Analysis of The Welfare Transition of Poland, Russia, and Hungary After The Collapsed Soviet Union In1990

According to Fenger, the type of government welfare states arrangement in Eastern European consist of Soviet Union (FSU) Central Eastern Europe (CEE) and other developing States like Georgia and Romania. These countries have gone through a lot of political and economic transitions in comparison with all the other Countries. Hemerijck and Ferrera claimed that immediately after the collapsed of communism there was a quick change of market economic which also worsens by the economic liberalization and abolishing of subsidies and control of prices. However, this essay is going to talk about the success of welfare in Eastern Europe since the fall of the Soviet Union. And the chose Countries are Poland, Russia, and Hungary.

Before the collapse of Soviet Union in 1990

Cerami, stated that Central European Countries used to enjoy full employment for all inhabitants of the state. The communist state gives free health care, employment, housing, public pension, and a safety net to those who could not took part in the Socialist working life. This suggest that communist welfare states seem to be the perfect welfare state. In addition, the communist welfare states are known to be “women friendly”. This means that majority of female were into workforce, making them be part of the family breadwinner. However, from the feminist perspective women been breadwinner was “double burden” as women go out to work for cheap pay and come home and take care of the family without pay. Because of the full employment guarantee, there was no such unemployment or labour market policies. However, after the collapse of the SOVIET UNION IN 1990, new policies concerning unemployment and the labour market needed to be developed.

The welfare transition of Poland after the collapsed Soviet Union in 1990

According to study by Inglot, after the collapsed of Soviet Union in 1990, Poland ameliorated its social policy at once. This is because the collapse of the communist, made the country unstable politically and therefore there was a need for introduction of new Social benefits system, such as pension, family benefits, health care system and labour market-policy. According to Biales, the welfare state of Poland was a quite low demographic dependency and a reasonable high dependency ratio system which led to high pension disbursement as subsides from the government and high contribution rates from the public.

Cerami claimed that Poland pension system needed to reform again, therefore, work-related based system was created and currently this is the pension scheme been run in Poland. In addition, the introduction family benefits were based on means-testing. This means that families resources or income will be assessed to see if they are eligible for welfare benefits. This type of welfare can be categorised as Bismarkian. This is where the model aims to protect income of employees (Conservative) which can also lead to medium important of government. However, Fultz et al, argued that before the collapsed of the Soviet Union these types of benefits were universal which can be distinguished as Beverigedean welfare regime. This is where the

government prevent poverty which also leads to increasing government important.

Although many changes were made concerning unemployment and labour market policies, the biggest and most important changes of the polish labour market, according to Kwiatkowski et al, are the result of economic liberalization and the increased demand for labour. In the period after the collapsed of the communist regime, policy was created which included measures which contributed to mass lay-offs to cope with hidden unemployment. From the mid-1990s workers were better protected and indefinite contract were stimulated for enterprises it became more difficult to layoff workers. Here one can see a shift towards a Bismarkian labour market policy which provides income and employment guarantee for workers.

People who become unemployed need to meet strict criteria to meet eligibility criteria. The Bismarkian orientation was the result of the need to reduce government expenditures which had risen significantly after the fall of the Soviet Union. The increased unemployment in the in the period of 1990 of course was caused by the transition towards a market economy. Scholas, such as Ekiert, Kubik and Wenzel claimed that although Poland has been the most successful country since the Transition, however, mass unemployment had led to young skill people migrated to other neighbouring countries to look for job despite cutting of overall poverty rate from 13.2% in 1993 to 3.9% in 2010.

The welfare transition of Russia after the collapsed Soviet Union in 1990

According to scholars such as Cerami, the transition of Russia from the Soviet Union in the early stages was very difficult due to the moving away from preferred planned economic system to market oriented economic system, as Cerami argued that the market economic system created monopolies by the Oligarchs who owns majority of stock and shares as well as basic commodities like oil and food. In addition, the evasion of Tax under the Market economic system was making it difficult for the central government to raise fund to support social welfare.

The development of Russia welfare state falls on four trends and they are: Privatization, Decentralisation, Monetisation of Access, and individualisation of risk. However, scholars such as Vanov and Cerami argued that it is a mixture Esping-Andersen three welfare state namely, Liberal, Social-democratic, and Conservative. This means that the Liberal welfare regime make little government support which as a result leads to individuals becoming more self-responsible to their own welfare and eventually causing decentralisation of management. For example, the health care system in Russia after the collapsed of Soviet Union was funded by both public and private. This means that this type of welfare which was categorised as social-democratic during communism era has moved from universal coverage to a mixture of liberal and conservative, where benefits in means-tested and earnings related.

One can also argue that they this type of welfare leans towards Bismarkian model system which leads to privatisation and decrease government important. According to Cerami, this type of welfare regime brings “bifurcation and stratification” this is where the individuals depend on their wages to provide welfare and commodities. These has proven that the transition of Russia planned economic system to market oriented economy shows little achievement or successful compare to Poland. As scholars such as Cerami claimed that 16% of the population lives in poverty and cannot afford to access welfare.

The welfare development of Hungary after the collapsed of Soviet Union

In Hungary in the 1990s, there was a common belief that the old Communist regime had made a very important contribution to social stratification by introducing compulsory social services that channelled funds to the upper strata of society rather than reaching those most in need. Like Germany, the aim was to establish a new social market, but what resulted from this phase was a more liberal structure that compensated for minimal need rather than a framework focused on contribution levels. Sustaining income rate for the aged and unemployment support and disable were the key priorities of the state. However, Szalai argued that persons in position of authority were effective in preserving access to welfare items, while the capacity of state to strict their entitlements prove to be limited. Cox claimed that in the field of social aid and poverty reduction, this has been especially marked. He went on to argue that CEE county surveys from the 1990s indicate social assistance were far smaller than 1995 European average of as little as 52% in the core state of the European Union which drop to 42% by 2005.

These programmes, which omitted the very vulnerable were remarkably effective and poorly tailored and, as a result, failed to reduce poverty as they were meant to. In addition, there, have been significant social aid cutbacks across Europe following the financial crises of 2008 and the implementation of activation policies to enable people to work. Current right-wing regimes in Hungary and Poland have sought to try and delegitimise welfare claimants suing the forms of rhetoric familiar to the worthy to undeserving people in the United States to Britain. This was attributed to demand from the middle classes to protect their rights to welfare along historical lines, while myths of the underserving oppressed delegitimising rights to all sorts of social welfare to working class citizens without a record of contribution.

Conclusion

This essay has demonstrated that Central Eastern European Countries since the collapsed of Soviet Union has improved both economically and politically. However, with help of three Esping Andersen welfare classification and how these links with development and transition of Central Eastern European countries welfare regime. One can argue that poverty is still high, and people find it difficult to access welfare therefore since the fall of Soviet Union economic improvement has been slow.