WELFARE STATE REGIMES IN TRANSITION COUNTRIES: ROMANIA AND MOLDOVA COMPARED.

Irina Burlacu Consultant, Resource Center of Human Rights (CReDO), Chisinau, Moldova irinaburlacu@gmail.com

Abstract

This article seeks to enrich the current debates in the field of social policy on the welfare states classifications and their modifications. The debates reside in the fact that not all welfare states fit into the traditional welfare state typologies as that of Gøsta Esping-Andersen's classification. Since the typology refers originally only to Western European state, with the conjuncture of the European Union enlargement and presence of other welfare types with different evolution, the need for reconsideration of the traditional approach appears.

article points to the main discussions on Western and Central, European welfare Eastern states. Moreover, it offers a more in depth welfare state analysis of the characteristics Moldova of and

Romania. The main aim of research is to identify the place of Romania and Moldova in the context of Esping-Andersen's welfare state typology. Based on secondary data and the use of Hierarchical Cluster Analysis, the analysis shows that according to the social protection expenditure, Romania and Moldova are in the same cluster, even if not forming a clear separate

group. Moreover, although separated from clusters formed by EU-25, there are high discrepancies in social protection in terms of GDP expenditure on social protection between these two countries.

1. Introduction

The transition to the market economy entrained transformation in many sectors including social protection sphere. The main objective of this article is to investigate the features of welfare state in Moldova and Romania in particular and to attribute features from the selected countries to the existing welfare regimes of Gøsta Esping-Andersen general. in Hierarchical Cluster Analysis is needed to detect similarities and differences in the features of these welfare systems compared to the EU-25 countries. The methodology is based on a theoretical comparison. The main findings show that there are differences in the features of social protection system of Romania and Moldova.

The article is mainly organized in smaller and larger subchapters. At first, it starts with reasoning the use of welfare state regimes classification and the countries selection (Why Romania and Moldova). The introductory part followed by main discussion on welfare state classification of Gøsta Esping-Andersen and other classifications, with reference to Central and Eastern

European welfare states classification. At last, and the most important is the part that includes the Empirical Comparison Moldova and Romania's Social Protection System in a European Context, based on Hierarchical Cluster Analysis of 27 countries, including Moldova and Romania and its main findings.

All in all, the article is summarized in the last part, where the main findings and conclusions are described.

2. Why there is need for welfare regimes classification?

The existence of such a rich literature classification of welfare state regimes stems from many reasons. Firstly, the classification of welfare regimes offers to the researcher/analyst or to the policy maker a clearer view on how various welfare states work in providing wellbeing and a more in depth comprehension on the specific issue of a certain country in a perspective. comparative Secondly. '(...) Typologysing is useful if it is not simply used to produce clusters of welfare state, but to explain crossnational variations in the type of welfare state which exists' 1. Through comparative social policy analysis and identification ofvarious welfare regimes a larger horizon of theoretical and empirical explanations is opening. As regards to the classification of the regimes welfare of countries

transition, according to H.J.M. Fenger, the classification of this welfare state is an useful instrument for assessing the welfare state development, by considering the relation between institutional path-dependency theories on the one hand and theories of policy diffusion on the other hand².

3. Why Moldova and Romania?

Romania and Moldova are bound by strong historical, cultural, economical, political common heritages. In 1941 Romania entered the World War II on the side of Nazi Germany, taking the region of Bassarabia (the present Republic of Moldova) back from United Socialistic Soviet republics (USSR) dominance, but from 1945 till 1991 Bassarabia remained under Soviet rule and maintained the name of Socialist Soviet Republic of Moldova. Romania was a socialist country, but did not belong to the USSR. In the communist era, the contact between Moldova and Romania was extremely

² From a path-dependency perspective, we might expect the communist legacies to be strong enough to impose a distinct path of development on at least some of the post-communist countries (Pierson 2004). On the contrary, from a policy diffusion perspective we would expect the transfer of ideas, knowledge and other resources to guide these countries developments in the direction of one of the well-known welfare regimes. - Fenger H.J.M. Welfare regimes in Central and Eastern Europe. Incorporating post-communist countries in a welfare regime typology. (Nijmegen: Paper for the NIG Conference, 2005), 2.

303

¹ Cousin M. European Welfare States. Comparative Perspectives (Cornwall: Sage Publications Ltd, 2005), 108.

constrained. After the collapse of Soviet Union in May 1991, the Socialist Soviet Republic of Moldova changed into the Republic of Moldova and on 27 August the same year it proclaimed itself as an independent and sovereign state. Even if recognized first by Romania. "officials spoiled that gesture by subsequently branding the new republic as an "artificial state"3. After the dissolution of the Soviet Union, the transition from planned to market economy started. In most ex-socialist countries, the transition began in 1989. For some of the countries the impact was profoundly negative (for instance Moldova, where the GDP per capita in the period of 1989-1999 decreased on the whole by $62-63\%^4$).

There are strong historical features that link the analyzed countries; nonetheless with respect to social protection system they differ in terms of allocations. The present article seeks to find those differences by the use of Hierarchical Cluster Analysis and secondary data. It is assumed that the situation in Romania with respect to social security schemes and social protection as a whole is better than in Moldova, even if it is considered that, at present, both countries have an increase in their economical development. At last, but not least, the reason of selecting

4. Main discussions on welfare typologies

The main objective of the article is to describe the main features of the welfare regimes of the countries in transition, particularly in Romania and Republic of Moldova. More precisely, the aim is to find their place in the existing welfare regimes with specific reference to that of Gøsta Esping-Andersen, followed by description of the attempts to classify Central and Eastern European countries.

In his classification, Esping-Andersen identifies first the Liberal welfare regime, which includes countries like US. UK and regime This characterized by its strong emphasis on such selfliberal values. as responsibility and a strong believe in the market, low decommodification. A core feature of the liberal regime is its residual character. meaning schemes are often means-tested and directed to the poor. Another important element is its encouragement of the provide welfare. market to principle of stratification in this welfare regime leads to division of the population into minority of low-income dependants and majority of people able

Moldova and Romania is also due to author's closeness and familiarity of the revealed topic in the discussed countries.

³ Chris Springer ""Moldova and Romania: The broken Engagement" available on web version at: http://www.east-westwg.org/cst/cst-mold/springer.html

⁴ Stropnik N. European Population Forum 2004: Population challenges and policy responses. (Geneva, 2004).

to afford social private insurance⁵. The second regime is the Corporatist welfare regime, which is represented by countries like Germany, Belgium and France. It is characterized by a medium level of decomodification. This regimetype has a strong emphasis on status maintenance. relying rather on earnings-related benefits than universal benefits or poverty relief (means-testes benefits). One of its main features is that the state will interfere when family's capacities to service its members is exhausted. The third regime type is that of Social Democratic and it functions mainly in the Scandinavian countries. It is characterized by a high level of decomodification and a strong commitment to full employment for men and women. The principle of stratification directed towards is achieving system of generous universal and highly distributive dependent benefits not on individual contributions. In addition, Maurizio Ferrera proposes the fourth welfare regime: the Southern welfare states regime, that includes countries such as Greece, Italy, Portugal. The Europe regime Southern characterized according to the criteria and the conditions under which the benefits are offered, on the regulations to finance social protection and at last, the administrative-organizational aspect of managing social security schemes. Even if the welfare typology of Esping-Andersen is widely accepted it is also highly debated. Various opinions are presented by different authors regarding the traditional welfare classification. In this sense, it is informative the synthesis of alternatives of various classifications of Western welfare states presented by Arts and Gelissen in the article "Three worlds of welfare capitalism or more?" (See Appendix 1).

At the beginning of the transition period from planned to market economy, it was not considered as necessary to create a separate category of welfare state regimes for ex-socialist countries. The difference of these states and the three main models (Liberal, Corporatist, and Social Democratic) was assumed to disappear after a short transition period. It was believed that in few years the social policy of these countries will reflect Esping-Andersen's typology together with a new term that would describe the unique post-communist conservatism of ex-USSR countries⁶. On the other hand, Deacon also suggested the occurrence of a possible future "post-communist conservative corporatist" comprising model Bulgaria, Romania Poland and According to Bob Deacon this model would consist from "the ideological and practical commitment to socialist values, the maintenance in power of some of the old guard, and the social deal struck with major labour

305

-

⁵ Gelissen Arts W., J., *Three worlds of welfare capitalism or more?*. Journal of European Social Policy 12 (2, 2002): 141.

⁶ B. Deacon & Standing G. Social Policy in Central and Eastern Europe Journal of European Social Policy (3)., 1993.

interests"⁷. Nonetheless, without empirical evidence, the author abandoned the classification⁸.

However, after some years it became clear that these countries follow another path than that of Western welfare states. Various opinions about Central and Eastern European welfare occurred. Sengoku Manabu claims that in many cases the emerging welfare systems of the CEE countries have been considered as not derived from the European Welfare Model, but influenced by the presented by international model financial organizations such as World Bank and IMF⁹. Zsuzsa Ferge argues that there are formal similarities between the Bismarckian welfare states and Eastern European welfare system. But the essence of European Model¹⁰ is because almost absent CEE governments have to acquire the goodwill of foreign capital and supranational agencies to manage their financial problems.¹¹

One of the most illustrative works on welfare regimes in CEE countries and which is approached in this article is that of H.J.M. Fenger. This study empirically assesses if the postcommunist welfare states of the Central and Eastern European countries can be attributed to one of the well-known welfare types, or if they still form a distinct group of their own. 12 Fenger concluded that there is a clear distinction between the traditional European welfare and that of Central and Eastern European countries¹³, by using variables focused on three main dimensions: characteristics of governmental social programs, variables and political situation participation. Analyzing to what extent the post-communist countries of CEE fit the welfare state typology of Gosta Esping-Andersen, the author concluded that there is a clear distinction between Western traditional welfare states and countries CEE. of Also, that Esping-Andersen additionally to typology of welfare state other types

306

⁷ H.J.M Fenger Welfare regimes in Central and Eastern Europe. Incorporating post-communist countries in a welfare regime typology. (Nijmegen: Paper for the NIG Conference, 2005): .2.

⁸ Cerami A. Social policy in Central and Eastern Europe. The emergence of a new European Model of Solidarity? Published online by Electronic Text Center, available from the Digitalen (Bibliothek Thuringen, 2005): 44.

⁹ Sengoku Manabu Emerging Eastern Europe Welfare States: A Variant of the "European Welfare Model? (2002): 230.

¹⁰ European Social Model is "not a unitary concept, but a mixture of values, accomplishments and aspirations, varying in form and degree of realization among European states" (Giddens, 2005), 2.

Deacon B. Eastern European welfare states: the impact of the politics of globalization, Journal of European Social Policy 10 (2, 2000).

¹² H.J.M. Fenger Welfare regimes in Central and Eastern Europe. Incorporating post-communist countries in a welfare regime typology. Nijmegen: Paper for the NIG, Conference, 2005.

¹³ Fenger, Welfare regimes, 2

have emerged in Central and Eastern Europe. The current analysis is an illustrative example in showing the position of two transition countries within the typology of Esping-Andersen. In the subsequent chapter, the Hierarchical Cluster Analysis will follow.

5. Empirical Comparison Moldova and Romania's Social Protection System in the European Context

The research problem consists of positioning Moldova and Romania within Esping-Andersen's typology of welfare states. And this chapter provides an empirical interpretation of the social protection system of Romania and Moldova in the context of the discussion from the first chapter. The most relevant method to proceed in this case is the use of Hierarchical Cluster Analysis¹⁴, which presents the process of finding the closest pair of cases and combining them to form a cluster. 15 It concept of social the measures protection based on GDP expenditure. HCA is used in this case due to its relevance in presenting how far or close is the social protection expenditure of Moldova and Romania from Western

Before presenting the main findings it is important to mention that we have to be aware when using expenditure on social protection as a welfare indicator. Esping Andersen states expenditures are epiphenomenal to the theoretical substance of welfare states and that by scoring welfare state on spending it is assumed that all spending counts equally 16. He affirms that the findings of the first generation of comparative studies that the level of social expenditure adequately reflects a state's commitment to welfare are difficult to evaluate, that the generosity of the state can be mismeasured by social expenditure number. using Nonetheless, it is an attempted to analyze the social protection system through the perspective of how much are the spending of the state on social security. The main variables according to which the cluster are formed are: social protection expenditure, health care, pension, old-age dependency ratio, unemployment benefits, family benefits and rate of at-risk of poverty after social transfer as % of GDP. The selection of the variables is related to the fact that they represent the most important branches of social security. The data was collected from various sources: mainly from national statistical

_

and Central European states. The analysis and interpretation of HCA follow.

¹⁴ Cluster Analysis measures the distance between cases on a combination of dimensions and uses this to identify groups of cases within which there is considerably homogeneity and between which there are boundaries. (Gough I., 2001).

Gough I. Social assistance regimes: a cluster analysis. Journal of European Social Policy 11 (2). Sage publications., 2001.

¹⁶ Esping-Andersen G. The three worlds of capitalism. The three political economics of the welfare state. Chapter I. (New Jersey: Princeton University Press, 1990), 19.

offices of Romania and Moldova, as well as from other official reliable sources. It is expected from the analysis that since the expenditure on social protection of the discussed countries is much lower than of EU-25, therefore Romania and Moldova will not be part of the clusters formed by the EU-25 member countries. Presented below is HCA analysis that includes 27 countries.

First of all, the present HCA does not fully consist of the traditional welfare classification of Esping-Andersen and with clusters formed in Fenger's analysis (See Appendix 2). This can be explained by the fact that in our case the operationalization of the welfare state regimes was not completely conducted according to Esping-

Figure 1: Hierarchical Cluster Analysis including EU-25 member countries,

Moldova and Romania

CASE

0

5

10

15

20

25

Label	Num	+	+		+-
France	9	$\hat{\mathbf{tr}} \varnothing$			
Sweden	24	ûο			
Germany	4	ប្បុំប្			
Netherlands	16	作尽 □作刀			
Denmark	3	îr 2 ⇔ ⇔			
Finland	10	τβτΓ ⊡τ.	ប្បជ្ជប្រ		
Belgium	2	τι	⇔		
Luxembourg	14	ប្រាប្រាប្រ	⇔		
Portugal	18	û ⊘	⇔		
UK	25	ជ្βជ្∂	⇔		
Spain	23	τι δ ⇔	- û û û û	ប្រហ្បូបប្រុប្	
Czech Repub	lic7	ជៈ⊘ ⊏ជ្ជប្	2 ⇔	⇔	
Slovakia	21	ជប្ជា∘ ⇔	> ⇔	⇔	
Hungary	11	η∿ ⇔ ↔	⇒ ⇔	⇔	
Estonia	8	17 ⇔ ↔	⇒ ⇔	⇔	
Lithuania	13	ជ្ជិប្	ហ្ជប្រុប្	⇔	
Slovenia	22	η. Ε	>	⇔	
Cyprus	6	τρ α	>	ចជ្ជម្រិប្រិប្រិប្	មិល្ប្តិស្សិស្សិស្សិស្សិស្សិស្សិ
Malta	15	τ̂• ⇔		⇔	⇔
Poland	17	ជ្ជិជ្⊿ <	⇒	⇔	⇔
Latvia	12	ជ្⊼ ⊏ជ្ជប្	2	⇔	⇔
Greece	5	û ⊘ ⇔		⇔	⇔
Italy	19	î ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ ℓ		⇔	⇔
Austria	1	⊕ □		⇔	⇔
Ireland	20	<u> </u>	ւննննննննը.	ննունունունու	⇔
Romania	26	មិល្ប្លិប្ប	ւննննննն ան	ն մո× մ մ մ մ մ մ մ մ մ մ մ	# # # # # # # # # # # # # # # # # # #
Moldova	27	ប្រជ្ជប្រជ	ւննննննննը.	ûû⊼	

Source: EUROSTAT for EU-25 member countries (2003, 2004) and National Statistical Offices of Romania and Moldova (2002 and 2003)

Andersen's description and due to different variables included. As it can be observed, the Clusters 4,5 and 6 (Czech republic, Slovakia, Hungary (4); Estonia, Lithuania, Lithuania (5), Cyprus, Malta, Poland, Latvia (6) fully include Central and Eastern countries except Moldova and

Romania. Clusters 1,2,3 (France, Sweden, Germany, Netherlands (1); Denmark, Finland, Belgium, Luxembourg (2); Greece, Italy, Austria (7) comprise the traditional Western welfare types. The exceptions are Luxembourg and Ireland. Given the fact that the focus is not on the cluster

loadings of Western states, no more description about these clusters is going to be made, but rather focus on the main *cluster* (8) –Romania and Moldova.

On the other hand, our findings are completely consistent with, Fenger's results showing that there is a clear distinction between Central and Eastern European countries and Western welfare state. There is also a clear distinction between Cluster 8 and the rest of the clusters. Although it can not be stated that Moldova and Romania form a distinctive cluster, for further references it will be analyzed as a separate cluster.

The same as in Fenger's analysis, Romania and Moldova are in the same cluster, even if it does not form a clear group. The "developing type" as the H.J.M. Fenger calls it, differentiating at the distance of 25 from the all included countries, shows the high discrepancy of social protection in terms of GDP expenditure on social protection.

Another important finding is that even if sharing some common features of the two social protection systems, Cluster 8 seems to differentiate at the distance of 10, meaning that there is a relatively high difference between these two social security systems, despite some common features. The long distance between these two countries and the EU-25 prove that there is a high discrepancy with respect to social protection in Moldova and Romania and member countries. There is also a long distance between Moldova and Romania and Central and Eastern

Table 1: Expenditure on Social Protection

2005	Scandin	Contine	Souther	Liberal		
	•	ntal	n		Romania	Moldova
	Denmar	German	Italy	UK		
	k	y				
Expenditure on social protection as % GDP	29,5	29,8	25,6	27,2	9,6 ¹⁷	15,8 ¹⁸
Expenditure per capita PPS ²⁰	121,8	110,0	100,7	117,0	34,2 (USD)	2374 ¹⁹ (USD)

¹⁷ Expenditure for year 2003. Florescu L., Pop L *Program implementation matters for targeting performance. Evidence and lessons from ECA region. Country Study: Romania*, 2005. Available at:

 $http://www1.worldbank.org/sp/safetynets/Training_Events/ECATargetingSeminar/Romania_ppt.pdf\#search='unemployment%20benefit%20formula%20Romani$

Human Development Report, 2006

¹⁹ Eurostat web-portal.

²⁰ GDP per capita, PPS, for year 2005. Draft of Republic of Moldova: National Report on Human Development *Quality of Economical growth and its impact on human development*, 2006.

European countries. On the ranking of social protection expenditure of EU member countries, Scandinavian countries have the higher rate of spending, and Southern European countries have lower (see the Table 1 below).

The same author adds that even if the fiscality level is almost at the same level as in EU countries, the population of Romania seems to benefit less from social programs in comparison to European Union citizens. The social expenditure in Romania is lower than in Moldova, but it shows a significantly higher expenditure per capita on social protection.

It is also important to mention again that social expenditure as % of GDP does not necessarily reflects their true value, since this indicator depends on the overall GDP of the country. The evidence also indicates that necessary resources and their efficient use are indispensable to exit the vulnerable social protection in these two countries. In this sense, it is interesting what Wilensky²¹ mentions that, extremely different social security expenditure as % of GDP creates cross-national variations, which can be explained by: the number of pressuring problems linked with the transition and amount of available resources, which is the case of Romania and Moldova's social security system.

6. Conclusions

The main research question is to place Romania and Moldova within the context of welfare regimes and see whether these two countries can be attributed to the Esping-Andersen's typology of welfare regimes. According to the analysis, it can be concluded that Moldova and Romania do not belong clearly into one of the clusters Esping-Andersen. presented by Nonetheless, there are some similarities with the Southern European welfare regime, such as lower GDP expenditure on social protection, a high degree of familiarization, segmented and often inefficient family policies that would support the wellbeing of an individual.

To respond more in depth to the research question, the concluding remarks are organized in two level comparisons. The first consists of positioning the analyzed countries into the European Union context. The second level resides in an internal comparison of Moldova and Romania's social protection systems.

The first level of comparison, using results of the Hierarchical Cluster Analysis, shows that Moldova and Romania are placed on a far distance from the EU-25, meaning that there is a big difference financial allocation in the social protection system of Romania with that of Moldova. Even if Romania's social protection system is a lot higher financed than that of Moldova, it is still lower than average of European Union countries. There is a

M. Naldini, *The family in the Mediterranean welfare state* (Routledge, 2003),101.

high contrast between the financial resources allocated to social protection system and also to the GDP per capita of the EU-25 countries and Moldova and Romania, as presented in the Appendix 2.

An explanation of these discrepancies is that the Soviet legacy left negative imprints on the social protection of the post-socialist countries. Moreover, the period which followed after the collapse of the Soviet Union influenced profoundly negative the economical evolution of Moldova and Romania (for instance, Moldova in 1990 had a decrease of 65% in GDP²²).

There is a high contrast on the level of comparison of the studied countries not only in the EU context, but also on internal level of comparison of the protection systems from Moldova and Romania. On the second level of comparison, it can be concluded that due to a higher GDP and a higher GDP per capita, the Romanian citizens are better off than Moldavian citizens regarding social protection system. As a consequence the poverty rate among the vulnerable groups (pensioners, unemployed, etc.) is lower in Romania than in Moldova

One of the explanations could pertain to the external pressure that Romania faces as a member country of the European Union, which is not that Overall, the empirical analysis of Moldova and Romania's social protection show that they do not belong clearly in any of the clusters presented by Esping-Andersen, even if there are some similarities with the Southern European welfare states. Thus, in the case of the other states with different historical evolutions and different welfare type, where should these states be placed? Research of the question needed to be explored further.

Bibliography

Arts W., Gelissen J. *Three worlds of welfare capitalism or more?*. Journal of European Social Policy 12 (2, 2002).

Bradshaw, J., Hudson J., "Comparative Social Policy Module", York: The

-

evident in Moldova, as a non-candidate country. Resuming can be stated that there is better provision of social services in Romania than in Moldova. Even if facing great increase in social allocations as an EU country, Romania still do not hold sustainable social security system in the European Union context. Moldova possesses a very weak social security schemes that reflects through very formal and mal legislative functioning framework: weak capabilities on elaboration and implementation of policies addressed to various social programs; fragmented financial sector that do not allow consecutively and systematically the development of the system, which is indispensable in a sustainable mechanism

²² Stropnik N. European Population Forum 2004: Population challenges and policy responses (Geneva, 2004).

- University of York, Department of Social Policy and Social Work, 2006.
- Cerami A. Social policy in Central and Eastern Europe. The emergence of a new European Model of Solidarity? Published online by Electronic Text Center, Available from the Digitalen Bibliothek Thuringen, 2005.
- Deacon B. Eastern European welfare states: the impact of the politics of globalization, Journal of European Social Policy 10 (2, 2000).
- Deacon B. & Standing G. Social Policy in Central and Eastern Europe Journal of European Social Policy (3)., 1993.
- Deacon, B. & Hulse, M. The making of post-communist social policy: the role of international agencies, Journal of Social Policy, 26 (1)., 1997.
- Esping-Andersen G. The three welfare regimes: The welfare state as a system of stratification. Ch. III. Princeton University of Jersey, Princeton, New Jersey (1990).
- Fenger H.J.M. Welfare regimes in Central and Eastern Europe. Incorporating post-communist countries in a welfare regime typology. Nijmegen: Paper for the NIG, Conference, 2005.
- Fodor E., Gender and the experience of poverty in Eastern Europe and Russia after 1989. California: Elsevier Science Ltd., 2002.
- Giddens A. The World Does not Owe us a Living! The Future of the European Social Model. Policy Network, 2005.

- Gough I. Welfare regimes: On adapting the framework to developing countries. Bath: University of Bath, 2000.
- Gough I. Social assistance regimes: a cluster analysis. Journal of European Social Policy 11 (2). Sage publications., 2001.
- Margineanu I., Arpinte D., et all. Comparative analysis of social policy financing:
 - Romania-transition countries EU countries. Bucharest, 2001.
- Naldini M. *The family in the Mediterranean welfare state*. Routledge, 2003.
- Sengoku Manabu Emerging Eastern
 Europe Welfare States: A Variant
 of the "European
 Welfare Model? Research
 supported by Seinan Gakuin
 University, 2002.
- Stropnik N. European Population Forum 2004: Population challenges and policy responses. Geneva, 2004.

Online resources

- http://www.scers.md/ Annual evaluation report on the implementation of the economic growth and poverty reduction strategy.
- Florescu L., Pop L., (2005). Program implementation matters for targeting performance.
- Evidence and lessons from ECA region. Country Study: Romania. World Bank Paper.

- PowerPoint presentation. Available at: http://www1.worldbank.org/sp/safe tynets/Training_Events/ECATarget ingSeminar/Romania_ppt.pdf#sear ch='une mployment%20benefit%20formula %20Romania'
- Social Security Programs throughout the World: Europe – Romania. Available on: http://www.ssa.gov/policy/docs/pro gdesc/ssptw/2002-2003/europe/romania.pdf
- Social Security Programs throughout the World: Europe – Moldova. Available on: http://www.ssa.gov/policy/docs/pro gdesc/ssptw/2002-2003/europe/moldova.pdf
- Zamfir C., Margineanu I. (2001). *Poverty in Romania*. United Nations Development Program and Research Institute of Life Quality. http://www.caspis.ro/downloads/poverty_in_romania1.pdf#

APPENDIX 1

Authors	Types of welfare states and their characteristics	Indicators
Gosta Esping- Andersen (1990)	 Liberal: Low level of decommodification; market-differentiation of welfare Conservative: Moderate level of decommodification; social benefits mainly dependent on former contributions and status Social-democratic: High level of decommodification; universal benefits and high degree of benefit equality. 	Decommodificatio n Stratification
Stephan Leibfried (1992)	 Anglo–Saxon (Residual): Right to income transfers; welfare state as compensator of last resort • Poverty, social insurance and tight enforcer of work in the market place and poverty policy Bismarck (Institutional): Right to social security; welfare state as compensator of first resort and employer of last resort Scandinavian (Modern): Right to work for everyone; universalism; welfare state as employer of first resort and compensator of last resort Latin Rim (Rudimentary): Right to work and welfare proclaimed; welfare state as a semiinstitutionalized promise 	Poverty, social insurance and poverty policy
Manuel Castles & Mitchell (1993)	1. <i>Liberal:</i> Low social spending and no adoption of equalizing instruments in social policy 2. <i>Conservative:</i> High social expenditures, but little adoption of equalizing instruments in social policy 3. <i>Non-Right Hegemony:</i> High social expenditure and use of highly equalizing instruments in social policy 4. <i>Radical:</i> Achievement of equality in pre-tax, pre-transfer income (adoption of equalizing instruments in social policy), but little social spending.	Welfare expenditureBenefit equalityTaxes

Alan Siaroff	1. Protestant Liberal: Minimal family welfare, yet relatively egalitarian gender situation in	• Family welfare
(1994)	the	orientation
	labour market; family benefits are paid to the mother, but are rather inadequate	 Female work
	2. Advanced Christian-democratic: No strong incentives for women to work, but strong	desirability
	incentives to stay at home	• Extent of family
	3. Protestant Social-democratic: True work—welfare choice for women; family benefits are	benefits being paid
	high	to women
	always paid to the mother; importance of Protestantism 4. <i>Late Female Mobilization:</i> Absence of Protestantism; family benefits are usually paid to	to women
	the	
	father; universal female suffrage is relatively new.	
Maurizio Ferrera	1. <i>Anglo–Saxon:</i> Fairly high welfare state cover; social assistance with a means test; mixed	• Rules of access
(1996)	system; highly integrated organizational framework entirely managed by a public	(eligibility) of
	administration continued over	financing
	2. Bismarck: strong link between work position (and/or family state) and social entitlements;	Benefit formulae
	benefits proportional to income; financing through contributions; reasonably substantial social	benefits
	assistance benefits; insurance schemes mainly governed by unions and employer	 Financing
	organizations	regulations
	3. Scandinavian: social protection as a citizenship right; universal coverage; relatively generous fixed benefits for various social risks; financing mainly through fiscal revenues;	• Organizational—
	strong	managerial
	organizational integration	arrangements
	4. <i>Southern:</i> fragmented system of income guarantees linked to work position; generous	arrangements
	benefits	
	without articulated net of minimum social protection; health care as a right of citizenship;	
	particularism in payments of cash benefits and financing; financing through contributions and	
	fiscal revenue	

Giuliano Bonoli (1997)	1. British: Low percentage of social expenditure financed through contributions (Beveridge); low social expenditure as a percentage of GDP 2. Continental: High percentage of social expenditure financed through contributions	Bismarck and Beveridge model Quantity of
	(Bismarck); high social expenditure as a percentage of GDP 3. Nordic: Low percentage of social expenditure financed through contributions (Beveridge); high social expenditure as a percentage of GDP	welfare state expenditure
	4. <i>Southern:</i> High percentage of social expenditure financed through contributions (Bismarck); low social expenditure as a percentage of GDP.	

APPENDIX 2. Socio-economic and social expenditure indicators for selected EU countries

	Scandinavian	Continental	Southern	Liberal		Analyzed cases	
	Denmark	Germany	Italy	UK	EU-25	Romania	Moldova
General indicators							
Total population, <i>mln</i>	5,411,4	82,500,8	58,462,4	60,034,5	459,488,4	22, 733	3, 359
Old age index ¹	22,3	25,9	26,9	17,1	16,5	-	_
Fertility rate ²	1,18	1,34	1,29	1,71	1,52	1,3	1,3
Divorce rate	2,8	2,5	0,7	2,7	2,0	1,52	4,1
Marriage rate ³	7,0	4,8	4,3	5,1	4,8	6,2	7,1
Women employment rate ⁴	71,7	59,2	45,2	65,6	55,7	50,7	47,7

¹ Old age index: people over 65 as percentage of the working age population (15-64) (sources: Eurostat 2003, national statistics)
² Estimated values for 2003. Source: Eurostat 2003; National stastics 2003
³ For 2004 in UK, rest 2003

⁴ Employed persons as a share of the total population aged 15-64 data refered to 2004

CEU Political Science Journal. Vol. 2, No. 3

Male employment rate	79,7	70,8	70,1	77,8	70,9	62,9	50,4
Gini index ⁵	22	25	29	31	-	30,3	36,9
Social Protection							
Expenditure on social	29,5	29,8	25,6	27,2	27,5(EU 15)	9,6	11
protection as % GDP							
Expenditure per capita	8095,4	7291,7	6266,3	7002,0	6747,6	$7,200^6$	2374 ⁷
PPS						(in USD)	(in USD)

Source: Kazepov Y., Sabatinelli S., (2005). *The Droit a l'integration social in the European context*. Peer review in the Field of Social inclusion policies, on behalf of European Commission, DG Employment, Social Affairs and Equal Opportunities.

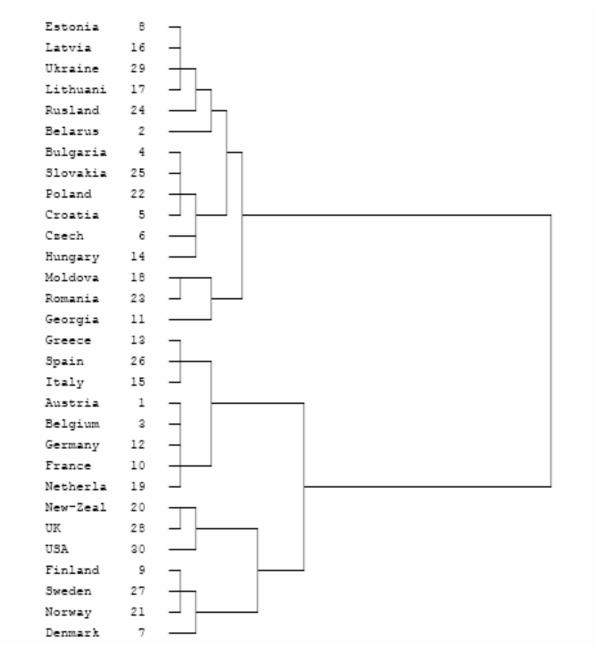
317

⁵ For Romania and Moldova is 2002

⁶ GDP per capita, PPS, for year 2003. UNDP Romania. Country Profile, web-site version at: http://undp.ro/profile_romania.php

⁷ GDP per capita, PPS, for year 2005. Draft of Republic of Moldova: National Report on Human Development (2006) *Quality of Economical growth and its impact on human development*.

APPENDIX 3. Output of Hierarchical Cluster Analysis by H.J.M. Fenger



Source: Fenger H.J.M. (2005). Welfare regimes in Central and Eastern Europe. Incorporating post-communist countries in a welfare regime typology. Paper for the NIG 2005 Conference, Nijmegen.