

Ana Marta Guillén and Margarita León (eds), *The Spanish Welfare State in European Context.*, Ashgate Pub Co Publisher Farnham G.B., 2011

The Spanish Welfare State (SWS) has been established following a similar path to that of most European countries but showing a different evolution, marked by a late transition to democracy and a hasty pace of modernization. This intense and spectacular transformation has constituted a very important phenomenon since the mid 70's, greatly emphasizing the expansion of some social rights as universal education and healthcare.

However, both the consolidation and effectiveness of the SWS have been constrained by an economic context marked by swings between expansion and contraction. The reforms adopted have neither been able to overcome the institutional inertia, nor to adopt a coherent and consistent view to respond to their different challenges over time. Two main challenges could be underscored: convergence with other European countries in a short period of time and the response to new and dramatic demographic changes which requires a revision of eligibility to different social protection programs.

These basic propositions are addressed in *The Spanish Welfare State in European Context*, edited by Ana Marta Guillén and Margarita León. Other fifteen renowned scholars, all members of the recently constituted ESPAnet-Spain (Spanish Network for Social Policy Analysis), have collaborated in the volume. Throughout the fourteen chapters that it comprises, it is highlighted how the SWS is not a model that shows pure Bismarckian features but also social-democratic and liberal ones. Such combination of features poses difficulties to respond to a wide range of demands, coping strategies and new developmental needs. The main thread of the volume is the evolution of the SWS and its differences or similarities in respect to other European welfare states. And to know that, it is vital to understand the process of Europeanization the SWS has experienced since the political transition to democracy until present. Moreover, this is an issue that is very present in all the chapters of the book, which is structured in three parts.

The first part is devoted to the evolution and consolidation of the SWS and underlines its achievements and shortcomings. A model close to the Bismarckian one, but streamlined and more moderate at the same time is presented. It is a complex welfare state due to constraints posed by the segmentation of the labour market, the combination of principles and the decentralization to the regions of several policies. The heterogeneity of social policies (especially in the social assistance and social care domains) and the advent of the international economic crisis have posed severe tensions to the harmonization of social policies and the adaptation to the global market.

The first part also emphasizes that the Spanish social protection model has changed considerably since 1980, strongly influenced by the economic growth and the processes of integration into the European Union. This has been achieved through a process of convergence of economic performance, though some social aspects are still in need of improvement. After all, Spain is among the European countries with a very optimistic vision about the future of the European Union. This part of the book also shows a country that has made considerable legal progress in gender equality although, in practice, despite the new and bold legal measures, it is still very far from reaching the ideal of equality.

The second part focuses on the architecture of the SWS, the relationship among levels of governance and the interaction between social dialogue and the transformation of a country in which many of the changes produced in the 80's and 90's have been preceded by tripartite negotiations and social pacts. The authors suggest that perhaps the corporatist structures in social bargaining have been eroded but the processes remain virtually intact.

This section further shows how Spain has been transformed from a unitary state to one of the most decentralized in Europe, assigning an important role to the Autonomous Communities (AC) in the development of the SWS and establishing the discussion between decentralization, equity and equality as one of the main challenges still facing Spain. Furthermore, a consensus has not emerged as yet on whether private intervention will be able to lessen the liability assumed by the state in the redistribution of resources. The section also discusses how changes in European societies and the economic crisis have prompted public debate about the sustainability of the welfare state. In this sense, Spain faces similar risks to those of the nations around it: ageing, viability of pension systems, and the increase of the number of immigrants becoming new consumers of resources. However, some peculiar Spanish features pose further difficulties.

Finally, the third part focuses on the present and future challenges facing the SWS in a country that accumulates a lot of problems in its labour market. The section also explores how the Spanish transition to a post-industrial society has developed along a model of low fertility. Moreover, it also highlights the essential role exercised by female workers in the processes of socio-demographic change in the country, which makes the work-family reconciliation a central goal. Reconciliation strategies continue to fall mainly on the family or non-formalized care provided by the immigrant population. So the transformation of the SWS is also difficult to explain without considering a recent, fast and very intense immigration process, which has played a decisive role in the support of the SWS.

The SWS has expanded significantly both in the number of recipients and spending, becoming more mature. Nonetheless, it has also incurred in heavy homogenization problems, regional inequalities and serious difficulties in funding and regional coordination, as underlined in several chapters of the book. Such deficiencies together with peaking unemployment, the singularities of social protection system and the institutional design of policies, have stabilized the Spanish poverty rates at levels higher than those of other European countries, after a continuous decline between 1973 and 1990. To conclude, the book addresses the financial imbalances caused by the Spanish pension system, responsible for the largest expense of the SWS - 9 percent of GDP - and which has been object of a recent amendment to postpone the retirement age and expand the period of calculation of the replacement rate, in a context of severe economic crisis and growing Spanish sovereign debt.

The literature on the SWS has already a large body of contributions, but The Spanish Welfare State in European Context has enriched it with the variety of subjects covered, the feeling of wholeness that the text provides and the added difficulty of analyzing such a long period of time. The last three decades have witnessed a lot of changes affecting the Spanish society as a whole and the SWS in particular, and rebuilding the entire evolutions over several decades involves using a longitudinal perspective that adds great complexity to the study.

The final result is certainly an excellent book, as it is not common for the publications to thoroughly analyze the institutional framework of the welfare state as a whole. In addition, the book provides an invaluable tool not only for researchers interested on the characteristics of the SWS, but also for policy-makers and other interested parties due to the thoroughness of the data, the quality of the textual references provided in each chapter and the timeliness of this topic, raised in the present situation of crisis and financial budgetary constraints.

In short, the volume is a strong X-ray of the SWS literature, offering an overview of its transformations, but also dealt with in a coherent and detailed way, which makes it a support manual for academics who want to include the Spanish case in comparative analyses. This was one of the objectives marked by the editors in the introduction of the book and amply fulfilled, because it fills a gap in the literature on the subject by the absence to date of a volume in English dealing with the Spanish case.

It is not clear, however, if the book persuades the readers to accept that the classification of the SWS within the Mediterranean model may be disputable, for the book itself is inconclusive in this respect. This is undoubtedly an important issue proposed, but the arguments presented in some chapters by the contributors on reminiscent familistic patterns in the SWS may address to a more intense debate on the subject in the future.

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Marija Stambolieva, Stefan Dehnert (eds),
Welfare States in Transition: 20 Years After the Yugoslav Welfare Model,
Friedrich-Ebert-Stiftung, Sofia 2011

When the countries of Eastern and East Central Europe abandoned socialism and introduced a market economy based on private enterprise they eliminated the fundament of the system of social protection prevailing until then. Neither was it possible any longer to maintain full employment so to speak “by decree”, overstaffing state enterprises and public institutions, nor was the state able any longer to allocate national resources and assign entitlements at will, according to politically set priorities, restricting the consumption level of the active population (by determining wages and setting prices) in order to “finance” pensioners’ consumption and public goods, such as high-quality universal health care, free university education, scientific research and well-equipped armed forces.

A capitalist market economy demands explicit transfers of incomes acquired by entrepreneurs, capital investors, free-lancers and employed workers in the products, capital and labor markets to the state and other agencies of redistribution. The state is able to afford entitlements (to income subsidies and to public goods and services) only to the extent it is able and willing to tax market incomes, market transactions and wealth. Contrary to the socialist control economy of the times before 1989, solidarity has a visible price tag in the capitalist market economy.

The post-communist states of Eastern and East Central Europe faced the task of reorganizing the solidarity their democratically emancipated citizens were expecting and demanding under highly unfavorable conditions, unfavorable in several respects:

- Citizens, socialized into an anonymous, uncontrollable and rather irresponsible system that had obscured relations between social benefits and costs, hesitated to endorse high taxes in order to finance effective social protection.
- Predatory elites, often from the technical nomenclatura of the previous regime, seized state power for the purpose of self-enrichment and put the development of a competent public administration at the service of its citizens on the back burner. As the enforcement of efficiency and integrity was neglected, the delivery of public services, including social services, deteriorated.

- The transition from a planned economy, highly sheltered from foreign competition, to an open capitalist economy made large parts of the work-force redundant and gave rise to a sizable informal, low-wage labor market segment. The need for economic support increased as dramatically as the contribution base to finance self-sustained pension and health-care systems shrank.

One could add a fourth adversity: the range of choices for the post-communist governments to set up a new system of social protection was strongly biased (a) by the then dominant belief within the international advisors' community that the economic weight of the state should be kept small in order not to stifle capitalist accumulation and (b) by the orientation at the Western paradigm of the formal-work-contract economy and the misleading notion of informality as a temporary deviation from this norm rather than a structural element of the post-transition economy. This twin orientation, that guided reforms notwithstanding plenty of ad-hoc improvisation, tended to consolidate social polarization and exclusion rather than setting up effective new structures of social inclusion.

The successor states of former Yugoslavia were latecomers to the transformation process that followed the demise of socialism. The wars that accompanied the emergence of the new states between Austria and Greece retarded and burdened the build-up of a new social order. But being late with re-organizing society also provided the chance to learn from the experience of other transition countries and to take a more critical look at the recommendations that were formulated during the heydays of the Washington Consensus.

This is the background to those processes of policy development in the Yugoslavian successor states which are described in great detail in "Welfare States in Transition – 20 Years After the Yugoslav Welfare Model", a compendium produced by the Friedrich Ebert Foundation. The volume does not aim at normative statements on how best to reduce poverty and social exclusion in circumstances shaped by the twin shocks of abrupt system change and secession wars. Neither does it aim at a theory of welfare state transformation in transition societies. Its central purpose is to present an account of what happened in each of the Yugoslavian successor states, with the exception of Kosovo, with regard to social and labor market policies from national independence until 2010. Each chapter (two on each country) addresses the policy areas of health-care, pensions, social assistance to the various categories of people in need, unemployment protection and active labor market measures. Systematic information in form of tables on benefits, coverage, eligibilities, expenditure, institutions, administrative responsibilities and other things supplement the narrative.

The wealth of descriptive information makes "Welfare States in Transition – 20 Years After the Yugoslav Welfare Model" a unique document of reference for all those who study the development of the post-Yugoslavian societies, but also for those whose focus of interest is the transition from authoritarian socialism to capitalism cum democracy from a more general perspective, which transcends the Balkans.

But the compendium is more than a quarry of facts. Even though they stay away from political theory and do not leave the reporting mode of presenting social-policy decisions the country studies convey an understanding of the forces that have been shaping this decision-making process. The narrative on welfare-state policies is embedded in a description of the new countries' overall political development. When you read the country reports you realize very soon that the development of the post-transition welfare state has often followed a logic of short-term political convenience rather than a logic of long-term institution building. Only to a small – from country

to country varying – degree was it guided by the objective of setting up a new structure of social protection and social inclusion that would be robust under the new conditions and would be up to the new challenges of wide-spread poverty and exclusion.

The narratives show that successive governments largely lacked the capability of setting up a strategy of welfare-state development. Much of their limited capability of strategic governance was absorbed by other priorities, in part related to nation-building and in part to the struggle for political power. Under these conditions, foreign advisors linked to the large international institutions of economic support – and their prevailing ideology – had considerable influence. It was mostly them who brought some strategic orientation into the patchwork of ad hoc attempts to honor entitlements of socialist times (e.g. with regard to pensions) to respond to the dramatical increase in poverty and displacement and to save political key groups from social degradation. The country reports also get you a feeling of the governments' limited capacity to turn laws on entitlements into a well-functioning reality. Co-editor Marija Stambolieva's concluding chapter offers a concise analytical summary of the political processes that transformed the welfare states in the post-Yugoslavian states and of the forces that have influenced these processes.

The policy-making described in "Welfare States in Transition – 20 Years After the Yugoslav Welfare Model", incoherent as it may have been, has eventually created a new architecture of social protection that will not be fundamentally changed again in the foreseeable future. But it is to be expected that this architecture will be confronted with plenty of demands for adjustment, extension and trimming as social and economic problems feed into political pressure. And it is also to be expected that welfare-state reform will remain a salient issue – from the policy advisor's as well as from the comparative observer's perspective – in the Balkan social-science community. "Welfare States in Transition – 20 Years After the Yugoslav Welfare Model" will be an indispensable volume of reference in the debate.

Alfred Pfaller
Editorial Board,
International Politics and Society

Ebbinghaus Bernhard (ed.),
The Varieties of Pension Governance,
Oxford, Oxford University Press, 2011

Pension privatisation, entailing a shift away from pay-as-you-go (PAYG) public pension systems to private prefunded pensions has been justified by reference to economic and demographic factors. In the European Union (EU) privatisation has been predominantly associated with the developments that took place in Central and Eastern Europe in the 1990s and 2000s. Nonetheless, pension fund capitalism should not be seen as a recent trend in the European continent as some countries have a long tradition of multi-pillar systems with pension fund capitalism. The global financial crisis and its negative impact on pension fund assets seems to have halted (at least temporarily) this trend, while raising important questions regarding the governance and supervision of private pensions and the adequacy of future benefits.

Against this background, the volume entitled 'The Varieties of Pension Governance' edited by Bernhard Ebbinghaus, Professor of Sociology at the University of Mannheim and including contributions from a number of renowned scholars in the field aims at providing an in-depth

analysis of private pension arrangements, while highlighting both the cross-national and temporal variation, thereby constituting an insightful contribution on private pension development and governance. In particular, by adopting a comparative-historical institutional analysis based on the experiences of ten European countries, the volume examines and discusses issues related to the ways and the reasons behind the shift of responsibility for the provision of retirement income from the state to employers, unions and individuals, the cross-national variations in the public-private mix and the variations in the governance and regulation of private pensions, as well as the impact on old age income inequality arising from the new public-private mix. In this way the volume seeks to address four basic questions related to the coverage ('who is covered?'), the specific rules for benefits ('what kind of benefits?'), the finance ('who pays?') and governance ('who governs, decides and manages?') of private pensions.

The introductory part provides a short introduction to the relevant literature, the main concepts used and the rationale for the selection of countries under study. It then presents the two main hypotheses advanced in the relevant literature and investigated in the volume: the 'crowding-out' thesis and the 'inadequate state pension' (or pension gap) thesis. According to the former, the limited development of private occupational pensions in Bismarckian systems can be explained by the provision of adequate earnings-related benefits and the involvement of social partners in the self-administration of social insurance, thereby limiting their interest in the establishment of additional collective schemes. Against this background, the question raised relates to the extent at which the retrenchment of public pensions will lead to the reverse process, i.e., the crowding-in of private pensions. According to the latter, Beveridge-type pension systems which did not develop mature earnings-related systems facilitate the crowding-in of private pensions. The strategy of the social partners has been crucial in this context as well; unions pressured initially for better state pensions, yet when employers were willing to negotiate occupational pensions in return for wage moderation the opportunity for collective schemes was presented.

Having presented the main hypotheses, the volume analyses the three critical junctures which help to explain the way in which the institutional arrangements of private provision evolved over time and interact with the public system, thereby highlighting the importance of timing and sequence. The first juncture relates to the early path-dependent decisions towards basic pension (Beveridge-type) or earnings-related social insurance (Bismarck-type). The second juncture compares the successful versus the belated or even failed expansion of public pension systems to expand further earnings-related pension benefits in the case of Bismarckian systems or to include second-tier pensions in the case of Beveridge-type systems and the impact of such decision on private pension development. The last juncture relates to the recent pension reforms from above and the evolution from below and their impact on the public-private mix.

The main section of the volume is structured around the ten country chapters classified in one of the following three types according to their public-private configuration: Bismarckian latecomers to the multi-pillar pension systems (including Belgium, France, Germany and Italy), emergent Nordic multi-pillar pension systems (such as those of Denmark, Sweden and Finland) and mature multi-pillar pension systems (such as those of Britain, the Netherlands and Switzerland). The common framework used in the country chapters (overview of the main features of the pension system, evolution of public-private mix, discussion of the private supplementary pensions in more detail) allows the comparison of the paths followed within and across the three types. In addition, the analysis discusses the different problems observed in each type and the (somewhat) different policy solutions which in turn reflect the institutional design of pension pillars.

In the case of Bismarckian latecomers to multi-pillar pension systems (through a strategy of

retrenchment and privatisation) challenges relate to the impact of the current crisis on benefit levels and the mistrust of people in financial markets and supplementary pension systems, the coverage of the increasing number of atypical workers and the impact on the access of such workers to adequate pensions. Emergent Nordic multi-pillar pension systems have also been affected by the crisis, yet its impact has been milder (at least in the cases of Denmark and Sweden) as a result of a strict surveillance of pension funds and insurance companies. However, Nordic countries need to tackle the expected ageing of their populations, the gender problem in social solidarity, and the coverage of self-employed. Finally, in mature multi-pillar pension systems important questions arise in relation to the governance and regulation of pension systems.

The final part of the volume focuses on the governance and regulation of private pensions and the impact of the public-private mix on old age income inequality on the basis of the analysis provided in the country chapters. In relation to the first issue, 'the paradox of privatisation', i.e., the need for more state intervention continues to gain importance despite the claim of the state retreat. In relation to the second issue, the authors argue that the effect of privatisation on poverty and inequality depends not merely on the public-private mix but more on its design.

The strength of the book lies in the fact that it brings to the forefront of the analysis the development of occupational pensions, rather than considering them a by-product of public pension reforms. In addition, by looking more closely on the interaction between 'top-down' public reforms and 'bottom-up' responses by non-state actors it not only applies but develops further the theory of institutional change. The core theme of the book can be summarised in the phrase 'privatisation is not equal privatisation', acknowledging that the design of private pensions has important implications for the coverage, the pooling of risks and participatory rights and the income situation of those dependent on such pensions.

The crisis is mainly studied in the framework of the book in relation to its impact on pension fund assets. Apart from that, of equal interest and maybe of greater importance is the examination of its impact on recent (private) pension reforms as a result of the new European framework on economic governance which has in certain cases speeded up the reform process (a typical example being the re-nationalisation of prefunded pension schemes in Hungary). The volume focuses on established (western) European systems, thereby excluding from the analysis the new member states of Central and Eastern Europe. While, this choice is justified by the editor ('these pension systems are still in the process of transformation and thus difficult to compare with the established (western) European pension systems') we believe that the analysis could profit from their inclusion, especially as the recent crisis has had in certain cases (as highlighted above) important implications in the public-private mix.

Overall, 'The Varieties of Pension Governance' constitutes a truly valuable contribution for academics, social partners, policy-makers and all actors involved or having an interest in the design and evolution of pension systems.

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A. Stergiou – Th. Sakellariopoulos (eds)
Social Insurance Reform,
Dionicos, Athens, 2010 (in Greek)

Social insurance has been under postponement for several decades now. It has constituted a hot potato for both politicians and social partners, while an informal consensus was reached regarding its constant delay. Nonetheless, the scientific debate was lively throughout these years and therefore cannot be accused as an accomplice to the silence as critical studies and serious proposals could have fed the political tools. And here lies the inability to adopt rational solutions. Clientelism and short-term political tactics have trapped social insurance in a constant stillness. This has in turn resulted in social insurance being unprepared to face its current fiscal spiralling, therefore becoming an easy prey to horizontal cuts. The so-called ‘noble’ funds have carried along their free fall the other funds.

The volume edited by professors A. Stergiou and Th. Sakellariopoulos aims at presenting in an integral and pluralist way the scientific dialogue that took place. It succeeds at highlighting a series of interesting proposals and analyses that could lead to a path-break in a context of social solidarity. The volume adopts an interdisciplinary approach, given the need for a holistic examination of the issue. Lawyers, economists and sociologists with an expertise in social insurance contribute to the formulation of a reformist path.

The first part presents the Report and the interventions made during the dialogue on social insurance that took place in 2009/10, before the sovereign debt crisis and the fiscal adjustment outlined in the Memorandum. It is true that, following the dialogue and the publication of the Report, the reform took a very different path. All measures taken since 2010 –and there has indeed been a great number of laws- have been subordinated to the fiscal imperatives and the austerity policy dictated to Greece. Against this background, the Memorandum has been decisive in dismantling the principles and the level of social insurance.

For the first time, different scientific views were put on the table of the Committee on social dialogue for the pension reform. The dialogue that took place has been particularly fruitful, as the views expressed by experts were commented by the social partners, while those of the latter constituted a food for thought for experts. This interactive relation has been crystalized in the final Report which brought together the basic points of convergence of the Committee members. The Report has in turn been based on the interventions of the Committee members as well as the lively debate that followed. The interventions which constituted the basis of the dialogue between the Committee members have also been included in the present volume.

The Report is in particular divided in two parts: the first focuses on the agreed goals of the reform, while the second presents the twelve points of convergence for the reform of the social insurance system. The former has been dictated by the need to define the ‘kind’ of social insurance we want. The agreement on the goals in turn defined the specific measures proposed. The latter are presented in the second part of the Report. The conduct of projections (definition on common assumptions), the combat of tax evasion, the control of medical expenditure, the rationalization of pharmaceutical expenditure, the assessment of the system for the provision of disability pensions, the system’s computerization, the establishment of a system for the collection of fines, the provision for new sources of funding, successive insurance, the merging of funds and wider organizational and financial issues have been the subject of the Committee’s discussions during which divergent views were put forward.

The path-breaking approach of the Report relates to the suggested rationalisation of redistribution through the separation of contributory from solidarity elements. All participants agreed on the new architecture of the pension system. Based on both the interventions and the proposals put forward, it became evident that this transformation would be achieved through the separation of the social insurance from the social solidarity mechanisms. Therefore, the social solidarity part of the pension would cover basic subsistence needs (redistributive justice) while the proportional part would reward the contributory effort of the insured (contributory justice).

The second part of the volume contains a series of studies, which have had an indirect effect on the social dialogue process given that they have been published before it. Among them features the article of Th. Sakellariopoulos ('Social insurance as a social right') rightly emphasizing that economic growth cannot take place in the absence of social insurance, as well as one -co-authored with M. Angelaki- ('The politics of pension reform in southern Europe') in which the Greek case is placed within a comparative framework. P. Tinios 'Pension reform in Greece: reform by instalments – a blocked process?' provides a timely and critical description of the reform impasse in Greece, followed by a thorough analysis by S. Robolis, Ch. Bagavos and I. Hatzivasiloglou on the impact of migration on the sustainability of the pension system. The volume concludes with an interesting research conducted by Th. Margiolas, G. Skolis and E. Groza on the maximum possible ratio of non-workers to workers in the Greek economy refuting the stereotype constructions concerning the sustainability of the social insurance system, a proposal by M. Nektarios for a new pension system and a community-inspired proposal by Th. Tsotsorou and N. Sklikas on the improvement of the system's structure.

The volume edited by A. Stergiou and Th. Sakellariopoulos does not succumb to a dialogue where its general traits are defined by populist morning TV shows. Anyone supporting social justice will find in this volume an ally for a social insurance respecting its historical foundations and its role in the contemporary globalized environment.

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