, which includes frequent changes of top

29 See Olson (2000), for an extensive discussion on this correlation.
officials, non-merit appointments and dirty tricks, all adamantly opposed by democracy promoters. Democracy aid workers, American or not, are trying hard to make state leaders abstain from using these methods, because they weaken the state capabilities and alienate the institutions from the people. Democracy aid promoters are also working contrary to the state leadership with strengthening institutions the state leaders don’t want too strong.

Democracy aid normally seeks to ensure a pluralistic system where as many groups as possible have influence over the governance of the state. Decentralization of state power to local levels, and making the state administration as independent as possible, are two main features of democracy aid. The point here is that the traditional design of democracy promotion risks aggravating the centrifugal forces in a weak state, as Migdal describes it.

Despite all its good intentions, aid to transform institutions thus might have the opposite effect than is intended; classical democracy aid might even be counterproductive in some extreme cases. The state could become yet weaker and eventually need even more state building measures rather than democracy aid. Recognizing the different statutes of the grey-zone states and an understanding of the specific problems they encounter could help avoiding these negative effects of democracy aid.

Creating a strong democracy

Carothers pointed out that most of the third wave countries are in need of serious state building, especially those emerging from the former Soviet Union and Former Yugoslavia, where the state suddenly ceased to exist. Democracy needs a relatively solid base to stand on in order to keep political conflicts inside the democratic framework rather than the opponents using dirty tricks and other less democratic means. The state foundation also needs to be strong enough to resist possible temptations from people in power positions to influence decision-making and court rulings. In other words, democracy needs a strong, viable state.

Migdal’s state model is useful also to look into the delicate balance of strong leadership and democratic diversity. Migdal says that during a time of turmoil and transition, (not necessarily a revolution) the allocation of power has to fall into the hands of groups that can centralize power and avoid splintering effects in order to support a strong, viable state rather than a weak one, because the result depends on the distribution of social control. 30 The state has to become the only legitimate source of power and to establish its norms and regulations as the only reasonable for the population. If not, there is a risk that other power

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30 This is particularly true in societies undergoing deep structural changes or when the state boundaries – borders, nation, etc – are blurred.
groups will challenge not only the leadership, but also the state itself. A democratic society, on the other hand where a representative pluralist system rests on the distribution of power, does not go well with too concentrated power.

In the case where democratic development is difficult to achieve in a transforming country, and where the International Community wants to see democratic evolution, it may get involved in different democracy aid programs. The IC might take a strong approach and have an impact on who will benefit from the allocation of power by supporting political favorites and a pluralistic model of power sharing. It does not necessarily have to be as obvious as in Iraq, where the USA initially handpicked those in the interim government. It could be enough that foreign ambassadors support one or more political figures in a country desperate to please foreign donors and alike, to influence the popular vote.

At this point we have to examine what sort of society is being promoted and favored by the international community. One could argue that in today’s world, diversity and pluralism is preferred to centralization and a strong, single leadership. Perhaps this could indicate that – despite other favorable conditions – promoting diversity might not be enough to establish an environment where it is possible to overcome the creation of a weak state. Perhaps the allocation of power has to be centralized initially when approaching a society in disorder, only to be exposed to competition at a later stage in order to achieve a viable democracy rather than a weak state.

This discussion could be dismissed as a purely academic debate, but there are contemporary examples where more knowledge and insights on this issue could perhaps have made a difference. While attempting to build a viable, stable and democratic state in Afghanistan and Iraq, foreign advisers and decision makers have faced the issue of allocating power to the local people and to create a representative leadership in order to fulfill the transition to self-governance and democracy. If it were merely the question of rebuilding a state, the actions taken would perhaps have been very straightforward, but as it is also a matter of building a democracy, the approach is different and puts the foreign advisers in a difficult position.

There are also less eye-catching examples. We have already concluded that the grey-zone states are often in need of state building measures. There are a handful of cases in Europe alone, with FYROM, Albania, Ukraine, and Moldova being perhaps the most obvious examples. Central Asia and sub-Saharan Africa provide more cases where the state is weak or even absent and has to be built or further strengthened to be able to live up to the democratic standards.
Before any further conclusions can be drawn, the issue if state building and democracy needs additional research. However, it seems to be that building a viable state and building democracy are two different things and don’t have to overlap.

**Institutional Modeling: Fundaments and Incentives for Building Democracy**

**Institutional modeling**

With a transition paradigm that assumes states in transition to be coherent and functioning, it follows naturally that creating democracy is about reproducing the institutions of an established democracy. Indeed this is at the core of the democracy aid. Despite huge differences between the societies concerned, the very same tools and assumptions are applied all over the world. However, the effect on different societies varies greatly and only a few cases turn out as expected. For those trying to build democratic institutions, these may be disappointing facts. For students of institutional change, however, it is hardly a surprise.

One of the most prominent scholars in the field, Douglass C. North, concludes that transcribing formal institutions from one society to another does not result in the recipient society being the same as the copied.\(^{31}\) Many aspects of the old society will survive despite a total change of the formal institutions. The informal restrictions in the society (norms, etc.) are very difficult to change and normally survive a change of the formal rules.\(^{32}\) North is very clear on this point, especially when it comes to sudden changes such as revolutions. Incremental changes of formal and informal institutions are easy to handle for people, as the institutions change with each other. A sudden change, for example overthrowing a communist dictatorship, is more difficult to accept. The turmoil gives incentive for people to change, but also to stick to old, well-known social codes and structures to have some order in their lives. Once the desired change has appeared, it is often not so attractive any longer to sacrifice wealth and safety for ideology. New formal rules that rest on ideological devotion will slowly fade. Again, North stresses that formal institutions change, but not informal. A situation evolves where the new formal rules have to challenge the old informal structures with the result that a new equilibrium is reached, and most certainly a less revolutionary one.

\(^{31}\) North (1990).

\(^{32}\) The findings by O'Donnell presented above also support this view: despite the public adoption of formal, democratic rules, the elite continues to behave and interact according to the informal, non-democratic norms.
Transforming this reasoning to institutional modeling and democratization means that a radical democracy project that fails to tackle norms and values of the population is likely to end up as a degenerated democracy, different from the initial intentions. This could in part explain the development of the grey-zone states. Indeed, a short journey around Eastern Europe could support this conclusion, both by looking at the communist revolutions and the present transitions. The communists managed to change the state institutions, collectivize the land and prohibit political pluralism, but they faced enormous problems convincing the population that their ideology was such a good idea in practice. Farmers refused to work the land efficiently, industrial workers produced their quotas but without apparent pride and quality, and public administration was famous for its inefficiency. Respect for common assets and goods were more absent than present. Even the leadership did not fully comply with the communist ideals, especially not when it came to material standards.

Communism was never to be fully adopted by the larger population, despite the education in school and the states’ efforts to root out all other ways of thinking. The communism that eventually was established was a different version of what was advocated by its fathers and early disciples. Ten years after the collapse of communism, we can see similar tendencies when it comes to democracy. The norms and ways of life that were established during the communist system seem to prevail in many areas, despite the establishment of democratic institutions. Lack of initiative, lack of transparency, a heavy state apparatus, poor respect of human rights and poor trust in the state institutions are legacies found all over the former communist bloc. The formal institutions might have changed or at least be under transformation, but the old mentality seems to be very difficult to change.

Welfare to keep up the popular momentum?

In order to avoid a distorted democratic transition, there is an apparent need to keep the momentum high with strong incentives for both the elite and the population to stick to the reforms and to prevent stagnation. But what sorts of incentives are needed? What about the civil society/civic education programs? Are they good enough and just need to be stressed? The traditional institutional design in democracy aid projects focuses mainly on the formal, political institutions governed by an elite in society. Civil society projects designed to spread the democratic ideas unfortunately reach mainly only a few people in NGOs, which are often without a strong foothold in society. Another side of the issue is that the political institutions and the political leadership normally only affect peoples’ life marginally. A change of formal political institutions does not necessarily have to make a difference to the ordinary citizen.
general acceptance of the formal rules in the society is not only necessary for democracy, but also to be able to build and/or sustain a viable state. Something stronger than political training for the administration and NGOs is needed to reach the everyday life of the population.

Ronald Inglehart offers a useful insight by claiming that well-being, rather than wealth and prosperity, forms a key component for legitimacy of a political system. There has to be incentives to carry on the reforms, and improved quality of life is one of the best ways to legitimize a political system in the eyes of the population. There is little chance that people will fully embrace a new political system with all its social changes (for example root out clientilism) unless they perceive it as legitimate and as better than the former.

Inglehart has delved into the relationship between political system and well-being and offers the conclusion that the political system only has a minor role in shaping the perception of well-being. He argues strongly against the idea of institutional determinism, i.e. that democracy makes people happy, but rather that it is the subjective well being, i.e. people’s relative happiness, that sustains any political system.

Legitimacy is important for any leadership, and by combining different statistical data Inglehart shows that satisfaction with life as a whole is far more important to the legitimacy of a political system than the perception of the system itself. He continues by showing that the exceptionally rare state of very high level of dissatisfaction with life occurred in Russia, Belarus and Bulgaria in 1990s World Values Survey, even lower than in very poor countries. The political system in these three countries collapsed only the year after. By bringing in the example of Weimar Germany, as well as Italy, Poland and Spain of the same period, he extends the conclusion that also a democracy can collapse due to falling perceptions of well-being.

Subjective well-being is obviously important for the legitimacy and stability of a political system, not only because it contributes to sustainability, but according to Inglehart’s findings, economic development also helps nurturing interpersonal trust, which he argues is a key component in the political culture that helps maintaining democracy.

With this exercise Inglehart has shown that in order to succeed, at least in the longer term, democracy aid has to focus not only on political matters, but perhaps even stronger on the economic development of a country. A key point is that to gain legitimacy, a political

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33 Inglehart (1999). While wealth, prosperity and growth can be easily quantified and measured objectively, well being is subjective.

34 This view is partly supported by Przeworski et al., claiming that a reduction of income equalities strengthens the likelihood for democracies to survive since people expect a democracy to reduce the equalities. Przeworski et al. (1997), p. 299.

system has to produce subjective well-being, especially after a change. That includes maintaining or improving the quality of life and living up to expectations. People have to feel that there is a prospect for wealth in the future, rather than eternal structural cutbacks.

He also shows that democracy and democratic culture is much more than the formal political institutions and the behavior of the political elite. Democracy rests on the people, and it is very important to take them into account when building democracy. Without a sense of legitimacy, democratic reform and civic education risks being a vain cry in the darkness, as people are not interested in changing their behavior and to sustain the transition.

Transforming the elite

If increased, or at least sustained, subjective well-being is an important component in seeking to create popular legitimacy for a political transition, what then are the incentives for the elite? The higher echelons of a society will have all their influence and power tied to the system they have been working in. These people will not willingly give up their positions for a new ideology, especially not if there are benefits and power to lose. Carothers showed how difficult it can be for the leadership to accept the new reality, and also how democracy aid promoters have problems identifying the reasons for the unwillingness to change.

This is a problem also in countries where the elite took the initiative to reform and have been leading the transformation. It has to be determined whether the leadership in such a situation is aiming for a true transformation, if it will rest content with merely liberalizing, or if it may perhaps just be pretending to democratize. Prospects for better governance and supposedly happier citizens do not always seem to present sufficient incentives to teach old dogs how to sit, but what does?

Diane Ethier has looked into the matter of democracy promotion. She has identified three strategies to promote democracy: control, conditionality and incentives. Control means that democracy is imposed on a country by a foreign actor, as was the case in post-WWII Japan. Conditionality, on the other hand, implies that a promised benefit, such as EU-membership, is made conditional upon the adoption of a consolidated democracy. Finally, incentives in this context would imply that a free benefit is awarded in order to encourage democratic development. Ethier focuses her article on the relation between democratic transition in relation to either conditionality or incentives, and shows that conditionality is the more successful strategy. Indeed, she adds that two-thirds of the democratic countries that are

36 Schimmelfennig (2000) discusses this aspect of democratisation and shows that it could be a rational choice for the leaders to pretend to democratise.
surveyed by Freedom House originated from a conditioned democratization strategy. She also refers to Stephen Knacks’ above-mentioned study for the Word Bank, which indicated that in some circumstances free aid may actually increase bad governance rather than eradicating it.

Why then is conditional aid more efficient than free benefits? Ethier identifies six possible reasons: the promised reward is of high importance to the targeted state; the conditionality of the aid itself; the conviction that the sanction is credible; the steady and strict monitoring of the reforms; institutionalized co-operation between the targeted state and the decision makers; and lastly the granting of technical and financial aid to facilitate the reforms. For any kind of aid to work, whether free or conditional, there is also the need for a “political will” from the leadership in the transitional state to undertake change, and a true commitment by foreign decision-makers. In short, the importance of rewards in combination with the credibility of sanctions forms the core of success of conditional aid. In order to achieve its goals, in the case of Ethiel’s study, EU-membership, the state has to comply with the reforms.

There are of course many problems with conditional aid. The most obvious is the risk of making a state adopt reforms that perhaps do not fit the society, which might have the long-term effect that both the population and the leadership is alienated from the democratic concept altogether. But the point is that Ethiel’s findings show that since political leaders are not likely to change for the sake of changing, there has to be a reason that is perceived as worth the sacrifice.

**A democratic culture?**

Dankwart Rustow was among the pioneers arguing against the idea that there are certain economic, social or cultural conditions that drive a thriving democracy. His view came to be a part of the transition paradigm defended by most scholars. Larry Diamond writes in the introduction to *Consolidating the Third Wave Democracies*: “The contributors to this collection are more or less unified in rejecting structurally deterministic explanations of democratic consolidation and persistence. Democratic consolidation is largely a matter of political crafting, the design and maturation of political institutions, and the spread of democratic norms and values.”

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Political crafting and design of political institutions have been widely discussed and form the core occupation of democracy promoters in aid programs. The spread of democratic values and norms, however, is not equally frequent either in the literature or in aid programs. But if democracy is hard to define, it is even more problematic to agree on what democratic culture actually is. It is even worse to figure out how to promote it.

Not even such a prominent scholar as Robert A Dahl ventures into the mission of trying to understand how it is best created, if it can be created or taught at all. But he does offer us two culturally based practices crucial to democracy, especially in times of crisis. First, the military and the police have to be under the control of elected leaders. Second, there has to be a tolerance of and legal protection for conflicting views and beliefs. But these two practices hardly help us to a deeper understanding of democratic culture or how such a culture helps strengthening and reinforcing the democratic institutions.

Claus Offe has presented some interesting research on the issue of trust and argues, together with Inglehart and others, that it forms one of the cornerstones in a democratic society. He also points out that the consolidation of liberal democracy in post-authoritarian societies seems to be hindered by the lack of trust. He has combined statistics measuring the level of interpersonal trust, quality of life and the state of democracy, and shows that these three factors often go hand in hand. Indeed, democracy and interpersonal trust seem to be especially interlinked. Trust reinforces the democratic culture when we respect the democracy and avoid abusing it, because we trust our fellow citizens to do the same. Offe also combines his findings on trust with institutional design. When building a democracy, democratic institutions are not enough, there also has to be trust generating democratic institutions to make the democracy work. But here comes the very important question: how to build trust in a large group such as a modern society, and how can trust at all be developed?

Offe divides trust into four categories by combining mass/elite and vertical/horizontal aspects. The trust most extensively studied is the mass trust in the elite. Consequently Offe is interested in the much less well-understood trust among non-elites, i.e. the population. How can we trust our fellow citizens? It is relatively easy in a small group to know whom one can trust and not. By experience we can build a picture of future behavior of our fellow group

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41 Robert Putnam is one of the more famous researchers in this field. He has, however, stumbled on some difficult methodological problems and has failed to convincingly show exactly how trust, civil society and democracy are connected (Putnam 1993 and 1995).
42 Offe (1999), p. 43.
members. However, the process of building trust is slow and limited to persons we can monitor, but when it is established, it helps to make the society less rigid.

Building trust among known persons and their extended networks might be resource and time consuming, but trust among strangers is the real challenge. Offe argues that trusting large and unspecified groups of people is the foundation of political trust in a democracy. But with the anonymity, diversity and pluralism of the modern democracies, distrust and suspicion should be the general attitude. How come there is such an extensive trust in established democracies? Does trust give democracy, or democracy trust? The answer is not easily given, but Offe points at what he calls categorical trust as a substitute for trust in known persons. Categorical trust rests on belonging to and identifying oneself with a group that is being perceived as trustworthy, and this extended trust allows “us,” the citizens of a democracy, to put parts of our faith in the hand of strangers, trusting that others do the same and that the strangers perform as expected.

By introducing categorical trust, Offe’s reasoning starts to be really interesting for those involved in democratization. He looks at (formal) institutions as substitutes for trust and the society it produces. First he points out that even though institutions might be perceived as impersonal, regulated and self-correcting, and would thus eradicate the need for inter-personal trust as the correctness of the institutions apparently can be taken for granted, the actual picture is somewhat different. Institutions are incomplete and contested. Institutional rules are not waterproof and could be the subject of cheating and subversion as well as adjusted to a changing reality. This means that “decisions play as much a role as rules.”\(^3\) Institutions are also patterns of potentially contested cooperation, distributing values and resources, which lead to the need to trust the persons in the institutions. Further, institutional rules have been created and could therefore be changed.

Despite these shortcomings, Offe argues that institutions do function as bearers of the abstract trust in strangers that is so crucial for a democracy, but it requires a certain quality of the institutions. They “provide normative reference points and values that can be relied upon in order to justify and make sense of those rules.” This “normative meaning (…) allows me to trust those that are involved in the same institutions.”\(^4\)

Institutions have the capacity to shape behavior if people living in or under the institutions are familiar to and fully in compliance with the normative ideas embodied in the institutions. Strangers trust each other because we expect each other to respect our common

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\(^3\) Ibid., p. 67.
\(^4\) Ibid., p. 70.
beliefs and to behave in a certain way. But, Offe adds, it is very important to remember that institutions are trusted only if they are perceived as making sense and being meaningful. Those institutions that are perceived as dubious or even inconsistent will not contribute to mediating trust among strangers.

Having argued that institutions can mediate trust, Offe turns to the question of which values and qualities that are needed to obtain this ability. First, he says, these values have to be almost impossible to gain through calculated actions. Just as he is categorizing trust, Offe combines truth and justice with the passive and active mode and comes up with four values: truth-telling, promise-keeping, fairness and solidarity. By embodying these criteria, institutions can generate trust, but by violating them, trust can be very quickly consumed and turned into cynicism.

Fair, truth-telling and promise-keeping institutions apparently contribute to generate and mediate the trust among unknown citizens needed to keep a healthy democracy functioning. But this is the case in established democracies. The challenge is to establish a culture of trust and trust-generating institutions in the democratizing societies, where trust very often is generated on a personal basis and public skepticism is high towards state institutions. As democracy aid workers are building institutions, there are naturally different approaches on how to solve the problem, either to build trust on a grass-root level and try to expand it, or to establish flawless trust-generating institutions from above. Offe combines these two approaches by showing the importance of good institutions to gain and sustain interpersonal trust.

Trust among strangers apparently forms a key component in a functioning democracy. We have to trust the unknown judge to make a fair decision according to the law, we have to believe that competition rules are applied equally to all companies, and we have to trust that all persons abide by the formal rules rather than resort to the use of informal networks and the like for decision-making. If we have this trust in others, and trust that they trust us, there is no need to try to subvert the system by bribes, nepotism and personal contacts.

In a society where categorical trust is missing and the state has not offered institutions worth trusting, it is very important not only to establish proper institutions, but also to make people dare place their trust in them, and in each other. Institutions are not created in a social vacuum, which means that creating high quality institutions goes hand in hand with the emergence of interpersonal, categorical trust. The institutional design and the SOPs can be as perfect as ever, but it is the people executing and implementing the rules and regulations that have to be trustworthy. How does one establish such a trust where there is none? As indicated
both by Dahl above and by Offe, the question unfortunately is whether this “social capital” of trust and cooperation can be taught and generated by outsiders at all, or if it can only be inherited.\footnote{Ibid., p. 85.}

Conclusions

The states of the third wave that have failed to consolidate democracy have been called by many names. They all share roughly the same features: politically apathetic populations, formal democratic institutions that are poorly respected by the political elite, undemocratic power struggles and an apparent impotence to solve the state problems. Whatever name they are given, it is important to recognize that they are not democratic and hardly even in a transition process any longer. They have transformed not into democracy but something different.

This does not mean that they cannot become democratic in the future, but we are fooling ourselves if we use established models to compare these states with. There is a need here to develop new instruments to analyze these states, and perhaps even a totally new state model to understand the mechanisms behind the democratic façade. Our understanding of transition is essentially based on relatively unproblematic cases (even though the road to democracy for the established democracies was not easy), but the grey-zone states apparently face totally different challenges than what could be expected.

A part of the inability to see the grey-zone states in their proper light could be the assumption that democratic values are universal. We take for granted that countries moving from non-democratic regimes will adopt the democratic principles without hesitation and that what remains is just some institutional modeling. But there could be many reasons for a state leadership to announce its intentions to adopt democracy. International loans and other favorable conditions could be incentives enough, but it does not necessarily mean that the state leaders embrace the needed changes fully. As we saw from Diane Ethier, there has to be both carrot and stick to make less convinced governments to move ahead with their transitions. Political aid and advice are not sufficient to steer a country towards democracy.

One feature of the grey-zone states is the huge gap between the leaders and the citizens. The population is normally not engaged in political life and could even be totally
uninterested in participating in the political establishment, including voting. This is an important problem to tackle since a democracy has to be firmly rooted in the population to be a true democracy. After changing a political system there is a need to rewrite the constitution, change the state institutions, adapt the administration, judiciary, police, etc to the new political reality. But that is not enough. The people have to accept and embrace the new order, deem is at legitimate and adjust their norms and behavior to make the change a true break with the past. This does not happen naturally overnight, as North showed us, neither is it at all easy, as suggested by both Offe and Inglehart. Sometimes a new culture of interpersonal trust has to be introduced; often there are problems to live up to high expectations of new wealth and freedoms.

If our unwillingness to accept the grey-zone states as not being on the path towards democracy is one problem in the quest for world wide democracy, there are yet more issues to tackle. We seem to take for granted that the aid and advice programs are optimal and we scratch our heads in astonishment when the expected outcome does not occur. We imagine non-democratic regimes to fall and to be replaced according to a relatively set sequence of events, and when this does not happen we are taken by a bit of surprise. Our transition paradigm is slowly being uncovered and by seeing and recognizing our assumptions, we can start to analyze how these assumptions correlate with the reality.

The description and analysis of the grey-zone state is one outcome of the recognition of a transition paradigm. Carothers’ version naturally has to be discussed, scrutinized and modified, but it shows that there is a need to continue and strengthen the research on democracy as well as political and social changes. The democracy paradigm rests to a large extent on the developments in south Europe and Latin America. The important contribution by Samuel Huntington, his book *The Third Wave*, was first published in 1991 before the collapse of the Soviet Union and Yugoslavia and one could conclude that the cold war with all its effects was actually over.

These events brought the third democratization wave to the former communist states with force and energy. In the euphoria it was as if everything was possible. But some of the largest problems with the democratic transition are found exactly in those post-communist countries. The paradigm was however firm and much of the literature occupied itself with technical issues such as developing electoral systems, civil-military relations and civil society. *Consolidating the Third Wave Democracies*, edited by Larry Diamond et al, is a good example. A good number of distinguished researchers contribute, but only a few discuss
deeper problems such as democratic culture and then only very briefly. The rest of the volume is dedicated to institutional design and area studies.

But as the present modest study has shown, there are reasons to take a closer look at social change and democratization to avoid creating grey-zone-type states where the legitimacy of democracy risks being undermined and even modest expectations are not met. In some types of states, democracy aid could perhaps even worsen an already unstable situation by adding to centrifugal forces. Building democracy where the state rests on weak foundations or is virtually non-existent could also prove to be non-productive or result in a permanently weak state. This in combination with poor legitimacy among the population and problems to introduce democratic standards and values could be a part of the explanation to the emergence of the grey-zone states. The question is how to avoid this development, and how to approach those already there.
References


