ABSTRACTS

András Körösényi

MONOPOLISTIC COMPETITION, AUCTION AND AUTHORIZATION.
A SCHUMPETERIAN VIEW OF LEADERSHIP AND THE POLITICAL MARKET

The market analogy of democracy played a central role in one of the leading versions of democratic theory in the last fifty years, in the so-called “elite” or “competitive” theory of democracy. In the present paper at first I clarify that the dominant school of the market analogy (Downs and his followers) turned its back on the approach of the originator of the analogy, Joseph Schumpeter. Schumpeter argued that both economic and political competition – due to the activity of entrepreneurs – are necessarily monopolistic and destroy equilibrium. Second, I show how followers of the Schumpeterian market analogy improved upon it by using the concept of natural monopolies and making it conform to the characteristics of politics, while further distancing themselves from the Downssian interpretation and the dominant Public Choice approach. Finally, I demonstrate a normative implication of monopolistic competition, namely its consequences for the concept of “agency loss”.

Keywords: Democracy, market analogy, monopolistic competition, Schumpeter, authorization

Zsolt Boda – Gergő Medve-Bálint

INSTITUTIONAL TRUST IN CENTRAL AND EASTERN EUROPEAN COUNTRIES:
IS IT DIFFERENT FROM WESTERN EUROPE?

 Compared to Western European countries, the new democracies of Central and Eastern Europe (CEE) demonstrate significantly lower and incrementally declining levels of institutional trust. This raises concerns about the public approval and legitimacy of their political systems and institutions, which some authors consider as a direct consequence of the transition process. Based on the datasets of the European Social Survey, in this paper we aim at addressing this problem by shedding light on the possible differences between old and new European democracies regarding the origins and patterns of institutional trust. We demonstrate that citizens of new European democracies are not different from Western Europeans in that they seem to be equally ready to formulate separate evaluative attitudes towards specific institutions. Moreover,
contrary to the findings of some previous research, we found that CEE and Western European citizens demonstrate comparable degrees of ‘materialistic trust’ as income levels and trust in institutions seem to be similarly associated with each other across these countries even after several socio-economic characteristics are controlled.

Keywords: Institutional trust, interpersonal trust, Central and Eastern Europe, new democracies

Attila Ágh
DEMOCRACY RESEARCH AT THE CROSSROADS OF POLITICAL AND POLICY ANALYSIS

The great period of democracy research in the international political science at the turn of the eighties and nineties was generated by the democratization of the Central and East European countries. Since then there have been three major turning points in democracy research. The first turning point or the first big debate came from the character of democratization as a process, and the second one from that of the consolidation and the principle of “good governance”. Already the first debate introduced the policy dimension beyond the political dimension, but the second debate completed giving priority to the policy analysis of democracies. The fact that the policy dimension as the question of good governance came to the fore, meant at the same time that the transfer of democratic institutions as the hardware was not enough, because that of the democratic political culture as the software was equally important.

The third turning point in the democracy research has been necessitated by the global crisis that has radically transformed the relationships of the EU and the Member States, and it has exposed the question of “the quality of democracy”.

Keywords: The quality of democracy, the output of the public sector, economic, social political and public policy indicators of good governance

Imre Szilágyi
IS SLOVENIA A CONSOLIDATED DEMOCRACY?

The main question of the study is whether Slovenia has built up democratic institutions, their function is assured, is there a consensus among politicians about the legitimacy of institutional values, and whether the entire society committed to democratic values. The presentation of the structure and development of the main institutions (constitution, parliament, president, govern-
ment, referendum, courts, prosecution service, and media) is in the centre of the paper. This is followed by a short description of the cleavages in the society and of the party system. The closing part analyses the political culture of the political elite and the people’s attitudes. Whilst the political elite is committed to the democratic institutions despite often rather heated disputes, the people of Slovenia – although mainly satisfied with their material circumstances – is very dissatisfied with the functioning of institutions and democracy. Slovenia is ranked amongst the most successful transition countries by international analysts.

Keywords: Democratic consolidation, set of political institutions, party system, cleavages, consensus

Attila Bartha
GOVERNANCE, CULTURE, OR THE QUALITY OF DEMOCRACY
THE ROLE OF INSTITUTIONS IN THE ECONOMIC DEVELOPMENT
OF THE EUROPEAN UNION

This paper intends to explore the underlying institutional factors of the present crisis of the European Union (and within it, the Economic and Monetary Union, EMU). The institutional tradition of political science and institutional economics define the framework of interpretation; the essence of the analysis is about the relationship between economic development and the different institutional dimensions (democratic quality, legal institutions, governance and the cultural aspects of economic-political behaviour). The empirical analysis examines the development of the European Union countries between 1993 and 2011 and the relationship between economic and institutional development in the period. The results reveal strong correlation among the different aspects of institutional development in the EU countries and we cannot observe a Singaporean-type contradictory constellation between democratic quality and governance efficiency. Another important finding is that the EMU countries are too heterogeneous in their features of institutional development; thus the Euro area is far from being the club of the most developed European countries.

Keywords: Democratic quality, economic development, European Union, convergence, governance, culture, formal institutions, informal institutions