



# Varieties of Social Orders: The political and economic fundamentals of hybrid (in)stability in the post-Soviet space

Esther Ademmer, Julia Langbein and Tanja A. Börzel

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# Varieties of Social Orders: The political and economic fundamentals of hybrid (in)stability in the post-Soviet space<sup>1</sup>

Esther Ademmer, Julia Langbein and Tanja A. Börzel

## Abstract

This paper takes the seminal work of Douglass North, John Wallis and Barry Weingast on varieties of social orders as a starting point to introduce a refined typology of limited access orders (LAOs) that integrates the political and economic fundamentals of hybrid (in)stability. We find that LAOs do not necessarily constrain access in the political and economic sphere to the same extent. Some combine relative economic openness with strictly limited political competition, while others constrain access to economic resources but allow for a considerable degree of political opening. This latter type proves to be the most unstable type of LAO. The different strategies used by dominant elites to maintain stability in various types of LAOs provide insights into how open access institutions interact with limited access institutions in hybrid regimes. While we develop our typology for six post-Soviet countries from the third wave of democratization that function as LAOs, our typology may be applied to other hybrid regimes as well.

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## 1. Introduction

Considering the high and recently even increasing number of non-democratic regimes around the world (Economist Intelligence Unit 2016), the question of how societies transition from authoritarian to democratic rule rather than getting stuck in hybrid regimes is central to the work of social scientists: Political scientists have analysed the political fundamentals of different regime types. Economists have been concerned about understanding market failures in non-democracies. Douglass North, John Wallis, and Barry Weingast (NWW) have integrated the two approaches to understand stability of and change in non-democratic social orders. They argue that the modern world can be divided into Open Access Orders (OAOs), marked by political and economic competition, on the one hand, and Limited Access Orders (LAOs), characterized by rent-seeking of a small dominant elite, on the other (North et al. 2007; 2009; 2013). While OAOs are the exception rather than the rule, our understanding about different types of LAOs is still limited. Regimes that were initially supposed to be in transition from LAOs to OAOs, such as most of the post-Soviet states (Fukuyama 1989), stabilized as hybrid regimes that formally adopted OAO institutions, but still function like LAOs (Levitsky and Way 2010; Wheatley and Zürcher 2008). While NWW provide for some differentiation of LAOs into fragile, basic and mature LAOs, this distinction has trouble accounting for many of these most pertinent hybrid regimes.

Understanding which degree of access hybrid regimes allow for and how exactly they differ in structuring access to political and economic resources is crucial to further our understanding of political and economic regimes and ultimately, of possible avenues for transition to OAOs. This is even more the case as regional or international organizations, especially the European Union (EU), often target such hybrid regimes for economic cooperation and international democracy promotion. They negotiate liberal trade regimes, try to foster the establishment of institutions facilitating private business activities, or promote rule of law reforms and free and fair elections. Without a detailed understanding of how such economic and political institutions interact in a given social order, international engagement may result in unintended consequences further limiting rather than opening access to political and economic resources (Börzel 2015; Krasner and Risse 2014; North et al. 2013).

In this paper, we address the question of how hybrid regimes differ in the way they structure limits to access. We thereby contribute to the literature in three ways: First, we construct an index of limited access to empirically measure access to political and economic resources, something NWW have neglected to do (North et al. 2009: 262f.; for a similar criticism, see Dellepiane-Avellaneda 2012). Second, we shed light on the question of how exactly hybrid LAOs differ in limiting access in the post-Soviet space by identifying variations in institutionalized democracy and private sector development as the most important dividing lines in the political and economic realm, respectively. Third and based on these findings, we offer a refined typology of LAOs that captures the characteristics of political and economic access in hybrid regimes. We argue that LAOs can be classified according to the degree to which they limit access, as well as the way they (do not) balance access to political and economic resources.

We illustrate our suggested typology with reference to six post-Soviet states that are classically associated with hybrid regimes and that stand out in their relevance as targets of the EU's efforts to promote democracy and economic development: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine (Levitsky and Way 2010; Schuhmacher et al. 2018). These countries are part of the EU's Eastern Partnership (EaP) initiative launched in 2009 which, in NWW's terms, aims at supporting their transition to OAOs. So far, the EaP has fallen short of

achieving these goals: the six EaP countries are still dominated by patron-client relationships and limit access to political and economic resources, however, to various degrees. Uncovering the variation in how access to political and economic resources is limited across these countries and over time, our typology can provide important insights into stability of hybrid regimes in the post-Soviet space.

The remainder of the paper is structured as follows. In section two, we embed our approach in the broader literature on political and economic regimes and outline the challenges to NWW's approach for understanding hybrid regimes. In Section three, we combine the theoretical insights from NWW with the literatures on political regimes and neopatrimonialism to suggest a way to measure limited access orders. Section four presents our refined typology that is based on our index of limited access coupled with a qualitative illustration of different types of post-Soviet LAOs. In our concluding section, we summarize our results, discuss the applicability of our typology of LAOs beyond the post-Soviet space and suggest avenues for further research.

## **2. Challenges for understanding limited access orders**

All too often transitions to democracy or reverse trends have been analysed in isolation from changes relating to the governance of the economy: Political scientists have carefully studied differences in political regimes. They stress the importance of free and fair elections and of inclusive institutions allowing for the rule of law, and they show how hybrid regimes combine democratic features (e.g. frequent elections) with autocratic ones (e.g. political repression) (see, for example, Collier and Levitsky 1997; Diamond 2002; Levitsky and Way 2010; Schedler 2006). Yet, such accounts have predominantly neglected associated economic structures. In turn, economists investigate market failures to account for different pathways of transition economies, but usually turn a blind eye towards the underlying political dynamics (for a critique see Acemoglu and Robinson 2013). Last but not least, proponents of modernization theory assume that economic development precedes political development, thereby suggesting a sequenced transition (Lipset 1959; Rustow 1968). This literature, however, has rarely investigated the stabilizing dynamics between political and economic regimes.

NWW's seminal work on varieties of social orders, on the contrary, fuses economic and political perspectives (North et al. 2009). Their concept of social order is based on the premise that economic competition and political competition sustain each other, an interdependence which NWW call the 'double balance': In OAOs, unrestricted access and impersonal competition in the economy undermine the abuse of economic power for political purposes. In turn, political competition and open access to the political sphere prevent the abuse of political power for the manipulation of the economy. In LAOs, dominant elites restrict access to political and economic resources for the sake of private gains. Following the logic of the 'double balance', the ability of dominant elites to manipulate elections and to undermine the levelling of the playing field in LAOs depends on their ability to extract rents, and vice versa.

In the real world, however, and especially since the end of the Cold War, hybrid regimes have emerged that combine features classically associated with OAOs, with those of LAOs (see, for example, Diamond 2002; Levitsky and Way 2010). According to NWW, such regimes differ in their capacity to monopolize the use of violence, as well as in the variety and density of public and/or private organizations supported by the state. Based on this

distinction, NWW differentiate between fragile, basic and mature LAO (North et al. 2007: 10–16; North et al. 2009: 41–49).

Fragile LAOs are orders where statehood is limited, i.e. the state does not control the monopoly over the use of force or fails to set and enforce collectively binding rules (Risse 2011; Risse et al. 2018). As contemporary examples NWW include Somalia, and several other places in sub-Saharan Africa. In basic LAOs, the only durable organization is the state itself. Organizations, such as business entities, associations or courts, are controlled by the state. Any private organization is a potential threat to dominant coalitions. NWW count Myanmar, Cuba and North Korea as basic LAOs.<sup>2</sup> In mature LAOs, in contrast, the ruling elites support a large variety of organizations outside the state but each organization must be authorized by the state. Mature LAOs provide for a range of private organizations, including business corporations, which are run by dominant elites. In turn, the state creates organizations, such as courts and competition authorities, to protect property rights and enforce contracts to prevent the expropriation of these private assets by the state itself or by other members of the dominant coalition. According to NWW China, India or South Africa belong to this category.

The three types of LAOs differ in their stability. Whereas fragile LAOs are characterized by a high degree of instability due to dispersed control over the use of force, basic and mature LAO type societies are conceived of as being relatively stable. What the typology has trouble with is capturing some central characteristics of those regimes that the literature has labelled as ‘hybrid’ or stuck, most prominently those regimes in the post-Soviet space. To begin with, limited statehood characterizes certain LAOs but is not necessarily constitutive for them, making it difficult to classify such countries as fragile LAOs. For instance, contemporary Ukraine, Georgia, and Moldova have lost control over parts of their territories but still hold the monopoly over the use of force, set and enforce collectively binding rules in other parts. Their capacity to set and enforce rules across all policies may be weak and shaped by the interests of the dominant elites to exploit public goods for private gains. Yet, limited statehood does not turn Ukraine, Moldova and Georgia into ‘failed states’ where order has broken down completely (cf. Risse et al. 2018). While fragile LAOs underestimate the role of the state, basic LAOs overestimate it: the state, indeed, played a major role, for instance, in Communist societies. Yet in autocratic regimes like Russia and Azerbaijan that have a strong ‘power vertical’ and come in that sense closest to the label of a basic LAO, private business has developed along the process of post-communist privatization and liberalization. Arguably, the majority of post-Soviet countries could be placed into the ‘mature LAOs’ category, except for Uzbekistan, and Turkmenistan. The same holds true for countries like India, South Africa, and most Latin American countries. Yet, this categorization neglects substantial differences in the degree of openness, i.e. how access to political and economic resources is restricted, within this grouping. Knowing these differences is crucial to understand the specific dynamics underlying regime (in)stability as well as the particular shortcomings of LAOs on their way to more open orders.

In sum, NWW provide a convincing theory of the interaction of politics and economics for stabilizing LAOs and OAOs. They, however, are relatively silent on whether hybrid regimes located between the extreme poles of OAOs and LAOs achieve a double balance between economic and political access to maintain their stability. To illustrate this argument, Figure 1 conceives of stylized OAOs to be located in the upper right corner combining the highest degrees of political and economic access. In the lower left corner, stylized LAOs fully limit political

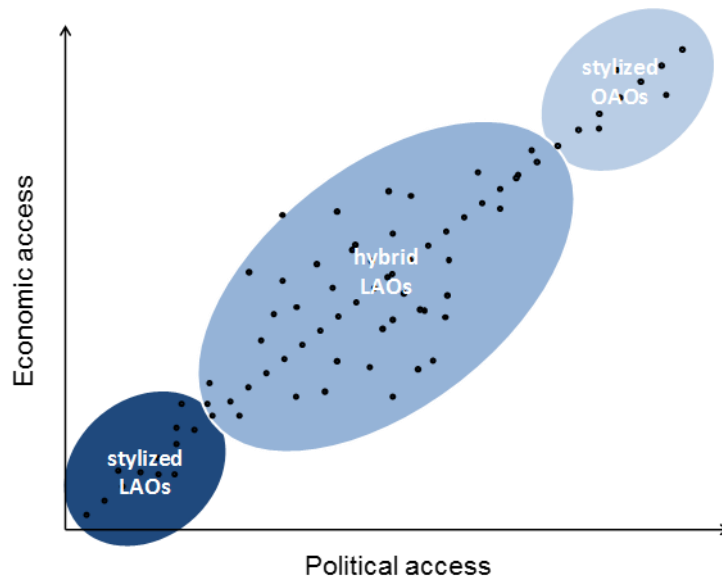
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<sup>2</sup> Whether recent political changes in Myanmar indicate more openness is contested in the literature (see, for example, Croissant and Kämmerling 2013).



and economic access. We know little about whether and if so how regimes in the middle find their stable double balance. It is an empirical question to what extent some of those hybrid states find stability without maintaining similar degrees of access in the political and economic sphere (illustrated by the greater dispersion of data points in Figure 1), and if so, how they combine forms of limited and more open access.

Figure 1. Opening the black box of hybrid LAOs



We address this gap in the literature by providing a refined typology using a sample of post-Soviet countries that have been most prominently associated with hybrid or ‘stuck’ regimes. Drawing on the literature on political regime and neopatrimonialism, we develop a more refined measurement of limited access, identify the most important dimensions that account for the variation between these hybrid LAOs, and show how they cluster in relatively stable types of orders. Using empirical evidence from the post-Soviet space, we develop a refined typology of LAOs that allows for an improved description, classification and ultimately understanding of how limited access orders vary.

### 3. Measuring limits to political and economic access

How can we measure limited access? With regard to economic resources, NWW are relatively straightforward in their definition of access. They refer to resources, such as land, labour, capital, and other activities, including trade (North et al. 2013: 30). Of particular importance are property rights and the existence of corporate organizations beyond the state, backed by formal and informal institutions that allow for economic competition. In order to assess the degree of access to economic resources, we therefore compare dominant coalitions in countries with regard to the extent to which trade and banking is liberalized, property protected, private business and interest groups can flourish and interact on institutionalized markets, and monopolies are prevented (see Table 2).<sup>3</sup>

<sup>3</sup> We draw predominantly on data provided by the Bertelsmann Transformation Index (BTI) (Bertelsmann Foundation 2018a; Bertelsmann Foundation 2018b) and the Varieties of Democracy (V-Dem) Project (Coppedge

*Table 1. Overview of measurement of economic access*

<b>Economic access</b>	<b>Variable</b>	<b>Source</b>
Trade	Liberalized foreign trade	BTI, 7.3
Capital	Banking system	BTI, 7.4
Property	Property rights	BTI, 9.1
Organizations	Interest groups	BTI, 5.2
Organizations	Private Enterprise	BTI, 9.2
Institutional framework	Market-based competition	BTI, 7.1
Institutional framework	Anti-monopoly policy	BTI, 7.2

Note: BTI (Bertelsmann Transformation Index)

With regard to political resources, NWW refer to democratic processes, the rule of law, and competitive parties, which structure open access in this realm (North et al. 2007: 20f.). This understanding of access to political resources, however, has been substantially advanced by scholars working on varieties of political regimes (see, for example, Geddes 1999; Hadenius and Teorell 2007; Linz 1975; Merkel 2004).

In order to assess the relative degree of access to political resources, Wolfgang Merkel (2004) distinguishes between five partial regimes that are constitutive for an embedded liberal democracy. Next to 1) the electoral regime based on free and fair elections, these are the 2) presence of political rights (i.e. the right to freedom of speech and opinion, right of association, free media), 3) horizontal accountability (i.e. the executive's control through parliaments, judiciary and other institutions, such as party apparatus, 4) civil rights (equality before the law), and 5) effective power to rule (control of the military and police).

In an insightful article, Schmotz (2017) takes Merkel's concept of an embedded democracy as a starting point to develop the concept of an 'embedded autocracy'. While any regime that does not hold democratic elections is an autocracy, Schmotz notes a great deal of variation in the way autocratic regimes operate with regard to the other partial regimes, i.e. how they restrict civil liberties and political rights, and constrain horizontal accountability in order to undermine political competition.<sup>4</sup> These differences make it necessary to distinguish, for example, between 1) electoral autocracies, in which incumbent regimes hold regular multi-party elections for parliament and the chief executive but do not create a level playing field for political competitors, 2) liberal

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et al. 2017). While these datasets are based on expert assessments and have been critically discussed (see Börzel 2014), the methodology underlying the BTI and the V-Dem dataset reduces subjectivity by employing rigorous cross-checks to make the variables employable in comparative analyses. It also allows us to analyse both political and economic, and de jure and de facto access, the latter of which ultimately requires contextual expert assessments. Indicators based on straightforwardly assessable facts, such as constitutionally granted rights for instance, do not necessarily capture the complex reality of limited access, especially in areas of hybridity. Detailed summary statistics and source descriptions are included in the appendix to this paper.

<sup>4</sup> Previous typologies of autocratic regimes distinguish between different forms of organization, such as military or party autocracies (Geddes 1999; see also Hadenius and Teorell 2007). Unlike Schmotz' typology of defective autocracies, military and party autocracies count as fully-fledged autocracies (comparable to presidential and parliamentary democracies that count as fully-fledged democracies). We decided to draw on Schmotz (2017) since we are not interested in developing a typology of LAOs that differentiates between different forms of organization but rather identifies variation in defects, here the way LAOs restrict access to political resources.

autocracies that limit horizontal control but grant an extraordinary high degree of political rights to a certain degree, and 3) power-sharing autocracies that constrain executive power and allow for a minimum of horizontal control but violate political rights of their citizens. Common to all of them is that they constrain political competition.

Drawing upon Merkel (2004) and Schmotz (2017), we define the nature and degree of access to political resources in reference to the extent to which various partial regimes constrain political competition. Applied to the NWW framework, in the first partial regime, the presence of free and fair elections determines the degree of access to legislative and executive power. In similar vein, the presence of horizontal accountability indicates to what extent a particular social order constrains valuable resources and activities through the exercise of executive, judicial and legislative power. The remaining two regimes, relating to the extent to which political and civic rights are granted in a particular social order indicate how the latter allows societal actors to get access to political resources (Table 3).

*Table 2. Partial regimes and their effects on access to political resources*

<b>Partial regimes...</b>	<b>...and their effects on access to political resources</b>
Extent to which free and fair elections are present	Degree of access to legislative and executive power
Extent to which horizontal accountability is present	Degree of access to legislative, executive and judicial power
Extent to which political and civic rights are granted	Degree of access to political resources (legislative, executive, judicial power) granted to societal actors

The literature on political regimes pays less attention to the question how economic competition is manipulated in order to maintain the status quo for the dominant elite. This is problematic since state capture often undermines the development of democratic forms of governance and helps to sustain authoritarian forms of rule, irrespective of formally established impartial institutions (Balmaceda 2013; Dimitrova and Dragneva 2013; Haggard and Kaufman 1995).

NWW emphasize that formal institutional transplants alone are unlikely to be indicative of open access. Instead, they highlight the importance of informal rules (North et al. 2007). This is in line with insights from the literature on neo-patrimonialism showing that even if formal open access institutions are in place, informal practices may undermine or complement their functioning. Research on neopatrimonialism can thus contribute to a more fine-grained understanding of different types of LAOs. From this perspective, post-Soviet countries, for instance, are neo-patrimonial regimes, which underlines the persistence of patron-client relationships allowing for rent extraction at all levels of authority (Gel'man 2016). In absence of a legal-rational bureaucracy, members of the dominant elite use public resources for private gain through informal networks. Neo-patrimonial regimes vary with regard to the degree of elite competition and the concentration of power to organize access to patronage (Erdmann 2013; Fisun 2012).

Assessing the type of formal institutions and informal practices may provide for a more accurate assessment of the nature of access and may help to detect in which way rents are created. In LAOs, informal practices fulfil a number of purposes according to North et al. (2013: 43): they structure the de facto degree of access that certain groups enjoy, for instance, by undermining formally stipulated procedures. We draw on recent research that

suggests a straightforward measurement of the degree of neopatrimonialism in its subcomponents of clientelism, presidentialism, and regime corruption to assess the prevalence of neopatrimonial practices empirically (Sigman and Lindberg 2017). Table 3 shows the variables that we include to measure political access.

*Table 3. Overview of measurement of political access*

<b>Political Access</b>	<b>Variable</b>	<b>Dataset</b>
Election	Free and fair elections	BTI
Political rights	Political rights	QoG*
Civil liberties	Civil liberties	QoG
Horizontal accountability	Executive constraints	VDem
Horizontal accountability	Election Management Body autonomy	VDem
Horizontal accountability	Lower court independence	VDem
Horizontal accountability	High court independence	VDem
Horizontal accountability	Compliance with judiciary	VDem
Horizontal accountability	Compliance with high court	VDem
Horizontal accountability	Executive respects constitution	VDem
Horizontal accountability	Executive oversight	VDem
Horizontal accountability	Legislature controls resources	VDem
Horizontal accountability	Legislature questions officials in practice	VDem
Neopatrimonialism	Election vote buying	VDem
Neopatrimonialism	Judicial corruption decision	VDem
Neopatrimonialism	Legislature corrupt activities	VDem
Neopatrimonialism	Executive bribery and corrupt exchanges	VDem
Neopatrimonialism	Executive embezzlement and theft	VDem
Neopatrimonialism	Public sector corrupt exchanges	VDem

\* Note: QoG (Quality of Government), see appendix for detailed data source description.

Our goal is to understand which degree of access hybrid regimes allow for and how such hybrid regimes differ in structuring access to political and economic resources. We develop our typology of LAOs by, firstly, ranking the six post-Soviet countries, for which we develop the typology of LAOs in this paper, according to their overall degree of limited access in the political and economic area. Based on data of the period of 2005 to 2015,<sup>5</sup> secondly, we built an index of limited access that comprises the variables that capture different forms of political and economic access. As previously discussed, we base our choice of empirical indicators (Tables 1 and 2) to construct this index on the conceptual thoughts originating in the NWW concept, as well as the literature on political regimes and neopatrimonialism. While theory tells us how to measure political and economic access in general, there is no theoretical argument to inform the weighing of these variables that would allow us to understand how hybrid regimes differ in the way they limit access. We thus proceed as commonly done in the construction of indices (see e.g. Dreher 2006; Lockwood 2004; Mungiu-Pippidi and Dadašov 2016) and define such weights with the help of a Principal Component Analysis (PCA). PCA is a data reduction technique. It reduces

<sup>5</sup> By the early 2000s it became clear that most of the countries in the post-Soviet space – except for the three Baltic countries Estonia, Latvia and Lithuania – got stuck in their transition and were subsequently defined as hybrid regimes (Diamond 2002; Diamond and Plattner 2002). In addition to reasons related to data availability, we therefore start the analysis in 2005.

all variables in a dataset into different orthogonal dimensions that are linear weighted combinations of the original variables and designed to capture a maximum of variance of the dataset (Vyas and Kumaranayake 2006). Such an analysis can help to enlighten what underlying dimensions of economic and political access capture most of the variation within EaP countries. After having rescaled all variables so that a numerical increase of each indicator represents an increase in openness (see e.g. Dreher 2006), we implement separate PCAs for the analysis of political and economic access.<sup>6</sup> We illicit the most important principal components that account for variation in each dataset of political or economic access and hence, for the way that hybrid regimes structure access to political and economic resources. We then compare the combinations of economic and political access that countries allow, taking up the double balance hypothesis in the NWW framework. Do countries always match similar degrees of political and economic access, and if not, are their patterned differences among post-Soviet states?

The patterned differences that we find lead us to suggest a typology of LAOs. In the next step, we then zoom into these different types of orders in a qualitative way to shed light on the interplay of different combinations of limited political and economic access. This analysis builds on secondary sources and detailed BTI country reports. Importantly, we draw on Henry Hale's (2015) work on patronal politics to identify dominant coalitions in the post-Soviet countries that we analyse here, since North et al. define such coalitions, as opposed to countries or governments, as the most important agents to structure access to political and economic resources. To understand cross-time variation in the degree of access for each country, we measure openness for every time-period governed by a distinct dominant coalition.

#### 4. Towards a refined typology of LAOs

Our first goal is to provide a ranking of EaP countries with regard to the overall degree of access that they allow, for which we construct an index of limited access. The PCA of variables associated with political access shows that two principal components account for 86 % of variation in the data. We label the first principal component 'institutionalized democracy'. It accounts for 61 % of the variance and is most strongly associated with variables that capture the prevalence of free and fair elections, political rights and horizontal accountability – three main partial regimes identified by the literature on democracy and autocracy. The second component represents an 'anti-corruption' dimension and captures an additional 25 % of variation in the dataset. It is most strongly associated with corruption indicators; interestingly especially with those that rather capture corruption at lower rather than higher levels of the state bureaucracy. The PCA of economic access shows that two components account for 81% of the variation in the data. The first component (64 %) is most strongly associated with property rights protection and the extent to which private enterprises are permitted, as well as the fundamentals of market-based competition have been established. We call this the 'private sector development'- component. The second component, which captures little additional variance (17 %) is almost exclusively defined by our indicator of 'anti-monopoly policy'. We are thus left with four dimensions (Institutionalized democracy, anti-corruption, private sector development, and anti-monopoly policy), which capture the largest amount of variance between EaP countries with regard to political and economic access. We use the weights associated with the individual variables (Table A2) to construct a new variable for each of the four dimensions. Those

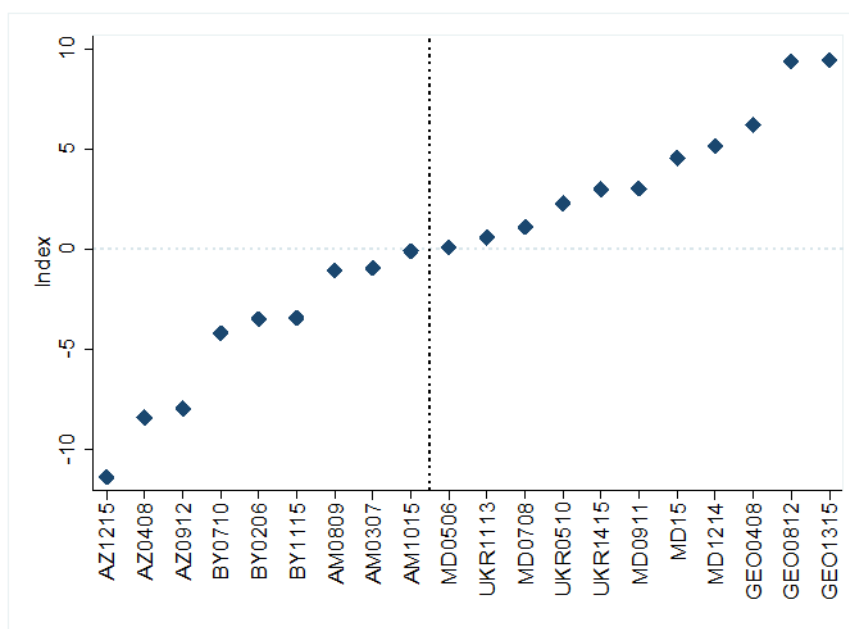
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<sup>6</sup> All detailed PCA results, as well as a robustness check with a joint assessment of both areas are provided in the appendix to this paper.

variables are then summed to provide our indicator of openness for which larger values are associated with more openness.

Figure 2 shows the results of the limited access index for the dominant coalitions that we identified in EaP countries. It allows us to differentiate between the relative degrees of access in LAOs to gain a better understanding as to where a particular LAO is located on the continuum ranging from a relatively closed LAO towards a more open LAO (or an OAO eventually, see Figure 1). This is due to the fact that we assessed LAOs in relation to each other, as opposed to some OAO standard. The overall ranking in the limited access index thus helps us divide the cases into those allowing for relatively more access (with values  $> 0$ ) versus those allowing for relatively less access (values  $< 0$ ).<sup>7</sup>

Figure 2. Index results



Note: AM=Armenia, AZ=Azerbaijan, BY=Belarus, GEO=Georgia, Moldova=MD, UKR=Ukraine

Next, we want to understand, how countries restrict access at their various degree of overall openness. We ask how EaP countries fare with regard to the two subcomponents of the index that capture most of the variance of political and economic access in our dataset. Figure 3, first shows the scores for the respective first dimensions in the area of politics and economics, namely ‘institutionalized democracy’ and ‘private sector development’ for a larger subsample of states to locate the EaP countries on the overall continuum from LAO to OAOs (with new EU member states arguably qualifying as OAOs).

<sup>7</sup> There are two cases in which the openness index is close to zero – Armenia (AM) 10/15 and Moldova (MD) 05/06. We privilege the ‘institutionalized democracy’ score for our classification of openness for theoretical and empirical reasons and thus assign the institutionally less developed case of Armenia to the cases leaning towards closure (left of the dotted vertical line) and the Moldovan case to the cases leaning towards openness (right of the dotted line). In theoretical terms, institutionalized forms of democracy (horizontal checks and balances, electoral rights) are usually associated with the core of a certain regime type. Empirically, this component accounts for more variation in the data and is thus more likely to be indicative of variation between the cases considered here.

We recalculated the index (using the EaP weights) for a larger sample of 23 countries including nine Central and East European new member states (NMS), five post-Soviet countries from Central Asia (CtrA) and three countries from the Western Balkans (WB) (Table A1). Figure 3 shows to what extent we can see the emergence of a double balance with the help of simple descriptive statistics. We see that on average economic access increases with political access. Still, we also notice that many EaP countries are indeed located in the area of hybridity that we identified in the stylized Figure 1 above.

Figure 3. Relationship between political and economic access

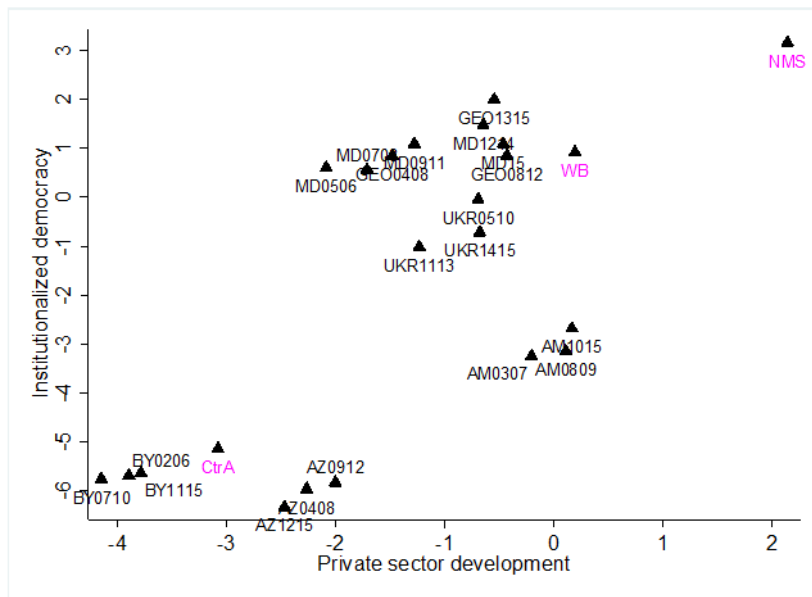
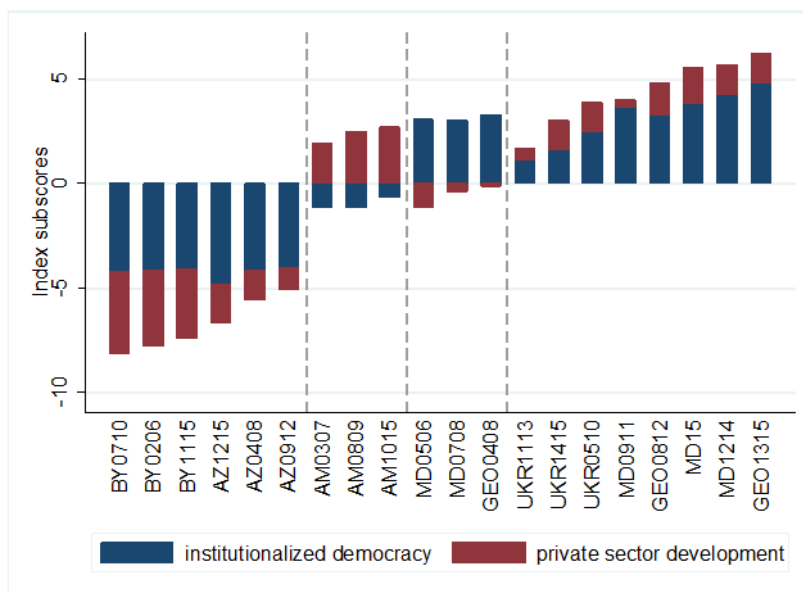


Figure 4 therefore zooms into the EaP country results and shows some patterned differences in the way that EaP countries restrict access to political and economic resources. There are LAOs that allow for more and others that allow for less access. Within each of these two groups, we can distinguish those orders that manage to sustain a double balance and allow for similarly more or less access in both the political and economic sphere ((1) & (4)) – from those that structure access in an unbalanced way and allow for greater access in only one area ((2) & (3)) – again relative to their LAO peers.

Figure 4. Main sub-component scores for EaP countries



This leaves us with four types of LAOs (Table 4). As any typology, these four types are supposed to bundle a number of complex empirical phenomena and are designed to describe patterned variation, instead of explaining or providing for causal interference (Lauth 2003). Yet, we ultimately seek to classify sets of LAOs into these categories to understand the incentive structures that societies provide for political and economic agents. In order to do so, we zoom into each type of LAO to analyse the interaction of political and economic access in greater detail.

Table 4. Four types of limited access orders

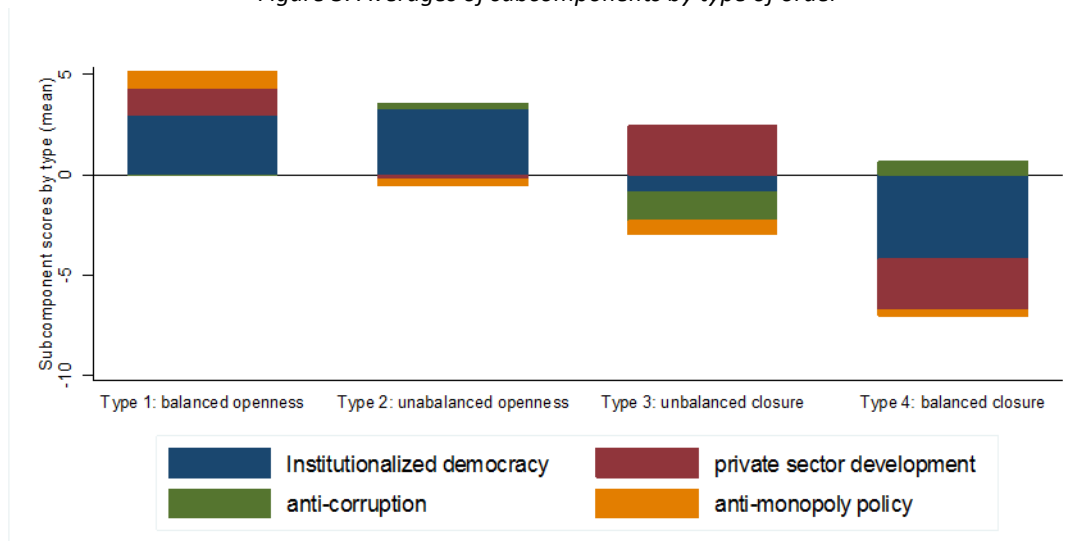
	Allowing for relatively more access	Allowing for relatively less access
Balanced	<p><b>1</b> <b>Balanced openness</b> <i>GEO08-15</i> <i>MD09-15</i> <i>UKR</i></p>	<p><b>4</b> <b>Balanced closure</b> <i>BY</i> <i>AZ</i></p>
Unbalanced	<p><b>2</b> <b>Unbalanced openness</b> <i>GEO04-08</i> <i>MD05-08</i></p>	<p><b>3</b> <b>Unbalanced closure</b> <i>AM</i></p>

#### 4.1. Type 4: Balanced Closure

On average, orders labelled as ‘balanced closure’ (Type 4) massively limit access to political and economic resources, while they are performing better – again on average – with regard to anti-corruption efforts; a development that is driven by the inclusion of Belarus in this type (see Figure 5).



Figure 5. Averages of subcomponents by type of order



In Belarus, access to political and economic resources is massively restricted. President Alexander Lukashenko controls all sources of political power, undermining horizontal accountability to the judiciary or the parliament (Astapenia 2014). The Belarussian constitution allows the President to issue decrees in order to override existing legislation (Balmaceda 2014). The independence of the various political parties is restricted. They are – with the exception of a few weak and non-parliamentarian parties – pro-governmental or representatives of state agencies, all operating in the orbit of the President (Fieber 2016). In the area of economics, authorities reign over a densely developed net of ministerial structures and state-owned enterprises from Soviet times that help control the economy in terms of ownership and management (Yarashevich 2014: 1705). The institutional framework for market competition is weak, and authorities interfere with and discourage private sector development; privatization is de facto largely dependent on presidential consent. More recently, Belarus has engaged in a slow private sector liberalisation and formally improved its property registration, but its implementation in practice is incoherent and subject to state interference if authorities' interests are at stake (BTI 2016c). The Belarussian economic model combines state ownership of production means to keep unemployment low and wages high, with seemingly disciplined fiscal policies to guarantee a high level of social spending (Yarashevich 2014: 1717). Corruption is comparatively low in Belarus. Thanks to his control over political and economic resources, President Lukashenko is able to mask actions against disloyal civil servants, regional governors or company managers as a fight against corruption. Highly selective prosecutions and encompassing elite rotation are the result, helping Lukashenko to stabilize his power (Leukavets 2016).

In the case of Azerbaijan, political access is also massively restricted. Yet, unlike Belarus, Azerbaijan has witnessed an encompassing post-independence privatization process during the 1990s. Privatization did, however, not result in greater economic openness, as the absence of effective democratic institutions allowed former President Heydar Aliyev to award Azerbaijani's rich with influential posts – thereby closely linking their fortune to the President's clan, which cemented the presidential power monopoly (Gahramanova 2009: 784). As a result, government officials and their relatives head major private enterprises, whereas private businesses without the necessary connections to the dominant coalition have been subject to harassment by tax or state authorities, and struggle with corruption or cartelistic structures (BTI 2016b). Azerbaijan hosts a large shadow economy and high degrees of corruption that – especially at times of increasing oil wealth – strengthen the monopoly of economic and political power of the ruling elite (Gahramanova 2009: 780 ff.). Notably, Azerbaijan resembles

Moldova between 2005 and 2006 in terms of restrictions on economic access (Figure 3). Unlike Moldova's competing elite factions, Azerbaijan's united dominant elite, however, uses its economic power to massively restrict access to political resources. This qualifies "Baku" for the balanced closure type of LAO.<sup>8</sup> Electoral competition is thus non-existent and vote buying or ballot stuffing additionally skew any formal electoral processes, which also allowed Heydar Aliyev's son Ilham to "win" the 2003 presidential elections. Ilham Aliyev managed to prolong his otherwise limited rule with the help of a controversial constitutional change in 2009 that secured his continuous grip on power. Opposition parties did not win a single seat in the parliamentary election of 2010 (BTI 2016b).

The previous discussion has shown that in both Azerbaijan and Belarus a small elite close to the respective incumbent enjoys access to political and economic resources. In the balanced closure order, the relatively closed access to economic resources has equipped the dominant elite with the necessary resources to control the political sphere, and vice versa. That said, the balanced closure order characterizing Azerbaijan and Belarus differs in the way elite co-optation works: In a state-led economy like Belarus, elites are mainly co-opted by the threat of exclusion or elite rotation. In Azerbaijan, elite co-optation mainly works through rent-seeking, as state-business relations tend to rely less on control but more on vague and non-transparent regulations and personal relationships (Ivy 2013; Iwasaki 2003). These differences notwithstanding, the balanced closure order is comparatively stable, as both countries have not witnessed major changes in their type of LAO within the period under scrutiny.<sup>9</sup>

#### 4.2. *Type 3: Unbalanced Closure*

Orders that we classify as 'unbalanced closure' (Type 3) are characterized by some degree of economic access with regard to private sector safeguards and developments, while restricting political access and being weak on anti-monopoly and anti-corruption policies. Armenia represents this category. Despite the fact that multiple political parties have been founded since Armenia's independence, political competition is drastically limited by the fact that political patronage, vote-buying, and the use of administrative resources favour the ruling dominant coalition (see also BTI 2016a). Horizontal accountability is undermined by the executive's systematic interference with the judiciary and widespread corruption (Freedom House 2014; Paturyan and Stefes 2017). Yet, the country has been labelled as one of the "most open" economies in the post-Soviet space, as it pursues liberal policies towards trade, investments, and capital (BTI 2016a: 16; see also Tumasyan et al. 2013). Its private sector has been split into a heavily concentrated formal part and an informal one comprising small businesses and the self-employed (BTI 2006). The government worked towards improving the business climate for business start-ups and passed legislation to ease tax reporting requirements for small businesses, all of which contributed to making the private sector flourish since the mid-2000s (BTI 2012a; BTI 2014a; BTI 2016a).

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<sup>8</sup> As explained earlier the "institutionalized democracy" component accounts for more variation in the data than the "private sector development" component, which is why restrictions on political access are more determinant for the type of LAO than restrictions on economic access.

<sup>9</sup> Note that Belarus has witnessed some economic opening more recently: While the major part of the economy remains to the state-led, the Belarusian government initiated unprecedented liberal reforms in the IT sector aimed at facilitating start-ups and attracting foreign investment (Klysiński 2018). Whether this development will turn Belarus into a different type of LAO remains to be seen.

That said, the country struggles with limiting access to economic resources and activities in certain important sectors of the economy (such as energy, agricultural goods), where cartels and monopolies, often connected to the dominant coalition, undermine de facto competition (BTI 2012a). While Armenia is thus home to a heavily monopolized economy, there are some sectors, like telecommunications, where de-monopolization has taken place and economic competition emerged (Grigoryan 2017). The process of a partial de-monopolization, however, did not promote, but rather stabilized the lack of political competition. Jointly with a constitutional change towards a proportional voting system, it arguably stripped some regionally influential oligarchs off their opportunities to engage politically (Liakov 2017). While these oligarchs founded a new party named 'Prosperous Armenia' (PA), this party eventually became a junior coalition party for the ruling Republican party. Its members are still dependent on the ruling party for tax exemptions and other favourable treatments (Liakov 2017). When the head of PA announced that his party may join the opposition, for instance, the President suggested that he would have authorities look into his business finances – the PA's head soon resigned with his successor taking again a cooperative stance (Iskandaryan 2016).

Armenia hence shows a persistent lack of balance in the economic and the political sphere. The partial de-monopolization and private sector development in the country has not given rise to political activity of entrepreneurs, trying to push for a greater openness of the political system, as North et al. would have theorized (cf. North et al. 2006). Small businesses may strive and generate growth, as long as they do not challenge government connected monopolies. Oligarchs can found new parties, as long as they do not openly challenge the ruling coalition. As corruption and vote-buying is widespread and there are no checks and balances to hold the ruling coalition accountable, the dominant elite can allow for some degrees of economic opening and actually use it to cement its grip to power.

#### 4.3. *Type 2: Unbalanced Openness*

The Type 2 cases labelled 'Unbalanced openness' are the reverse of the social order described in the previous section. This type of order is associated with relatively high degrees of institutionalized democracy, but rather restrictively structuring of access to economic resources. The dominant coalitions prevailing in Georgia from 2004 to 2008 and in Moldova from 2005 to 2008 exemplify this type. In general, there is a relatively large competition for political resources: elections in Moldova and Georgia have been relatively free and fair, with Moldova showing different competing political forces, and Georgia improving its political environment in the aftermath of the Rose Revolution. In addition, Georgia managed to drastically curb its petty corruption after 2004 (Freedom House 2010a). Still, both countries qualify as LAOs: in Moldova, the communist party abused its media power for political gain (BTI 2008b); in Georgia, Saakashvili's rise to power resulted in a concentration of power in the presidential apparatus and a weakening of the parliament (Papava 2009). Both lacked a fully independent judiciary that was free from corruption and political interference, thus impeding horizontal accountability (Freedom House 2005; Freedom House 2006; Freedom House 2010b). Overall, and in comparison to other EaP countries, political competition had been relatively well developed.

It is in the economic realm, where competition has been limited. In Moldova, once competing political fractions gained access to power, they have used their political power to safeguard economic rents for themselves or their allies (Ciurea 2017). Due to widespread corruption on various levels of governments, the private sector depends on the goodwill of officials who indirectly force businesses to make 'donations' or other public contributions

(Ciurea 2017). Likewise, property rights are poorly protected in Moldova due to the corrupt judicial system that undermined their impartial enforcement (BTI 2008b). In Georgia, President Saakashvili largely erased petty corruption and rhetorically embraced a highly business-friendly agenda resulting in declining shares of the informal economy (BTI 2008a). Yet, the state intervened with tax audits, infringements of property rights, and pressured businesses into political economic activities in order to grant favours to political allies or punish political opponents (Wetzinger 2017). As Papava (2009: 203) notes: “If pre-revolutionary functionaries had their pockets open for bribes, their post-revolutionary successors have transformed open pockets into bank accounts,” amongst others by encouraging business contributions to extra-budgetary accounts; a practice that resembles the donations system in Moldova. In both countries, being successful in the private sector largely depended on the goodwill of the administration.

In addition, both Georgia and Moldova suffered especially from a weak institutional framework in their market economies that undermined equal access to economic resources. In Georgia, the Saakashvili government engaged in a massive deregulation agenda at the time that lacked effective safeguard, thereby allowing monopolies to thrive (BTI 2016d). In Moldova, in spite of the electoral campaign rhetoric with promises of reforms, anti-monopoly policies were applied inconsistently (BTI 2010a).

In type 2 orders, competing fractions fight for political office, which they then abuse to suppress economic competition and extract economic rents. Interestingly, this unbalanced openness has not been particularly stable, leading to some changes in economic access. Georgia and Moldova have – at later stages – transformed into what we call Type 1 cases. This suggests that greater political competition characteristic for the Type 2 cases poses a greater challenge to hybrid stability than greater economic competition characterizing the Type 3 cases of unbalanced closure (Armenia).

#### 4.4. *Type 1: Balanced Openness*

The cases of ‘balanced openness’ (Type 1) allow for substantial political and economic access in relative terms, since we use the EaP countries themselves as a comparative benchmark. We have classified nine dominant coalitions in the three countries of Moldova, Georgia and Ukraine as limited access orders that lean towards openness (irrespective of differences in extent, especially in Ukraine) and are relatively balanced in their restrictions of political and economic access. Ukraine (2005-2015), Georgia (2008-2015), and Moldova (2009-2015) allow for relatively higher degrees of political access – roughly comparable to the ‘unbalanced openness’ cases. They all share mostly a substantial degree of competition in elections and administer them reasonably well. This is not to say that there is no variation between these countries or between their dominant coalitions at the time: Under Mikheil Saakashvili and his dominant coalition (until 2012), there were electoral irregularities, but with constitutional changes in 2013 and a new government, the political environment improved again (BTI 2012b; BTI 2016d; Freedom House 2010a). Likewise, in Moldova and Ukraine, elections have been affected by non-transparent party financing, and corruption is a major issue (BTI 2008c; BTI 2010b; BTI 2014b). In Ukraine, the electoral environment deteriorated under President Yanukovich, but improved again after the Euromaidan – this new dominant coalition from 2013 onwards is associated with a larger openness than its predecessors (BTI 2016f). Moldova witnessed political and fiscal scandals, as well as partisan gridlock during this period. All countries, however, share de facto political competition between various political fractions that is relatively fair and free.

In the area of economics, all three countries – on average and to various extents – show signs of substantial opening in the respective time periods. Ukraine since 2005, Georgia since 2008, and Moldova since 2012 have all seen significant improvements in private sector development and in anti-monopoly regulation indicating a slowly increasing dissipation of rents across a larger number of economic actors: In 2012, the Competition and State Procurement Agency started formally operating in Georgia, but initially proved ineffective. The new government then created a new and more independent competition agency in 2014 (Transparency International Georgia 2014); also in an effort to fight high-level corruption. A new competition law entered into force in 2012 in Moldova, and a new council was established to fight monopolistic structures in the country, with a first major cartel case being won in the Supreme Court in 2012 (BTI 2014b; BTI 2016e). In Ukraine, the fundamentals of a functioning market economy have been established: prices and trade is largely liberalized and the private sector is well developed (BTI 2016f). Ukraine also has an Anti-Monopoly Committee (AMCU) which prevents unfair competition and the abuse of market power with moderate success (BTI 2008c, 2010b, 2016f). Notwithstanding, competition is still limited in many sectors, and arguably requires a fight against oligarchs, tax evasion, and corruption on all levels (Knuth et al. 2016). Property rights are formally protected, but their enforcement is constrained by the corrupt and inefficient judiciary - reforms in this area by the post-Maidan-government have yet to show effects (BTI 2016f).

Formally, the rules governing the economic sphere are fairly equal for all our cases qualifying for the ‘balanced openness’ type of LAO, but their economies are still characterized by the prevalence of oligarchic groups (Yurchenko 2012; Ciurea 2017; Wetzinger 2017). Raids of banks and insurance companies in 2010 and 2011 in Moldova, for instance, were often associated with the ruling oligarchic circle’s motivation to gain shares (Ciurea 2017). In this sense, the ‘balanced openness’ type reminds economically of Armenia with its well-developed private sector that is constrained by oligarchs, who successfully used early marketization reforms to monopolize certain segments of the economy and thus limit competition (Yurchenko 2012). Unlike in Armenia, competing political fractions, however, fight for access to economic rents in the balanced openness type of LAO. What is characteristic for Ukraine since 2005, Georgia since 2008, and Moldova since 2009 is that formal rules of governing economic competition show first signs of being enforced on the ground, thereby raising hopes that over time greater political competition will also result in greater economic competition. Put differently, the dominant elites still enjoy privileged access to political and economic access but the piece of cake they can secure for themselves has become smaller in the balanced openness type of LAO due to increasing political and economic competition.

## 5. Conclusion

Inspired by the seminal work of NWW on social orders, this paper set out to develop a refined conceptualization of LAOs in order to capture the differences in the ways countries are stuck in their transition to democracies and functioning market economies. Based on NWW’s idea of a ‘double-balance’ according to which political and economic competition sustain each other, we develop a typology of LAOs that allows us to differentiate these orders in terms of their overall degree of openness and the way they (do not) balance access in the area of economics and politics. In so doing, we construct an index of limited access in order to rank countries with regard to their political and economic openness. While our index of limited access can theoretically be applied to develop a typology of LAOs for all hybrid regimes, our empirical sample for this paper includes six post-Soviet

countries from the third wave of democratization. Those countries got stuck in their transition towards OAOs despite their exposure to external efforts aimed at promoting democracy and economic development, mainly pursued by the EU. With the help of a PCA, we find that the greatest cross-country differences in political openness relate to variation in the institutionalization of democracy, while different degrees of economic openness are driven by the variation in private sector development. This allows us to identify four types of LAOs that we label balanced closure, unbalanced closure, balanced openness and unbalanced openness. We show that the ways in which these four types of LAOs balance access in the area of economics and politics do not only provide important insights into the different strategies hybrid regimes use to maintain stability. They also reveal which strategies are particularly successful in maintaining the status quo, and which ones have produced instability by making access more open or restrictive.

We find that balanced closure, exemplified in our sample by Azerbaijan and Belarus, is successful in maintaining stability by restricting access to both political and economic resources for the benefit of a small elite close to the incumbent leader. Privileged access to political power in form of control over the judiciary, parliament and executive, is used to secure privileged access to economic resources, i.e. entrepreneurial activities, and vice versa. Elite co-optation works through the threat of exclusion from elite rotation, and/or by providing massive opportunities for rent-seeking for the dominant elite.

Unbalanced closure is characterized by a stable lack of balance in the economic and the political sphere. Armenia is a case in point. Greater economic competition, indicated by partial de-monopolization and private sector development, does not result in greater political activity of entrepreneurs, as North et al. as well as proponents of modernization theory would have theorized (cf. North et al. 2006; Lipset 1958). Economic openness in the unbalanced closure type of LAO seems to remain at a threshold that makes it unlikely to trigger political activity. In fact, the dominant elites in the unbalanced closure type of LAO have used some economic opening to cement their political power by limiting rent-seeking possibilities of certain oligarchs not closely associated with the core of the dominant coalition.

Unbalanced openness, represented in our sample by Moldova (2005-2008) and Georgia (2004-2007), is characterized by comparatively high degrees of political competition between different fractions but a rather restrictive access to economic resources. In fact, the political winners make sure that their office helps them to weaken competitors for economic rent-seeking. Interestingly, it is unbalanced openness that is the most unstable among the four types we identified. Greater political competition seems to limit opportunities for suppressing economic competition in the long run, as unbalanced openness has later experienced a transformation into another type of LAO, namely balanced openness. In this type, economic rent seeking by the respective dominant political fractions is more limited due to the fact that some open access rules are also being applied in practice, despite the fact that oligarchic systems still limit full economic access. Except for unbalanced openness, the other three types have thus proven relatively stable in the country and the time under investigation.

What are the implications of our typology of LAOs for how we understand hybrid (in)stability? First, our typology questions the equilibrium assumption of the double balance and shows that hybrid regimes do not necessarily combine similar degrees of access in the political and economic sphere. The fact that Armenia, which represents unbalanced closure, allows for some private sector development despite its strong political closure indicates that there is a certain threshold to which access can be granted before translating into political pressure towards

more openness. In a similar vein, the cases of unbalanced openness have shown that political competition does not immediately translate into economic competition. Yet, the case of Georgia suggests that business men – such as Bidzina Ivanishvili – indeed used the political opening to run for office despite the fact that his economic assets were previously the target of undue interference in the economy by the then ruling authorities.

The four types of limit access orders do not operate in a vacuum. The EU supported private sector development in Armenia before the latter decided to join the Eurasian Economic Union instead of the Deep and Comprehensive Free Trade Area with the EU. Future research can build on the insights we gained from our typology of LAOs, and systematically investigate the causes for the shifts we identified within and across types of LAOs, and develop hypotheses as regards the conditions under which political and economic openness become more likely.

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## Appendix

Table A1. Summary Statistics

Variable	FULL SAMPLE					EAP SAMPLE					Dataset (source, varname)
	Obs	Mean	Std. Dev.	Min	Max	Obs	Mean	Std. Dev.	Min	Max	
fairelection	253	6.51	3.32	0	10	66	5.08	2.60	1.11	8.89	BTI (2.1 Free and fair elections)
polrights	253	5.89	3.67	0	10	66	3.81	2.63	0.00	6.67	QoG* (Freedom House, fh_pr)
civilliberties	253	6.34	3.27	0	10	66	4.85	2.10	1.67	8.33	QoG (Freedom House, fh_cl)
executiveconstr	253	7.25	3.74	0	10	66	5.73	3.12	1.67	10.00	VDem (PolityIV, e_exconst)
votebuying	253	5.46	3.17	0	10	66	4.39	3.19	0.00	10.00	Vdem (v2elvotbuy_ord)
embautonomy	253	5.56	3.88	0	10	66	3.86	3.46	0.00	10.00	Vdem (v2elembaut_ord)
lowcourtindep	253	4.93	3.35	0	10	66	2.77	1.97	0.00	7.50	Vdem (v2juncind_ord)
highcourtindep	253	4.91	3.59	0	10	66	2.99	2.25	0.00	7.50	Vdem (v2juhcind_ord)
highcourcompl	253	5.79	3.33	0	10	66	4.17	3.43	0.00	7.50	Vdem (v2juhccomp_ord)
judiciarycompl	253	5.34	3.04	0	10	66	3.79	2.92	0.00	7.50	Vdem (v2jucomp_ord)
execrespectconst	253	5.29	3.00	0	10	66	3.56	2.71	0.00	7.50	Vdem (v2exrescon_ord)
executiveoversight	253	5.31	3.31	0	10	66	3.67	3.05	0.00	7.50	Vdem (v2lgotovst_ord)
legisresource	253	7.27	4.46	0	10	66	6.67	4.75	0.00	10.00	Vdem (v2lffunds_ord)
legisquestionexe	253	7.00	4.59	0	10	66	5.45	5.02	0.00	10.00	Vdem (v2lfgstexp_ord)
judicialcorruption	253	6.84	3.16	0	10	66	5.86	3.36	0.00	10.00	Vdem (v2jucorrdc_ord)
legiscorruption	253	4.74	2.54	0	10	66	4.44	2.43	0.00	10.00	Vdem (v2lccrpt_ord)
exebribery	253	3.79	3.39	0	10	66	2.46	2.76	0.00	7.50	Vdem (v2exbribe_ord)
exeembezzlement	253	4.66	3.31	0	10	66	3.26	2.36	0.00	7.50	Vdem (v2exembez_ord)
publicsectorcorr	253	5.56	3.83	0	10	66	4.70	3.36	0.00	10.00	Vdem (v2excrptps_ord)
interestgroups	253	4.78	2.82	0	10	66	3.27	1.14	1.25	5.00	QoG (BTI, bti_ig)
marketeconomy	253	5.69	2.91	0	10	66	4.02	1.43	1.25	6.25	BTI (7.1 Market-based competition)
antimonopoly	253	6.05	3.20	0	10	66	4.04	1.38	1.25	7.50	BTI (7.2 Anti-monopoly policy)
libtrade	253	7.58	3.17	0	10	66	6.52	1.84	2.50	10.00	BTI (7.3 Liberalization of foreign trade)
libbank	253	6.53	2.78	0	10	66	5.08	1.91	1.11	6.67	BTI (7.4 Banking system)
propertyrights	253	6.34	3.18	0	10	66	4.27	2.11	0.00	7.50	BTI (9.1 Property rights)
privateenterprise	253	6.48	2.99	0	10	66	5.06	2.49	0.00	7.50	BTI (9.2 Private enterprise)

Note: Table A1 presents summary statistics after rescaling all variables in the full sample to range from 0-10 so that a numerical increase of each indicator represents an increase in openness (see e.g. Dreher (2006) for a similar procedure). BTI source data has been inter-/ extrapolated to transform the biannual BTI rating (2006-2016) into a country-year dataset (2005-2015). Values for *votebuying* in a given election year have been carried forward until the next election year. Missing values for *executiveconstr* in the transition phase of Kyrgyzstan in 2010 have been interpolated; \*Quality of Government Dataset (Teorell et al. 2017).

Table A2. List of countries (full sample, by region, 2005-2015)

CENTRAL ASIA	EAP	NEW EU MS	WESTERN BALKAN
Kazakhstan	Georgia	Estonia	Albania
Kyrgyzstan	Ukraine	Czech Republic	Serbia*
Uzbekistan	Azerbaijan	Bulgaria	Macedonia
Tajikistan	Armenia	Romania	
Turkmenistan	Moldova	Latvia	
	Belarus	Slovenia	
		Poland	
		Lithuania	
		Hungary	

Note: Countries for which variable values are based on less than 3 expert assessments are excluded from the sample; \*values for 2005 extrapolated.

Table A3. Eigenvalues and variance accounted for by individual principal components (EaP sample)

COMPONENT	POLITICAL ACCESS (1)				ECONOMIC ACCESS (2)			
	Eigenvalue	Difference	Proportion	Cumulative	Eigenvalue	Difference	Proportion	Cumulative
Comp1	11.57	6.74	0.61	0.61	4.47	3.28	0.64	0.64
Comp2	4.83	4.09	0.25	0.86	1.18	0.56	0.17	0.81
Comp3	0.74	0.27	0.04	0.90	0.62	0.18	0.09	0.90
Comp4	0.47	0.11	0.02	0.93	0.45	0.27	0.06	0.96
Comp5	0.36	0.10	0.02	0.95	0.18	0.11	0.03	0.99
Comp6	0.26	0.09	0.01	0.96	0.06	0.02	0.01	0.99
Comp7	0.17	0.04	0.01	0.97	0.04	.	0.01	1.00

Note: This table shows (the first) seven components and their associated eigenvalues that result from two individual PCAs of variables associated with political access (Column 1) and economic access (Column 2).

Table A4. Variable weights for constructing the Index of Limited Access

<b>POLITICAL ACCESS (1)</b>	<b>Institutionalized democracy (Comp1)</b>	<b>Anti-corruption (Comp2)</b>
fairelection	<b>0.28</b>	-0.04
polrights	<b>0.28</b>	-0.09
civilliberties	0.26	-0.14
executiveconstr	<b>0.27</b>	-0.11
votebuying	-0.01	<b>0.42</b>
embautonomy	<b>0.28</b>	0.01
lowcourtindep	0.23	-0.19
highcourtindep	0.24	-0.13
highcourcompl	<b>0.29</b>	-0.02
judiciarycompl	0.25	0.13
execrespectconst	0.27	-0.02
executiveoversight	<b>0.28</b>	-0.04
legisresource	0.26	-0.09
legisquestionexe	0.27	-0.02
judicialcorruption	0.07	<b>0.42</b>
legiscorruption	0.05	0.41
exe bribery	0.14	0.37
exeembezzlement	0.22	0.26
publicsectorcorr	0.10	<b>0.40</b>

<b>ECONOMIC ACCESS (2)</b>	<b>Private sector development (Comp1)</b>	<b>Anti-monopoly policy (Comp2)</b>
interestgroups	0.33	0.06
marketeconomy	<b>0.42</b>	0.15
antimonopoly	0.04	<b>0.87</b>
libtrade	0.40	0.31
libbank	0.40	-0.20
propertyrights	<b>0.46</b>	-0.10
privateenterprise	<b>0.42</b>	-0.27



### Robustness checks

We also implement a Principal Component Analysis of all variables associated with both economic and political access (see Table A1). The results shown in Tables A5a and A5b suggest that this does not result in substantially different outcomes if compared to the separate PCAs presented in the main paper: The first four components of this analysis account for about 90% of the variance in the data and are broadly associated with the variable weights depicted in the separate analyses.

*Table A5a. Eigenvalues of joint PCA of political and economic access variables (EaP sample)*

COMPONENT	EIGENVALUE	DIFFERENCE	PROPORTION	CUMULATIVE
Comp1	14.05	7.90	0.54	0.54
Comp2	6.15	4.17	0.24	0.78
Comp3	1.97	1.04	0.08	0.85
Comp4	0.93	0.22	0.04	0.89
Comp5	0.71	0.10	0.03	0.92
Comp6	0.61	0.27	0.02	0.94
Comp7	0.34	0.08	0.01	0.95
Comp8	0.25	0.08	0.01	0.96
Comp9	0.17	0.02	0.01	0.97
Comp10	0.15	0.01	0.01	0.97

*Note:* This table shows the first ten components and their associated eigenvalues that result from a PCA of variables associated with economic and political access.

Table A5b. Weights of politics and economic access variables in joint PCA

VARIABLE	INSTITUTIONALIZED DEMOCRACY (COMP1)	ANTI- CORRUPTION (COMP2)	PRIVATE SECTOR DEVELOPMENT (COMP3)	ANTI- MONOPOLY POLICY (COMP4)
fairelection	<b>0.25</b>	0.02	-0.01	-0.08
polrights	<b>0.25</b>	-0.01	-0.18	0.00
civilliberties	<b>0.25</b>	-0.07	0.01	0.16
executiveconstr	<b>0.25</b>	-0.03	-0.11	0.06
votebuying	-0.05	<b>0.38</b>	0.00	0.17
embautonomy	<b>0.24</b>	0.08	-0.12	-0.06
lowcourtindep	0.21	-0.10	-0.25	0.05
highcourtindep	0.22	-0.05	-0.19	-0.03
highcourcompl	<b>0.25</b>	0.05	-0.12	0.06
judiciarycompl	0.21	0.17	-0.15	-0.18
execrespectconst	0.23	0.05	-0.24	-0.12
executiveoversight	<b>0.26</b>	0.03	-0.08	0.09
legisresource	<b>0.25</b>	-0.04	0.11	0.07
legisquestionexe	0.23	0.06	-0.16	0.10
judicialcorruption	0.02	<b>0.39</b>	0.00	0.01
legiscorruption	0.02	0.35	0.21	-0.10
exebribery	0.09	0.33	0.10	-0.36
exeembezzlement	0.18	0.26	0.15	-0.13
publicsectorcorr	0.06	<b>0.36</b>	0.23	0.02
interestgroups	0.17	-0.14	0.07	<b>0.45</b>
marketeconomy	0.16	-0.14	<b>0.43</b>	0.20
antimonopoly	0.10	0.25	0.04	<b>0.45</b>
libtrade	0.19	-0.01	<b>0.45</b>	0.06
libbank	0.20	-0.21	0.06	-0.28
propertyrights	0.18	-0.20	<b>0.36</b>	-0.05
privateenterprise	0.18	-0.19	0.22	-0.40

## References

Teorell, J., Dahlberg, S., Holmberg, S., Rothstein, B., Alvarado Pachon, N. and Svensson, R. (2017) *The QoG Standard Dataset 2017, version Jan17*, Gothenburg: University of Gothenburg, The Quality of Government Institute.



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### **The EU and Eastern Partnership Countries An Inside-Out Analysis and Strategic Assessment**

Against the background of the war in Ukraine and the rising tensions with Russia, a reassessment of the European Neighborhood Policy has become both more urgent and more challenging. Adopting an inside-out perspective on the challenges of transformation the Eastern Partnership (EaP) countries and the European Union face, the research project EU-STRAT seeks to understand varieties of social orders in EaP countries and to explain the propensity of domestic actors to engage in change. EU-STRAT also investigates how bilateral, regional and global interdependencies shape domestic actors' preferences and scope of action. Featuring an eleven-partner consortium of academic, policy, and management excellence, EU-STRAT creates new and strengthens existing links within and between the academic and the policy world on matters relating to current and future relations with EaP countries.

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