Like nearly all advanced industrialized nations, European countries have been increasingly challenged by inequality, poverty and social exclusion in recent years. The widening social gap, which can be primarily ascribed to major structural change resulting from the effects of deindustrialization and labor market change, has been strongly amplified by the Great Recession which hit the global economy in 2008. While welfare and labor market policies exert an essential role in coping with these challenges, they also contribute to the contours and characteristics of social divides challenging contemporary societies (cf. Esping-Andersen et al. 2002; Morel et al. 2012; Emmenegger et al. 2012). Because combating social inequality is not only essential for the well-being of the citizens, but also for the economic and political stability of the enlarged Europe, it has received increasing attention as part of the political agenda of the European Union (EU) (Kvist and Saari 2007; Lundvall and Lorenz 2012). For political solutions to work out in this regard, European countries need similarly strong and effective social protection systems. Yet, the recent enlargement rounds of the EU in 2004 and 2007 have prompted a question which deserves closer examination. Namely, will the new post-communist member states of Central and Eastern Europe (CEE) keep up with the social protection levels of the mature welfare states of Western Europe, or has their reputed immaturity even ignited a continent-wide race to the bottom in social protection levels? From a scholarly point of view, a comparative assessment of the welfare policies and their causes and consequences in an integrated pan-European framework has been difficult so far, because the emerging welfare models of the new post-communist member states of the EU have not been sufficiently integrated in the empirical-analytical body of comparative welfare state research. This study seeks to contribute to closing this academic void by providing a better understanding of the characteristics of the welfare systems in the Central and Eastern European
new member states of the EU. This, in turn, will contribute to a more integrated, theory-based, analytical comparative view on the welfare systems in the enlarged Europe as a whole.

In the past 25 years, the social welfare systems of post-communist CEE countries have undergone a thorough transformation simultaneously with their political and economic systems. Reforming the welfare policy arrangements and making them work effectively has been one of the central challenges for the new democratic regimes, as economic transformation has been accompanied by wide-ranging social costs. Coping with these costs is at least partly related to the legitimacy and thus to the stability of the newly established democratic political systems (Kapstein and Mandelbaum 1997; Delhey 2001). The process of reconfiguring the welfare systems has taken place amidst a multitude of challenging circumstances. The severe economic recession at the beginning of the 1990s and the legacies of the state socialist welfare model led to substantial constraints in financial resources (Haggard and Kaufman 2001; Inglot 2008). Additionally, like the mature welfare states in Western European countries, the CEE countries have faced pressures caused by intensified economic globalization and competition, major demographic changes, rapid changes in societies’ socioeconomic production structures as well as austerity in the social security systems (Deacon 1992; Ferge 1992; Götting 1998; Scharpf 2000; Pierson 2001d; Esping-Andersen et al. 2002; Taylor-Gooby 2004; Ferrera 2005; Hemerijck 2006; Ellison 2006). The reconfiguration of the post-communist welfare states has also been subject to international influences. Especially at the beginning of the transformation process, the EU, other international organizations (above all the International Monetary Fund (IMF) and the World Bank), as well as individual countries, sought to promote welfare arrangements in the region. These agents have been guided by different ideals, models and interests (Guillén and Palier 2004; Orenstein 2009). In the constitutive, transitional setting with an all-embracing need for reconfiguration, diffusional effects like policy learning and imitation are more likely to have had an impact on policies than in more settled circumstances. Later on, achieving certain social standards was one of the criteria for accession to the EU. In line with the Lisbon strategy, new EU members are encouraged to enhance their social standards and social security systems.

In the light of these factors, scholars have seen different developmental options for the welfare states in CEE. The comparatively extensive social security institutions and coverage in the state socialist era led some analysts to expect the welfare state reform to remain minimal. Some argued that post-communist countries would develop in the direction of a universalistic welfare model, which can be found in the Scandinavian countries. Yet
most analysts stressed the importance of macroeconomic stabilization, radical refinement of the social systems and especially the negative impact of economic globalization. They thus predicted the emergence of a minimalist, residual model of welfare with a neoliberal emphasis. Initial expectations about the future orientation of the CEE welfare policy arrangements therefore ranged from Scandinavian-like, social democratic systems to ultraliberal systems (see, e.g., Deacon 1992; Ferge 1992; Göttling 1998; Kovács 2000; Swank 2001; Wagener 2002). Up to now, none of these visions seems to have become a reality. While departing from a rather similar setting of a state socialist welfare state, social policy reforms in the post-communist countries seem to have led to a considerable variance of institutional settings and policy outcomes (Götting 1998; Ferge 2001; Cerami 2006; Inglot 2008; Cerami and Vanhuysse 2009; Kuitto 2011). In particular, the neoliberal scenario does not seem to have prevailed. Instead, the emerging welfare model(s) in the CEE countries are characterized as “hybrid” in many of the most recent studies that assess or classify the CEE welfare regime(s) (Baum- Ceisig et al. 2008; Cerami and Vanhuysse 2009; Hacker 2009; Cook 2010).

In the light of the hitherto existing analyses, the extent of the diversity or commonality as well as the emerging overall characteristics of the assumedly “hybrid” CEE welfare states remain unclear. This is especially true for attempts to compare emerging welfare policy patterns in CEE utilizing quantitative measures available for the mainstream comparative welfare state research. Therefore, comparisons of the welfare models emerging in the post-communist countries with those existing in the Western European democracies have so far been mainly narrative or case study-based and, from an empirical-analytical point of view, more or less speculative. Without becoming acquainted with the characteristics of the emerging welfare model(s) in a larger comparative setting, it is infeasible to engage in serious causal analysis on the origins and/or the consequences of differing welfare policies in the post-communist countries. This book therefore seeks to answer the following research question: What kind of welfare policy patterns are emerging in the post-communist countries of CEE and how do these correspond to the welfare models prevalent in Western European countries?

The analysis places itself within the tradition of macro-comparative welfare state research and seeks to assess the emerging welfare policy patterns in CEE by means of quantitative indicators derived from theoretical concepts on different types of welfare states. In so doing, the points of reference for the comparative assessment are not primarily theoretical ideal-typical welfare regimes, but rather the contemporary empirical occurrence of models of welfare in mature Western European countries. This direction is taken because the indisputable recalibration
of mature welfare states in recent decades has undermined the saliency of ideal-typical welfare regime typologies such as the famous *Three Worlds of Welfare Capitalism*-typology developed by Gosta Esping-Andersen. Consequently, the Western European welfare states are included in this empirical analysis and their affiliation with the theoretical regime types is reflected upon in order to draw a baseline for the assessment of the emerging CEE welfare policy patterns. The study thus places the CEE welfare arrangements in the current European context at the macro-level. While providing an assessment of the emerging welfare models of CEE from a comparative bird’s-eye view, the book explicitly abstains from providing a dense description of the individual systems, the latter already having been provided in several previous case studies.

### 1.1 STATE OF THE ART: EXISTING CONTRIBUTIONS AND THEIR SHORTCOMINGS

The development of CEE welfare states has been of increasing academic interest in recent years. The earliest analyses of welfare state transformation and post-communist social policy concentrated on the description of the state socialist welfare model, its transformation challenges and its prospects in the context of the democratic and economic transformation process (e.g. Deacon et al. 1992; Ferge 1992). The next generation of analyses summed up the progress of welfare state and social security reform in diverse sectors, mostly consisting of case studies or comparing only a few of the CEE countries (e.g. Standing 1996; Kapstein and Mandelbaum 1997; Götzting 1998). Later studies addressed the question of the effects of Europeanization and globalization for the CEE welfare states (Deacon 2000; Ferge 2001; Kvist 2004), analyzed specific welfare programs (Müller 1999 and Schubert 2005 on pension reforms or Klenner and Leiber 2010 on gender-specific aspects of welfare state transformation in CEE), or sought to draw a first comparative overall picture of the welfare state developments in this region (Cerami 2006; Inglot 2008; Kogan et al. 2008; Baum-Ćeisig et al. 2008; Cerami and Vanhuysse 2009).

So far, only a few macro-comparative analyses on the transformation and characteristics of the welfare state in CEE countries exist. An early example is the study by Götzting (1998), which examines the transformation of the key institutions and policies of the welfare state in diverse sectors of social policy in the first phase of the transformation 1989–1995. Five CEE countries with similar initial conditions – Bulgaria, the Czech Republic, Hungary, Poland and Slovakia – were included in the study. In order to explain institutional reform in different welfare sectors, Götzting
derives seven groups of explanatory variables out of two strands of literature: transformation studies and welfare state studies. The seven groups of explanatory variables – 1) economic framework, 2) influence of external actors, 3) strength of the government, 4) administrative capacities, 5) intermediary actors, 6) institutional legacies (lock-in effects), and 7) design of the reform program – build a conceptual framework which allows for comparatively evaluating the institutional reforms in each country. After having characterized the reform paths and configuration of welfare arrangements by examining social policy institutions and programs in the key sectors of social policy until 1995, Götting concludes that a) a certain diversification of welfare arrangements has taken place and that b) it is unclear whether the CEE countries are approaching one of the prevalent European welfare models or constructing one of their own.

In 1999, Kangas in turn made one of the first attempts to compare the institutional configurations of social policy programs in terms of quantitative measures (Kangas 1999). By drawing mainly on the level and duration of pensions, sickness, maternity and unemployment benefits as well as the financing of social benefits, he places the Czech Republic, Estonia, Hungary, Poland, the Slovak Republic and Ukraine in the wider context of developed and developing welfare states. According to Kangas’s findings, up to 1997, both the Western and the post-communist countries were characterized by differing patterns of welfare policies. For example, the financing structures of post-socialist welfare policies were quite heavily based on taxes in Poland and the Czech Republic, but less so in Estonia. The pension schemes of the Baltic states were similar to the ones in Scandinavia, while the Central European countries showed a higher emphasis on earnings-related schemes, similar to those in the continental European countries (Kangas 1999).

More recent studies remain ambivalent in their assessment. Cerami (2006) draws a broad but theoretically less substantive overview of the welfare reforms in ten CEE countries. He posits the emergence of an Eastern European welfare regime composed of pre-communist (Bismarckian social insurance), communist (universalism, corporatism and egalitarianism) as well as post-communist (market-based schemes) elements. A volume by Baum- Ceisig, Busch, Hacker and Nospickel (2008) gives a detailed overview of welfare reforms in the new EU member states in their socioeconomic contexts. Although it is not the primary focus of the authors to classify the type of welfare states emerging in CEE, they conclude that obviously elements of all Western European regimes can be found in the CEE countries. The most comprehensive volumes on welfare state developments in CEE up to now include a study by Inglot (2008) as well as an edited volume by Cerami and Vanhuysse (2009). Inglot offers a
historically embedded and well-informed narrative on welfare states in the Visegrád countries from 1919 to 2004. Besides describing the evolution of social security systems from the very beginning until the post-communist period, he draws on an elaborate framework which accounts for institutional and political legacies in order to explain welfare policy developments over time in the four Visegrád countries. As a result of strong path dependencies, the emerging welfare states in the four CEE countries are heterogeneous, but also share a strong Bismarckian blueprint. The contributions in Cerami and Vanhuysse (2009) in turn highlight developments of social policy in single countries as well as the impact of international factors like policy transfer due to Europeanization. The overall conclusion of the volume is that welfare policy arrangements after 1990 in CEE have been largely influenced both by the pre-communist institutional setting (i.e., Bismarckian social security) and the state-socialist era. As a result, the CEE welfare systems have grown more diverse and mixed than the ones we find in Western Europe and can be considered “hybrids”, meaning that the CEE welfare states meld features which are typical for different kinds of more mature welfare states (Szikra and Tomka 2009). However, despite their comprehensive approach, both volumes are lacking an empirical foundation that would enable us to integrate studies of the CEE countries into the greater corpus of comparative welfare state research that is based upon quantitative aggregate data.

Although the body of literature on welfare states in CEE countries is continuously growing, there are several shortcomings and open questions which invite further research on the topic. First, most of the existing studies refer to only a few of the CEE countries or are individual case studies. In most instances, only the Visegrád countries (the Czech Republic, Slovakia, Poland and Hungary) are included. Therefore, generalization to the entire post-communist region is not feasible. Second, another problem is the conceptualization of the (dependent) variable “welfare state” or “welfare policy” and the availability of applicable data. Detailed comparative information on programmatic and institutional characteristics of the CEE countries has become available only recently (e.g. Mutual Information System on Social Protection (MISSOC), Eurostat, International Social Security Association (ISSA)). Moreover, data are often incomplete and no time series data on institutional features of welfare policies, most notably welfare entitlements (replacement rates and eligibility criteria) indicating the generosity of welfare states, has been available. Most studies therefore either track single institutional or programmatic developments or rely on aggregate social expenditures. The important institutional features and overall configuration of emerging welfare policy patterns thus remain unexplored so far. Third, also due to the lack of comparable data, comparative
analyses including both CEE and Western democracies in a comprehensive quantitative manner have not been possible thus far. Integrating CEE countries into the body of comparative “Western” welfare state research is thus required before investigating possible commonalities and differences in the set-up and causes of welfare policies throughout the enlarged Europe. Fourth, barely any attempts have been made to explain welfare state developments in CEE countries in a cross-country, time-series comparative manner based on a comprehensive theoretical framework. While we have a multitude of convincing narratives on the causes of welfare state transformations in the region, empirical evidence is often very narrow in nature. In order to perform a substantiated causal analysis, we first need a better understanding of the explanandum, i.e., the welfare policy patterns emerging in the CEE. That is the aim of this book.

Most of these shortcomings and research desiderata probably result from the relative youth of the post-communist systems. Until recently, the welfare systems in CEE have been in flux, making a meaningful comparative assessment of the emerging welfare patterns virtually impossible. However, two decades after the beginning of the transformation, the political, economic and societal systems can be considered consolidated and such an analysis now seems possible and worthwhile. This study aims to overcome the academic voids mentioned above, seeking to contribute to a more systematic, comparative understanding of the emerging welfare policy patterns in CEE countries. It draws on new data on welfare entitlements and performs a comprehensive empirical analysis for assessing the emerging welfare policy patterns of all ten new EU member states of Central and Eastern Europe. In doing so, the present study responds to a research desideratum expressed amongst others by Götting (1998), Kangas (1999), Kovács (2000), Wagener (2002), Castles (2004), Cerami (2006) and Szikra and Szelewa (2009). As Kangas points out already in 1999:

First, there are scientific reasons: How do the models constructed to describe the development of social policy in the Western world fit into the “Eastern” world? Second, such comparisons would provide important information on the similarities and differences between “western” and “eastern” countries. [. . .] Third, such comparisons would provide useful data for policy makers in countries in transition from socialism to capitalism [. . .] Different social policy models derived from international comparisons may serve as a fruitful baseline from which new alternatives in national policy-making in the transitional countries can be contrasted and evaluated. (Kangas 1999: 2)

By engaging in the classificatory assessment of welfare policy arrangements in CEE, this study also takes on a further construction site in the field of comparative social science more generally; the methodologically
solid classification of social objects. Classifying complex objects into categories is fundamental to the scientific enterprise. Categories, and especially typologies, represent a long-standing and established analytical tool in the social sciences, which serves for both theory-building and theory-testing purposes. Yet, in contrast to the natural and behavioral sciences, in which taxonomies, categories and typologies play a central role, the methodological side of classifications is less developed in the social sciences and especially in political science (Ahlquist and Breunig 2012; Collier et al. 2012). This study follows recent attempts to utilize more sophisticated multivariate statistical methods for classification purposes and thereby refine and rehabilitate typologies as part of quantitative social research (Bambra 2007a, 2007b; Ferragina et al. 2011; for an overview of the critiques, see Collier et al. 2012: 6–8). The classification attempt of this study represents a theory-guided, yet explorative approach, in which the operationalization of the measures is based on theoretical concepts. However, only weak assumptions on the composition of the empirical clusters are made a priori. The differences and commonalities which can be identified by such an approach are then a matter of analytical interpretation based on a theoretical foundation, and the scope of the results is dependent on the cases and period selection. Careful selection of indicators and cases as well as the clustering method are of key importance for a classification attempt such as the one chosen in this study, and therefore deserve special attention.

1.2 A MULTIDIMENSIONAL THEORETICAL FRAMEWORK

Assessing the emerging welfare models of the CEE countries in the comparative context of the European welfare states requires including and modifying a comprehensive theoretical framework which has previously been applied mainly to analyze Western welfare states. While the main goal of this thesis is to make a contribution to our understanding of the Central and Eastern European welfare states, it also aims at contributing to the recent theoretical and methodological debates in mainstream welfare state research. Bringing the CEE countries analytically “in” to the framework of analysis of welfare states (or applying the existing theoretical and methodological framework to the CEE countries) continues with the pre-existing tradition of welfare state studies that, in recent years, have increasingly analyzed Southern European (e.g. Rhodes 1997), Latin American (e.g. Huber 1996; Kaufman and Segura-Ubiergo 2001), or East Asian (e.g. Goodman and Peng 1996; Croissant 2004) emerging welfare states with the
(modified) theoretical tools developed in the context of Western welfare states (see also Esser et al. 2009). Although concepts which were developed and tested for Western welfare states must be carefully considered with regard to their validity in the given context, many of the classification approaches are very general in nature and can be applied to industrialized, democratic states beyond only those in the West.

The analysis of welfare policy patterns in this study is conceptually based on established typologization approaches on diverging welfare state models or regimes. The starting point is the distinction between a Bismarckian and a Beveridgean model as well as the well-known typology of *The Three Worlds of Welfare Capitalism* by Gøsta Esping-Andersen (1990) and its advancements (Leibfried 1992; Castles and Mitchell 1993; Castles 2002, 2004, 2009; Ferrera 1996; Bonoli 1997; Korpi and Palme 1998; Powell and Barrientos 2004; Obinger and Wagschal 2001; Scruggs and Allan 2006, 2008; Scruggs 2007; Jensen 2008). The distinction between the “liberal”, the “conservative corporatist”, and the “social democratic” welfare regimes developed by Esping-Andersen draws its analytical strength from matching an extended theoretical argument about the underlying dynamics of each of the regimes with a comprehensive empirical attempt to encompass these. While essentially two-dimensional at the outset, Esping-Andersen's empirical distinction is mainly based on the “decommodification” dimension, i.e., the degree to which welfare states afford individuals a decent subsistence independent of (labor) market participation. The “stratification” dimension, i.e., the degree to which welfare policies (re)produce societal inequalities, remains less incorporated in the later work on welfare regimes.

The continuing saliency of Esping-Andersen's regime typology becomes strikingly evident after reviewing later approaches that use a great variety of welfare policy measures and/or methods in order to identify patterns or classify welfare states. In this analysis, the regime framework therefore offers a departure point for assessing the emerging characteristics of the CEE welfare arrangements. Nevertheless, decommodification is only one of the factors differentiating welfare policies across nations. Critiques of Esping-Andersen's regime typology have argued that the scope of the aspects included is too narrow for capturing important differences across contemporary welfare systems. For example, neither the institutional answers to the so-called new social risks nor the gender dimension of welfare policies are adequately taken into account (Pierson 2001d; Taylor-Gooby 2004; Esping-Andersen et al. 2002; Sainsbury 1996). I therefore analyze the welfare policy setting of the CEE countries from a broader perspective, accounting for more dimensions. The theoretical framework for classifying the CEE welfare states in this analysis incorporates *three*
dimensions, which are chosen on the basis of two criteria: First, I include aspects of welfare policy which, based on the findings of the typologization literature of comparative welfare state research, feature discriminatory power with regard to different models of welfare. This assures theoretical anchors for the analysis while simultaneously ensuring the comparability of the results with previous work. Second, the domains chosen for the assessment should be relevant in the sense that they reflect substantial welfare-related policy outputs which can be causally linked to governmental policy-making. Although welfare policy outcomes or private solutions certainly are important characteristics of a given welfare state as an entity, the focus of this study is on public welfare policy outputs.

Based on these two selection criteria, the following three dimensions are accounted for within the theoretical framework for assessing the emerging welfare models in CEE: 1) organizational principle of welfare provision; 2) welfare spending emphasis for different policy objectives; and 3) decommodifying potential. The first dimension accounts for the organizational principle of welfare provision. In accordance with the argumentation by Bonoli (1997), the organizational principle of funding reflects the more general orientation of welfare policy provision either along the Bismarckian or the Beveridgean welfare models. These are distinctive by the degree to which social benefits are financed by either contributions from employees and employers or tax revenues. The way in which social protection is financed is also crucial both for the sustainability of welfare states and the legitimacy of social policy institutions (Palme et al. 2009).

The second dimension sheds light on how states accentuate differing welfare policy goals in terms of financial effort (Obinger and Wagschal 2010). This is measured in terms of the emphasis of welfare spending placed upon different domains of social issues. Welfare states differ to the degree to which they place emphasis on either cash transfers (i.e., cash benefits mostly replacing income in cases of social risks like loss of employment or sickness) or social services (i.e., benefits in kind, like child care services or care for elderly) to different clienteles. Assessing the spending profiles substantiates distinct welfare clusters (Kauto 2002; Bambra 2005; Castles 2009; Jensen 2008; Kuitto 2011). Accounting for the importance of social services in the governmental welfare policy agenda also responds to feminist critiques (e.g. Lewis 1992; Sainsbury 1996; Anttonen and Sipilä 1996; Anttonen et al. 2003). In his more recent work, Esping-Andersen also includes the defamilizing function of welfare policies in addition to its decommodifying potential. The defamilizing function of welfare policies examines an individual’s independence from non-commodified family support, e.g. in the form of elderly and child care services (Esping-Andersen 1999, 2009). By looking at the spending structure, such an emphasis can be
detected at the aggregate level. Finally, because of the clear importance of the *decommodifying potential* of welfare policy institutions, it constitutes the third key dimension of assessing the welfare policy patterns of the CEE countries. Decommodification is mainly generated by means of income-maintaining social security programs that cover social risks resulting from loss of income, like unemployment, sickness or old age. Its degree is empirically reflected in the generosity of social insurance as it is anchored in social legislation. These institutionalized social rights are usually measured by replacement rates and eligibility criteria of income-maintaining social security programs (Esping-Andersen 1990; Palme 1990; Kangas 1991; Korpi and Palme 2003; Scruggs and Allan 2006; Scruggs 2007).

In the light of the classical typologization approaches, we would expect certain characteristics across the dimensions to appear in conjunction. For example, a high proportion of contribution-based funding, medium-to-high cash benefits and low emphasis on social services would typically be observed in conservative corporatist welfare states. The Scandinavian welfare model would in turn be associated with dependence on tax-financing, generous cash benefits and a high emphasis on social services. Whether such patterns actually correspond to the contemporary empirical reality must be tested first. Given the dynamic character of welfare policies in times of retrenchment and accelerating structural change, such patterns across the dimensions do not necessarily occur even in the mature Western European welfare states any longer. The *first working hypothesis* of this study to be tested therefore suggests that such clear-cut welfare regimes corresponding in particular to the ideal-types postulated by typologization approaches in the tradition of Esping-Andersen are vanishing in contemporary Western Europe. Only after assessing which kind of welfare models actually appear in contemporary Western Europe can we compare the emerging welfare models of the post-communist countries within this wider context.

Because nearly all parameters of welfare policy have undergone a thorough transformation in the post-communist countries, the expected cross-dimensional patterns are even less clear for the CEE welfare states. As discussed above, the literature on welfare policy transformation in the post-communist region has generated diverse expectations of the type of the CEE welfare state on the basis of various theoretical approaches. In the first phase of the research on welfare states in CEE, functionalist explanations were dominant, stressing the role of economic scarcity or international economic pressures in welfare policy recalibration. The impacts were mainly considered uniform and common across all CEE states and therefore, from the functionalist point of view, the resulting model of welfare in CEE would be a residual, liberal welfare state (Kornai 1992;
Post-communist welfare states in European context

Ferge 1992; Esping-Andersen 1996a). At the same time, this also implied that a uniform Eastern European welfare model was on the horizon. Yet, most of the more recent studies take a more diversified approach, emphasizing differences rather than commonalities in both causes and results. As a result, diversified models of welfare were expected. Such approaches are mainly based on institutionalist or diffusional arguments, stressing the varying political, geographical and economical contexts across the region. Accordingly, different models of welfare approaching one of the Western models were expected to emerge (see, e.g., Deacon 1993). More recently, a hybridization of welfare policy patterns has been seen as the most likely outcome (Baum-Ceisig et al. 2008; Cerami and Vanhuysse 2009; Cook 2010). Considering the different simultaneous impacts from both domestic and international pressures, the diverse economic, political and societal contexts of the CEE countries, as well as the tremendous need for reform in virtually all sectors of welfare policy, we can expect the hybridization of welfare arrangements across the region, but also across the three dimensions of welfare policy elaborated below. The second working hypothesis of this study therefore expects an emergent diversification of welfare policy patterns across the CEE countries. The third working hypothesis suggests that, rather than clearly approaching one of the existing welfare models of the mature Western European welfare states, the emerging welfare models in the CEE countries are hybrids with a varying mix of policy patterns across the three dimensions of decommodifying potential, organizational principles of welfare provision and the emphasis on welfare spending. The main goal of this study is thus to examine the alleged hybrid characteristics of the emerging post-communist welfare models in the comparative European context.

1.3 METHODOLOGICAL APPROACH

The post-communist countries examined in this study include the following ten new EU member states in Central and Eastern Europe: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. These countries, which previously belonged to the state socialist bloc, can be considered consolidated democracies since approximately the mid-1990s. All have thus been subject to a comprehensive political, economic and societal transition since 1989. At the same time, the developments within these countries have been strongly embedded in the European context, especially with regard to the accession process to the EU. Eight of these countries gained membership in the EU in 2004, while Bulgaria and Romania joined the Union in 2007. The case
In the context of welfare state design, the selection of a most similar systems design (Lijphart 1975). Because the Western European welfare states constitute the point of reference, they are also included in the analysis and serve as empirical benchmarks. The Western European countries, which serve as points of reference for the comparison, include: Austria, Belgium, Denmark, Germany, Greece, Finland, France, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The emergence of welfare policy patterns is assessed by the latest time point for which data is available, which is 2005–2007. By this point, the period of transformation has resulted in more stable arrangements, which makes it more reasonable to analyze the emerging characteristics of the CEE welfare system as such. I refer to the mean values of the three years in order to avoid measurement errors and randomness. Since data for all variables included in the analysis of the emerging patterns of welfare policies is not available for longer time series, descriptive analyses of developmental trends are performed only when applicable.

This study is based on macro-quantitative aggregate data. As detailed and comparative data on characteristics of welfare entitlements (generosity, eligibility criteria) for the CEE countries has so far been lacking, one of the key innovations of this study is the analysis of this kind of institutional data for the post-communist countries which is now available in the Comparative Welfare Entitlements Dataset 2 (CWED2, Scruggs, Jahn and Kuitto 2014). The data for generosity and eligibility criteria for sickness and unemployment benefits, as well as for minimum pensions for the CEE countries, were collected within the framework of the research project “Welfare Policies in the Enlarged Europe” at the University of Greifswald. It provides information on two household types (single person and family with two children), which are coded according to the rules established in the Comparative Welfare Entitlements Dataset (CWED1) by Scruggs (2004). The study further makes use of the data on disaggregated social expenditure and social revenues offered on an annual basis by Eurostat.

The analyses of the patterns of welfare policies rely on statistical clustering techniques which correspond to the theoretical logic of differing welfare models. As the idea of welfare state types or regimes is based on the assumption of different dynamics and logics underlying each type, we thus should not assume one-dimensional trends in the data, but rather different characteristics of welfare policies clustering together. Similarly, welfare regimes do not relate to each other in a hierarchical way, e.g. the social democratic regime type being on the top of a ladder and the liberal one on the bottom. Cluster techniques have lately gained popularity in the research on welfare regimes (e.g. Kangas 1994; Gough 2001; Obinger and Wagschal 2001; Kautoo 2002; Saint-Arnaud and Bernard 2003; Powell
Post-communist welfare states in European context

and Barrientos 2004; Bambra 2007a; Castles and Obinger 2008; Jensen 2008; Composto 2008; Pfeifer 2012). The primary clustering technique utilized in this study is the hierarchical cluster analysis (HCA) based on an agglomerative routine (Ward’s method). This technique aims at discovering underlying structures in data based on distances between objects. As an inductive method, HCA thus corresponds to the explorative character of the research question. Additionally, I also employ k-means cluster analysis (KCA). This partitioning cluster algorithm allows for fixing the number of clusters a priori on the basis of theoretical assumptions about the expected number of clusters. The combination of the more inductive HCA and the more deductive KCA analyses has been recommended, among others, by Castles and Obinger (2008). Factor analysis is performed in the preparation of the cluster analysis and for depicting the dimensionality of the data.

1.4 SUMMARY OF THE BOOK

The book is structured in two main parts, the first part providing the theoretical framework and the second part presenting the empirical analysis. First, Chapter 2 maps the explanandum in its context by outlining the transitional circumstances and the main trajectories of welfare policy transformation in the post-communist countries. I argue that this context widely determines the range of possible and expected outcomes in terms of emerging welfare models. For a better understanding of the common starting point, the chapter first gives an overview of the institutional legacy of the socialist welfare systems prior to 1989/90. It then describes the economic, political and societal setting within which the transformation of welfare states in Central and Eastern Europe has taken place. The transitional setting as well as international impacts have posed manifold constraints and incentives for domestic welfare policy-making. The main trajectories of institutional reforms since 1989/1990 are subsequently discussed in light of these constraints and incentives.

Chapter 3 elucidates the theoretical framework for a comparative classificatory analysis of the emerging welfare model(s) of the CEE countries in the European context. The chapter first sets boundaries for the understanding of the welfare state and welfare policies as they are utilized in this study and then outlines the purpose and benefits of a classificatory approach for assessing welfare policy patterns in a comparative manner. Based on a discussion of the main contemporary typologies of welfare states and their limits, a novel multi-dimensional framework for analyzing welfare policy patterns is proposed. It is argued that this three-fold approach for assessing the welfare policy patterns responds to several
critical issues raised in the scholarly debate on welfare state classifications in recent years, and captures the distinctive features of differing contemporary welfare models more adequately than any uni-dimensional approach alone. The second part of Chapter 3 is dedicated to defining the comparative frame of reference. It is first discussed whether contemporary welfare states (still) coincide with the ideal-typical welfare regimes as they have been postulated by the mainstream typologization approaches. Subsequently, the question of whether ideal-types or rather the real-world models of welfare are suitable as a frame of reference is explored, with special attention paid to the comparative assessment pursued in this study. The chapter closes by developing hypotheses about the expected outcomes with regard to the emerging welfare models in the CEE countries, which will guide the subsequent empirical analysis.

Chapter 4, which opens the empirical part of the book, first outlines how the three-dimensional theoretical concept is translated into empirically measurable indicators and presents the data used in the analysis. It then explains and discusses the rationale and functioning of the method of analysis utilized for testing the hypotheses, namely the cluster analysis. In Chapter 5, the results of the empirical analysis assessing the emerging welfare models of the CEE countries are then presented in four steps. Each of the three dimensions of welfare policy – the organizational principles of welfare funding, the policy field emphasis and the decommodifying potential – is first investigated separately and then followed by a combined analysis across all three dimensions. The approach thus first enables a deeper look at the constitution of welfare policies and the clustering of both Western and Eastern welfare states within each dimension. It then gives an integrated insight into the relations between these three dimensions and the overall patterns of welfare policies. This procedure facilitates evaluating the commonalities and differences of the CEE welfare states in the context of the Western European mature welfare states.

Finally, Chapter 6 concludes by summing up the main findings of the study and its contribution to our understanding of contemporary welfare states in Europe. It also discusses inasmuch how the welfare states in the CEE countries can still be seen as social security states in the main and shows which challenges they face in the post-industrial era. The conclusion also points out future needs for research in this field.

NOTES

1. In this study, the notion of “Central and Eastern European countries” refers to a group of ten post-communist countries geographically located in central and central-eastern
Europe and which gained membership of the European Union in 2004 or 2007, namely Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

2. The question whether the affiliation of real-world welfare states to certain welfare regime types is and was appropriate in the first place is discussed in more depth in Chapter 3.

3. The research project was funded by the German Research Foundation DFG (grant number JA 638/12-1, 12-2), led by Detlef Jahn and coordinated by the author.