

I. Rose and Regime Transformation

Richard Rose took a long view of regime evolution. He treated the development and replacement of regimes as a process of continuous interaction between rulers and ruled. In his conception, the populace holds demands and expectations of government. Citizens compare the current regime with the past regime and an anticipated future regime, as well as potential alternative regime types. People have expectations about how they are likely to fare in the future based on their experience with the ancien regime and the regime currently in place. Since the government requires some level of acceptance on the part of the populace, those attitudes and expectations affect the quality of the government the rulers provide. In his work on the transformation of the post-communist countries, Rose builds on the classic political culture research program initiated by Gabriel Almond and Sidney Verba, as well as the later literature on regime transitions. He cites Samuel Huntington's model of waves of democratization followed by reversions to autocracy, as well as Robert Dahl's understanding of the dimensions along which a regime evolves, notably the level of participation and the level of contestation.¹

One of Rose's many arresting ideas—couched in a characteristically pithy formulation—was that third wave democracies were going about “democratization backwards.”² By that he meant that although formal “parchment” institutions of democracy, such as competitive elections and representative assemblies, are necessary for a viable democracy, they are not sufficient. For democracy to operate effectively, requisite are the conditions of what Rose termed a “modern state.” These included at least three critical features: an impersonal judicial system (equivalent to the German notion of a “*Rechtsstaat*” or the Russian concept of a “*pravovoe gosudarstvo*”) and a professional state bureaucracy; some elements of accountability by the rulers, if not “vertically” to the general population, at least “horizontally,” ie to other elites such as landed aristocrats; and some autonomy on the part of the formations of civil society such as universities, labor unions, professional and business associations, communications media, and churches. In a modern state, these organized social bodies acted with some degree of autonomy of the state (and, Robert Dahl would add, of one another) as they advanced their interests. Adoption of a democratic constitution that provided for electoral contests and electoral representation of public interests would not suffice to establish these foundational features of democracy. To the contrary, it was likely that democratic elections under these conditions would arouse expectations that the new government could not fulfill, since, as Rose pointed out, the new governments entered shouldering the same crushing burdens of economic disfunction that contributed to the fall of the prior regime. The gap between high expectations and poor performance would then undermine support for the new, nominally democratic system. Further evolution was therefore likely.

In the seminal article making this argument, written with Doh Chull Shin, Rose illustrates his argument with three case studies, focusing on Korea, the Czech Republic and Russia.³ Democratization in Korea followed after the prerequisites of a modern state had been established under authoritarian rule. Power was exercised by powerful industrial

family-dominated holding companies—the *chaebol*—and by the authoritarian rulers. However, the *chaebol* had to compete in overseas markets, so had to adapt themselves to economic conditions they could not control, and the elements of a professional bureaucracy and civil society were in place once competitive elections began to be held. The Czech Republic had the relatively modern administrative legacy of the Habsburg empire to draw upon as well as a limited period of democracy between the world wars. It was therefore a relatively more hospitable environment for a democratic opening after 1989 than most of its post-communist neighbors. Russia, however, lacked a developed civil society, a professional bureaucracy and impersonal judiciary, or a legacy of constraints on autocratic rule. Russia's 1993 constitution embodied Yeltsin's view that only the concentrated power of the presidency could overcome the resistance to transition that was mounted by the active and passive resistance of most of the old regime's inherited structures. Neither in society nor in the design of the constitution, therefore, were the requisites for making a successful transition to democracy present.

Rose's argument exposes a disquieting reality about the history of democratization. For Rose, the concept of the modern plays a crucial role; a modern state and modern economy operate under impersonal rules rather than by corruption and personal ties. Rose's concept of the sequencing of stages of democratization revisits the work of many historically-oriented may authors. Among these were the comparativists working in the paradigm laid out by Gabriel Almond in the early 1970s when he proposed "taking the historical cure" and examining the historical record of political systems that underwent democratization.⁴ Two questions inevitably arise from these historical-institutional studies. First, can they be generalized to political development outside the European context? Second, to the extent that Rose's proposition holds up, how is democratization in the contemporary world possible? Does it imply that if and only if an enlightened absolutist autocrat holds power and transforms the state and society along modern lines can democracy take root? A number of Russian thinkers in the 1990s held this view.⁵ There is some evidence to suggest that Vladimir Putin and some of his advisors held similar views in the early 2000s. (At the beginning of Putin's presidency, in 2000, Putin's team were in a hurry to modernize the country through economic reforms that would stimulate economic growth, regarding the formalities of elections as a matter to be guided and manipulated.)⁶ Rose's argument contradicted the then-popular perspective, associated with transitions scholars such as O'Donnell and Schmitter, that political elites could construct the institutional infra-structure of democracy through bargaining and pacting, and was closer to earlier, more sociologically-informed, theories of democratization, such as those in the tradition of Seymour Martin Lipset.⁷

Recognizing the historical uniqueness of the transformation of the countries of the communist bloc in a democratic direction, Rose organized a remarkable large-scale comparative exercise in public opinion research in the new post-communist countries. Beginning in 1991, working through the Paul Lazarsfeld Society for Social Research in Austria, Rose and his colleagues administered five waves of mass opinion surveys in 11 countries.⁸ A separate survey was conducted in Russia as well. Called the "New Democracies Barometer," and later, after many of the post-communist countries acceded to European Union membership, the "New Europe Baromer," the surveys sought insights on the dynamics of regime-populace interaction. A separate set of Barometer surveys covered Russia and other post-Soviet states. Rose framed the Barometer surveys around

the question of how people compared their lives under the current regime—with its nominal commitment to democracy—with life under the old, pre-communist regime, and their expectations about life in the future. People's attitudes about the relative value of democracy were therefore shaped by reference to their own experiences, hopes and expectations. Moreover, Rose saw the interaction of popular attitudes and regime performance as one of continuous mutual interaction and adaptation. Through this process, the regimes would tend in the direction of some sort of equilibrium. Some might be expected to revert to an authoritarian system, others to evolve in the direction of full democracy. Most insightfully of all, Rose argued that still other regimes would fall into a "low-level equilibrium trap," where people's expectations of what government would provide them ratcheted downward as the regime's performance deteriorated. Rose couched this relationship using the metaphor of demand and supply: people's demands adjusted to the flawed operation of a partial democracy, settling into a condition of low expectations. Government, recognizing that society accepted its relatively poor quality, did not tighten the screws further, but also did not raise the quality of the governance it provided. The result was a relatively stable steady-state with no inherent imperative for further evolution of the regime. Rose strongly argued against teleological perspectives that the flowering of democracy was implicit in the launching of formal democratic institutions.

In accordance with this theoretical framework, the Barometer surveys asked people to rate their level of satisfaction with the current regime and to compare it with the previous regime, the expected future regime, as well as hypothetical alternatives such as a dictatorship. The surveys found wide variation across countries. Overall, in most countries, most people held expectations for a better life in the future, but hope for the future and condemnation of the past regime were far higher in the Czech Republic than in Ukraine or Belarus. Rose also considered whether characteristics of the social structure were significantly related to variation in attitudes within countries. Although differences in levels of educational attainment were significantly related to attitudes, a finding consistent with many other public opinion surveys in the post-communist world, Rose found surprisingly little association between social structure and attitudes. His measures were relatively limited, however. Educational attainment was measured on a scale of four levels; the indicator of religiosity was frequency of church attendance; place of residence was dichotomized into urban vs. rural. To tap the degree of cosmopolitan as opposed to traditional values, the surveys asked people whether they believed their country should develop more along the lines of EU countries or more in keeping with national cultures. However, because the survey instrument was designed to measure individual-level attitudes and behavior, it did not tap the strength of organizational bonds in civil society. The degree to which the populace was "atomized" following communist rule—an issue where other research has found striking differences between the post-communist societies and other societies at similar aggregate levels of economic development—therefore cannot be judged based on Rose's data.⁹ Whether a property-owning class of entrepreneurs and farmers was forming or robust labor unions or business and professional associations cannot be determined from the surveys. Therefore the issue of the degree of cohesion or autonomy of civil society, a key condition in Rose's theory of democratization, lies outside the results of the surveys. As to the other elements of Rose's theory—the importance of some measure of limits on rulers' power and the degree of professionalism of the bureaucracy and integrity of the judiciary—the surveys afford a window onto these issues

from the standpoint of individuals' own direct experience. His measurements of social capital therefore stressed close interpersonal ties with friends and colleagues rather than the cohesiveness or reach of associational life in society.

Rose distinguished between the experience of citizens who had experienced totalitarian rule for a protracted time, such as Soviet citizens, with those living under less comprehensive control. One major difference was in coping strategies. The former tended to rely on "anti-modern" tactics, such as bribery and connections, more than the latter. This distinction showed through clearly in the Barometer surveys: Russians were more than twice as likely to use illegal methods obtain a permit or seek immediate hospital treatment than Czechs, and four times likelier to do so to get someone into university. The Russians tended to address bureaucrats personally rather than to comply with regular procedures. At the same time, they were more likely to think that nothing can be done to solve their problems.¹⁰ At the same time, the common legacy of communism affected all the countries in similar ways, albeit in different degrees. Among these were low levels of trust in state institutions; social networks based more on personal ties than membership in civic associations; weak and "floating" parties.

II. Rose's Work on Post-Communist Transformation in Retrospect

Thirty years later, how well do Rose's arguments about post-communist transformation hold up?

Certainly Rose's skepticism about the ability of newly established democratic institutions to withstand pressures powerful countervailing forces has been amply borne out. Just as Rose pointed out, the fallacy of "electoralism" can mask the reality of unaccountable power, deep corruption and the concentration of wealth and power in a narrow group of elites. The Barometer's findings about wide differences across the post-communist world rather accurately point to the trajectories of development for most of the countries he studied, although the strong evidence for the preconditions of a democratic regime in Ukraine—especially evident after the Russian annexation of Crimea and the full-scale war launched by Russia in February 2022—might have surprised Rose. Rose's insight that the characteristics of regime-populace interactions in the 1990s were transitory and likely to yield to more stable outcomes has been borne out by the region's subsequent evolution. Some, such as Poland and Hungary, have preserved some formal institutional features of democracy while stifling many of its crucial elements, among them free competition of parties, an impartial judiciary, and constraints on the executive. Others, such as the Czech Republic and the three Baltic Republics, have evolved toward a full-fledged European-style democracy. Still others, Russia most notably, have reverted to a regime bearing close similarities to totalitarianism: unlimited power in the hands of the country's leader, tight control over public communications, suppression of independent sources of political initiative, trends that reached their apotheosis after Russia's invasion of Ukraine.

Missing from Rose's account, however, is the economic dimension of political life. If the old regime's power rested in part on control over the country's economic resources—alongside the party's exclusive role in political leadership and comprehensive ideological control over public communications—the issue of how productive resources are owned and managed after the transition is crucial. Rose did not address the old problem of

whether a system of property rights is a necessary condition for democracy. He did, however, state that successful democratization requires replacing bureaucratic administration (and ownership?) of the economy's resources with a market economy, noting that this is a crucial challenge for the new regime.¹¹ The structure of property ownership and occupations, the degree to which the market actually allocates goods according to a free price system rather than barter, hoarding, and black markets, matters for the outcome of the transformation, but receives little illumination in the surveys. Rather, Rose inquires into how people are faring under the new regime, whether they are getting by only with help from friends and family. As he emphasized, citizens in the post-communist world lived in multiple economies, including the formal economy, the black market, and various intermediate grey economies. Whether an entrepreneurial middle class was forming remained out of view. Other research has found, however, that the degree to which a class of people whose incomes falls between rich and poor is based in the state as opposed to the private sector is crucial for a regime's evolution.¹²

Rose's insight that the degree to which a given regime is stable rests on the interaction of the populace and the rulers, leading him to predict that the countries in the post-communist world were likely to evolve further, is important but limited. First, the conceptual tool of equilibrium is misleading. Second, not only is the choice of criteria for determining whether a complex social and political system is in equilibrium arbitrary, the use of the term can also obscure longer-term feedback effects from the society and economy back onto the regime. In the same year that Rose, Mishler and Haerpfer published their book summarizing the results of the Barometer studies, Joel Hellman published an article in *World Politics* with a related observation. He showed that partial liberalization of the economies in the post-communist countries allowed a small group of influential owners and managers of lucrative assets in newly-liberalized markets—such as those in the natural resources and financial industries—to take advantage of their market positions to lock in power and block a further opening to a fully competitive market economy. These “early winners,” who captured disproportionate gains from arbitrage between state prices and market prices, allied with political leaders to claim rents from suppressing market competition. Hellman argued that it was these early winners, not the broad strata of net losers, who were the real obstacles to a full market opening. Reform became stuck partway in what Hellman termed a “partial reform equilibrium.”¹³

Hellman's political economy approach suggests the possibility that as that alliance of wealth and power grows more consolidated, both partners will seek ways to prevent threats from open market competition and from meaningful democratic contestation. If this oligarchic alliance can insulate itself from competitive pressures in the global economy—for example, by possessing major energy resources needed by the outside world—it can reinforce autarky and state monopoly control over production while suppressing the vestiges of democratic institutions remaining from the transformation in the 1990s. A regime where rent-seeking and rent-sharing on the part of the wealth holders and political leaders motivates the suppression of all economic and political competition can evolve not just toward a “low-level equilibrium trap” or “partial reform equilibrium,” but toward an outright totalitarian dictatorship. The concept of equilibrium should not be taken as more than a metaphor in political analysis. In economic models it is a useful device for explaining the direction of movement of prices and the factors of production. An

economist recognizes, however, that equilibrium is never reached, but only approached, and that changes in the environment for the market constantly drive actors to adapt.

Likewise the economists' demand and supply model has limited value beyond its use as a metaphor. The notions of "the rulers" or "the elite" or "the regime" can mask genuine differences and conflicts over the distribution of power within the state. Likewise, "society" or "the people" or other generic terms for the group making demands on the regime can only take us so far; the society is differentiated in many ways. Some groups may ally with the power holders against others, maintaining a privileged position against the threat of democratization and redistribution, or seeking to maintain their holds on lucrative rent-extracting opportunities. One section of the public may want to impose its own language or religion on another; not all of the goods and services provided by government are fungible. Divisions within society may be at least as great as the gap between society and government. Survey research can only only so much light on such divisions and alignments.

It may be useful to counterpose Rose's concept of democratization with that of Robert Dahl. In a series of seminal works, Dahl outlined a theory of democracy by proposing the concept of polyarchy.¹⁴ Dahl's theory proceeded by induction from empirical evidence rather than by deducing a set of necessary conditions for democracy from first principles. Examining the group of present-day political systems—present day meaning the mid-1950s—that approximated what is commonly regarded as democracy, Dahl asked what characteristics they shared that could be considered necessary conditions for democracy. After exploring the theory of limited government associated with James Madison and other framers of the US constitution, with its attention to reconciling majority rule and minority rights, as well as theories of full majority rule, Dahl found that they failed to answer the crucial question of how their formal institutional features could be sustained. Without using the terminology, Dahl's point was that institutions are endogenous to conditions in nature, society or economy. A constitutional setup such as that of the United States was highly contextual, therefore, and could not be exported to other countries. (Writing in 2004, Adam Przeworski makes the same point when he quotes a former Brazilian minister who commented that "institutions can never be exported; at most they can be imported."¹⁵)

For Dahl, the most important characteristic of polyarchy was the activity of groups in society, not the formal features of government. How autonomous organized social groups were of one another; the degree of security their elites felt in the face of the power of government and other groups; the level of tolerance groups had for one another; the diversity of their interests and values; the degree to which their memberships are cross-cutting and overlapping rather than cumulative. The norms held by the population mattered, to be sure, particularly the degree of consensus over the range of acceptable policy alternatives. His primary focus, however, was on the relative power of groups and the values and beliefs of their leaders. Competition among groups, with dispersed resources, and a shared understanding of the rules of competition, determined the degree to which government power could fall into the hands of a minority that ruled tyrannically or to a tyrannical majority that suppressed core interests of minorities. The diversity, dispersion, and competition of groups in society, the inability of any one of them to impose its power entirely on others, these, Dahl concluded, were the guarantee of some stability of an order approximating democracy—a system that he termed polyarchy.

Dahl's emphasis on society—not simply the gradations of class, status and power, but the resources possessed by organized groups vis-à-vis one another and the government—arises from pluralist theories of the state and remains a radical challenge to much political science research today. It is consistent with historical-institutional studies of democratization but is more generalizable as a theory of democracy. It is also consistent with a political economy perspective so long as we acknowledge that power and resources are embedded in social relations. It helps suggest ways to escape the Eurocentric parochialism of much theory about paths to democracy, by considering how other social formations develop in societies not marked by Roman law or feudalism. Establishing the actual distribution of power across social organizations does require, however, a thorough investigation of the distribution of power and interest across society, something not readily discernible by the methods of survey research.

Rose suggests that we take Germany rather than England as the paradigmatic case for democratization. This is because Germany underwent the phases of absolutist monarchy and state modernization that Rose argues are necessary conditions for a successful democratic transition. Moreover, Germany experienced the failures of liberal democratic movements in the mid-19th century and Weimar periods. Following World War II, however, the Federal Republic built a thriving liberal democracy with high economic performance. Although Rose does not point it out, none of the reformers in the communist and post-communist world referred to Germany's post-war history as providing any guidance about the way a successful transition might proceed. Rather, post-communist reformers, certainly in Russia, Czechoslovakia, and Poland, were influenced by neo-liberal ideology. Let us build on Rose's point about the German case and consider how its political and economic system were constructed beginning in the late 1940s. Germany's successful democratic performance is the direct result of deliberate institutional engineering to replace a totalitarian regime with one that preserved as much freedom and equality in the political and economic systems as was possible in order to prevent another breakdown of democracy. Crucially, the architects of the postwar German system paid as much attention to rebuilding the economic order as they did the political order. They recognized the deeply intertwined nature of economics, politics, and society in an integrated constitutional-economic-social order.

Several unique circumstances influenced the postwar German system. First all sections of Germany's elites agreed that the new institutional framework must ensure that a totalitarian dictatorship never arise again. Therefore all elements of state and society needed to be designed in such a way as to check political power and balance the competition of social interests. They were determined to protect the crucial "Mittelstand" of small and medium-sized family owned companies that they regarded as a pillar of social stability and economic prosperity. The "social partnership" model between owners and employees, through collective bargaining between labor and capital, co-determination, enterprise-level workers councils, labor courts, and similar institutions reflected this shared commitment to preserving social harmony. Germany's major parties also chose new programmatic directions. Under Konrad Adenauer, the CDU became a catch-all "people's party" that appealed broadly to both Protestants and Catholics, as well as small and large business interests, rather than a specifically Catholic party. The Social Democratic Party abandoned its Marxist rhetoric in favor of an avowedly moderate, evolutionary program. The constitution incorporated several features intended to

constrain power and induce cooperation, including strong federalism, proportional representation, and the constructive vote of no confidence.

Consistent with Dahl's theory of polyarchy, however, the distribution of politically relevant resources in society enabled the new democratic constitution to adapt to change, including the enormous upheaval associated with unification in 1990. The central features of the economic system were the product of design. Contrary to the views of many observers, they comprised much more than the currency reform and price liberalization of 1948, and were assuredly not neo-liberal laissez-faire market economics.¹⁶ Nor was Germany's system a "typical example of Rhenish capitalism" with strong state regulation and corporatism or forged by the transfer of the American model of capitalism, as is sometimes thought.¹⁷ The architects of Germany's postwar system incorporated both some elements of the "ordoliberal" doctrines of the Freiburg school and other, non-liberal institutional features inherited from previous historical periods.¹⁸ Although ordoliberal thinkers diverged on a number of major points—such as how much the government should intervene to correct market failures, how much to encourage collective bargaining by organized social interests, and how far the state's responsibility should extend to protect the welfare of its citizens—they agreed on several fundamental points. One was that the economy must be fundamentally liberal, not planned or centralized. A second was that market competition is the only way to protect the freedom of individuals as economic and political agents. A third was the strong ethical orientation of their conception of an economy. Finally, they held that throughout history, concentrations of market power always ally with concentrated political power to suppress both economic and political freedom. Therefore the state must exercise its power in order to prevent any private and public concentrations of market power from arising. It is a fallacy to regard this way of thinking as a species of neo-liberalism; neo-liberalism evolved to embrace private concentrations of power as the results of efficiency, denied any legitimacy to state interventions in the economy, and disdained the idea that an economy should serve moral purposes.

Germany's economic institutions diverged from both neo-liberal economics and welfare capitalism in several ways. Although Germany took a radical step toward economic liberalization was the lifting of price controls and rationing in 1948 together with a drastic currency reform, in sharp contrast to the programs of liberalization undertaken in the United States, Russia, and China, Germany imposed a sizable tax on wealth in stages. Called the "equalization of burdens" tax (*Lastenausgleich*), the move provided compensation to those who had lost their fortunes as a result of the war while imposing a flat 50% tax on the wealth of households whose fortunes had survived or even grown under the war.¹⁹ The wealth tax, combined with the impact of the destruction and devaluation of assets, significantly reduced wealth inequality.²⁰ Germany adopted other measures as well that are normally considered incompatible with liberalization, such as the reliance on corporatist forms of labor-employer inherited from earlier periods of German history, Bismarckian employment-based social insurance, the constitutional provision that private property has a social obligation, and social justice principles from Catholic social ethics. The new system was also shaped by practical concessions to the pressures of the occupying Allied powers and to powerful domestic lobbies (particularly the mining, iron and steel industries with their history of cartel arrangements), pragmatic bargains struck between owners and employees, compromises between competing wings of the Christian Democratic-Christian

Social Union coalition, electoral calculations, and the breakdown of four-power Allied cooperation in occupation policy in March 1948, all affected the early political and economic choices.

This hybrid economic and political system has persisted. No ruling group has mounted an assault on the political rights of its opponents. Liberalization never permitted business or government to sabotage workers' rights as it has done in the United States. Germany's system of social partnership has played a major role in preserving pluralistic competition and a relatively balanced distribution of gains and losses. These features of its system in turn have undergirded the polyarchic system of government. However unique the German case may be, it reflects the importance of the integrated nature of economic, social and political institutions. Surveys can only capture the behavioral reflections of these systemic characteristics; they do not reveal the underlying forces driving them.

III. Conclusions

How might we sum up the contributions that Richard Rose made to our understanding of regime transformation? Rose rightly insisted that democratization is never final. With Samuel Huntington, he shows that a reversion from some initially democratic regime is entirely possible, depending on the outcome of the dynamic relationship between rulers and ruled. Moreover, as Rose presciently argued, a regime with some of the qualities of a democracy can settle into a self-perpetuating condition of low quality governance and low expectations on the part of the public—the low-level equilibrium trap.

Rose also rightly called attention to the fundamental conditions required for democracy to work: impersonal justice, a professional state administrative apparatus, some constraints on the exercise of power, and the relative autonomy of civil society. Rose emphasizes that while a successful new democracy assumes these, it may not necessarily build them. However, it might be pointed out, that, by same logic, just as competitive, fair, free elections are necessary for democracy but not sufficient, it follows that a phase of authoritarian rule certainly is not sufficient to build a democracy (whether it is necessary or not has not been shown). This point is regularly ignored by many thinkers, in Russia, China, and elsewhere, who assume that a lengthy period of autocratic rule will create the preconditions needed for democracy without asking how or why an autocrat would establish them.

Rose crucially underscores the dynamic interaction between political elites and the populace, each side shaping the other's behavior and expectations through a process of continuous mutual adaptation. There is no inevitability that a democracy once introduced will grow into a fully fledged democracy. Indeed, following Rose's logic, there is also no necessary reason a functioning democracy cannot slide backward toward a "broken-back democracy" if the distribution of economic and social power and popular norms no longer supports full democracy. Certainly this point is relevant to the present crisis of democracy in the United States.

¹ Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century*. (Norman, OK, University of Oklahoma Press, 1991); Robert A. Dahl, *Polyarchy: Participation and Opposition*. (New Haven, CT: Yale University Press, 1971).

² Richard Rose and Doh Chull Shin, "Democratization Backwards: The Problem of Third-Wave Democracies," *British Journal of Political Science* 31 (2001), pp. 331-354.

³ Rose and Shin, 2001.

⁴ Gabriel A. Almond, Scott C. Flanagan and Robert J. Mundt, eds., *Crisis, Choice and Change: Historical Studies of Political Development* (Boston: Little Brown, 1973); Charles Tilly, ed., *The Formation of National States in Western Europe* (Princeton: Princeton University Press, 1975); cf. Barrington Moore, *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon Press, 1966).

⁵ Some of these writers are represented in a collection of essays edited by Adam Przeworski, *Democracy in a Russian Mirror* (New York: Cambridge University Press, 2015).

⁶ Personal interview with a member of Putin's team, July 2000. Karen Dawisha confirms the existence of a policy statement circulated in the presidential administration laying out such a program. Karen Dawisha, *Putin's Kleptocracy: Who Owns Russia?* (New York: Simon and Schuster, 2014).

However seriously the Putin administration took this outlook in 2000, it had clearly changed in 2002-2003 when Putin abandoned the liberal economic program and turned instead toward centralized state ownership and management of all strategic economic resources.

⁷ Guillermo O'Donnell and Philippe C. Schmitter, eds., *Transitions from Authoritarian Rule: Comparative Perspectives* (Baltimore: Johns Hopkins University Press, 1986); Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53:1 (March 1959), pp. 69-105.

⁸ Richard Rose, William Mishler, and Christian Haerpfer, *Democracy and Its Alternatives: Understanding Post-Communist Societies* (Baltimore, MD: Johns Hopkins University Press, 1998); Richard Rose, *Understanding Post-Communist Transformation: A Bottom Up Approach* (London and New York: Routledge, 2009).

The countries were: Belarus, Bulgaria, the Czech Republic, Croatia, Hungary, Slovakia, Slovenia, Poland, Romania, Ukraine and the Federal Republic of Yugoslavia.

[<https://office.eurasiabarometer.org/projects/new-democracies-barometer>]

⁹ For example, Marc Morje Howard, *The Weakness of Civil Society in Post-Communist Europe* (New York: Cambridge University Press, 2003).

¹⁰ Rose, *Understanding*, pp. 69-70.

¹¹ Rose and Shin, p. 337.

¹² Bryn Rosenfeld, *The Autocratic Middle Class: How State Dependency Reduces the Demand for Democracy* (Princeton: Princeton University Press, 2020); Eve Bellin, "Contingent Democrats: Industrialists, Labor, and Democratization in Late-Developing Countries," *World Politics*, 52 (January 2000), pp. 175-205.

¹³ Joel Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions." *World Politics* 50(1): (1998). 203-234; cf. Timothy J. Frye, "The Perils of Polarization: Economic Performance in the Postcommunist World." *World Politics* 54(3): (2002). 308-337.

¹⁴ Robert A. Dahl, *A Preface to Democratic Theory* (Chicago: University of Chicago Press, 1956); Dahl, Polyarchy; Robert A. Dahl, *Dilemmas of Pluralist Democracy: Autonomy vs. Control*. (New Haven, CT: Yale University Press, 1982).

¹⁵ Adam Przeworski, "Institutions Matter?" *Government and Opposition* 39:4 (2004), p. 540.

¹⁶ Milton Friedman misused the German example in his lectures in China as it debated how to introduce market elements into the planned economy. Isabella M. Weber, "How to Make a Miracle? Ludwig Erhard's Post-War Price Liberalisation in China's 1980s Reform Debate," *New School for Social Research Working Paper* 03/2019 (March 2019); Isabella M. Weber, *How China Escaped Shock Therapy: The Market Reform Debate*. (London & New York: Routledge (2021).

¹⁷ Barry Eichengreen and Albrecht Ritschl, "Understanding West German Economic Growth in the 1950s," Working Papers No. 113/08, December 2008; Volker R. Berghahn, *The Americanisation of West German Industry, 1945-1973*, Leamington Spa, NY: Berg, 1986.

¹⁸ The influence of Freiburg School or ordoliberalism is intensely debated. Key figures in the Freiburg school, such as Walter Eucken, generally opposed allowing the government to intervene to correct market failures and reluctant to endorse measures to guarantee social protection to all members of society. Likewise, they were hostile to collective bargaining between labor unions and employers' associations. The ideas that had greater impact on the policies of the early German postwar government can be traced back to a working group that overlapped with the Freiburg school, the Beckerath circle. However, the differences should not be exaggerated. Eucken's ideas about the liberal economic foundations of a postwar system and Franz Böhm's insistence on a constitutional order that would protect competition and block monopolies and cartels and other concentrations of economic power became cornerstones of the Federal Republic's economic infrastructure.

See Christine Blumenberg-Lampe, *Das wirtschaftliche Programm der 'Freiburger Kreise': Entwurf einer freiheit-sozialen Nachkriegswirtschaft Nationalökonom gegen den Nationalsozialismus*, (Berlin: Duncker & Humblot, 1973); Kenneth Dyson, *Conservative Liberalism, Liberalism, Ordo-Liberalism, and the State*. (New York, Oxford University Press, 2021); Wilga Föste, *Grundwerte in der Ordnungskonzeption der Sozialen Marktwirtschaft*. (Marburg, Metropolis, 2006); Stefan Kolev, *Neoliberale Staatsverständnisse im Vergleich* (Berlin: Walter de Gruyter, 2017).

¹⁹ Thilo N. H. Albers, Charlotte Bartels, Moritz Schularick, "Wealth and Its Distribution in Germany, 1895-2018," CESIFO Working Papers, 9739 2022, May 2022, pp. 25-7.

²⁰ In 1995, the Federal Constitutional Court ruled that the wealth tax was unconstitutional because it violated the principle that all forms of wealth should be treated alike under tax law. The government then suspended the tax and has not reimposed it since.