

kets. To some extent, a dense richness of understanding about how markets work ends up being elided for the sake of scope and breadth.

The sheer scope of the book also raises tensions concerning the subject matter. To what extent can it be said that the tribulations described in building and sustaining credit-card markets were a specifically post-communist experience? It seems clear that, at least to some extent, similar challenges and strategies must have characterised growing credit-card markets in the likes of Ireland or the Nordic countries.

Leaving aside these reservations, the analytical ambition and sheer empirical detail of the book are to be commended. They ensure it represents an invaluable contribution towards our understanding of how consumer credit markets have emerged within post-communist contexts, a particular and fascinating case study of markets more generally. In so doing, this book does much to provide for a more satisfying global picture of the business of consumer lending and borrowing.

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Igor Guardiancich: *Pension Reforms in Central, Eastern and Southeastern Europe: From Post-socialist Transition to the Global Financial Crisis*

Abingdon 2013: Routledge, xv + 304 pp.

In the past two decades, Central and Eastern European countries (CEECs) have undergone intense reforms in practically all social policy areas. Because of their budgetary impact, reforms of the pension system have occupied a prominent position in the far-reaching transformation of post-socialist welfare states. This book provides an in-depth analysis of the complex process of old-age social security reforms in Croatia,

Hungary, Poland, and Slovenia, embedding the four countries' experiences into an interesting theoretical framework. While I believe the book's empirical analysis of the four cases does not underpin all of the propositions made by the author, the discussion of the political-structural determinants of reform sustainability still make his work a valuable inspiration for future research.

The book's focus is on the transformation processes in the four countries that have started in the mid- and late 1990s and have been continuing with more or less resolve ever since. The nations analysed were facing largely similar socio-economic challenges, such as low economic growth, rising unemployment during economic transition and, most importantly, a declining contributor-to-pensioner ratio (see Table 7.3 on p. 245). Yet, the divergences in the reforms adopted have been rife. Hungary and Poland introduced in 1998 and 1999, respectively, a relatively large mandatory funded pillar allowing partial opt-out from the public pay-as-you-go system. While Croatia privatised its old-age social security in a similar way as Hungary and Poland, it adopted a considerably smaller mandatory funded scheme. Slovenia's quasi-mandatory funded pillar has been kept even more modest, and has been limited to public-sector workers only. The four countries also differed in the scope of welfare-state retrenchment their pension reforms entailed. While the Polish notional defined-contribution (NDC) scheme and Croatia's points system clearly favoured long-term fiscal viability over social adequacy, policymakers in Hungary and Slovenia have shown considerably less determination in pursuing cuts in their public pension systems' generosity. What enabled these systemic reforms? What are their distributive consequences? Can one expect long-term political support for them? These three questions constitute the focal point of the book.

Inspired by Natali and Rhodes' [2008] work on pension politics in Bismarckian

welfare states and the scholarly debates on the trade-offs between various reform objectives and policymaking styles, Guardiancich develops four propositions about reform feasibility and sustainability. The first proposition argues that policymakers start negotiating bargains based on elaborate political exchanges once there is no more room left for simple retrenchment. Building on this, proposition two adds that paradigmatic reforms introducing policy innovations have a greater potential to succeed thanks to their multidimensionality providing opportunities to negotiate quid-pro-quo between supporters and opponents of the reforms. For instance, policy innovations promising increased efficiency, such as the mandatory funded pillar, can be traded for cuts, even if a further decline in pension generosity would otherwise be politically unfeasible. The third and fourth propositions deal with the long-term sustainability of the reforms. Proposition three establishes a trade-off between the fiscal viability of a retirement scheme and the social adequacy of the benefits. Excessive concentration on any of these two objectives in the reform process harms the other one. Finally, proposition four argues that inclusive policymaking, characterised by the involvement of all major stakeholders in the negotiation of the reform package increases its long-term political sustainability as well as the adaptability of the policies implemented. Using process tracing, the book tests these four propositions.

The country cases selected include nations, such as Poland and Slovenia, where the adoption of systemic pension reforms has required forging an agreement between numerous veto players. By contrast, the less constrained Croatian and Hungarian executives have enjoyed more autonomy in their policymaking. These deeply rooted institutional differences have in turn resulted in more inclusive policymaking in Poland and Slovenia, and divisive policymaking in Croatia and Hungary. Organised around the four main propositions

of the book, the case studies provide a detailed and well-structured analysis discussing how fundamental differences in policymaking style help explain the national pension reform processes and their outcomes.

While the first three propositions appear to be in line with previous work on pension reforms in the CEECs, proposition four poses a challenge. A part of the literature on the post-socialist welfare state perceives veto actors as nothing but a nuisance to the reform process. By contrast, in this study, policymaking relying on extensive consultation with major stakeholders is considered to be a key condition for the survival of reforms. A pension reform, Guardiancich argues, is more of a process than a single event (p. 235). It is therefore more similar to a repeated game in which the reformer's success in the first round does not mean a reversal may not occur in the future. Given this, veto players and the need to establish broad consensus might indeed represent an 'enabling constraint' [Stark and Bruszt 1998]. Thus, polities whose institutional set-up favours consensual policymaking may be slower at adopting significant reforms, but in the long-run, they are at an advantage over those nations where unconstrained incumbents can change legislation at their will.

Undeniably, Guardiancich's argument is of considerable importance for reform-minded politicians in Central and Eastern Europe (CEE). Inclusive bargaining would have probably led to fewer costly mistakes in welfare policy and more predictability in reform pathways. Nevertheless, the information presented in the four case studies included in this book does not provide particularly strong evidence underpinning this hypothesis.

Guardiancich posits that Poland and Slovenia, where negotiations of the pension reforms have been more inclusive, underwent fewer instances of policy reversals than Croatia and Hungary, where policymakers engaged in divisive policymaking (see p. 265). I do not see such a sharp

difference between the paths of these four nations. In fact, all four nations seem to have entered into a state of 'permanent pension reform' [Simonovits 2008]. Regardless of how inclusive or divisive negotiations about pension reforms were in the late 1990s and early 2000s, each nation embarked on deeply flawed policy pathways. Among others, the most serious problems had to do with the preferential treatment of selected occupational groups and missing or incorrect regulation of mandatory funded schemes. These imperfections already required some changes in the decade following the initial reforms, and are likely to call for further amendments in the legislation as the contributor-to-pensioner ratio deteriorates due to demographic ageing.

Poland's story is quite telling. The reform that entered in force in 1999 intended to substantially rewrite the nature and scope of redistribution through the pension system. A defined-benefit (DB) system providing preferential treatment to a number of selected groups was to be replaced by an NDC scheme and a large fully funded private pillar. Such a system limits intergenerational redistribution as well as the intragenerational redistribution from the wealthy to the poor. Coupled with the abolishing of early retirement options, the 1999 reform was nothing short of a radical rewriting of the social contract. The relative stability that characterised Polish pension politics until 2011 was, so argues Guardiancich, a consequence of the inclusive policymaking process that led to the adoption of the initial pension reform.

Nevertheless, for a correct evaluation of the Polish post-reform experience, one should carefully consider the delay between the introduction of the new pension system and the moment when the impact of the reform becomes visible to the public. Until 2009, all new pensioners retired under the old DB pension system's rules. Several early retirement options remained open until 2008, and have later been re-

placed by a system of bridging pensions for a large number of specific occupational groups. A special transitory regime applied also for women who were to retire under the new pension rules between 2009 and 2013 (pp. 164–165). In sum, the first cohort to have fully experienced the consequences of a transition to a defined-contribution (DC) system have been those reaching their statutory retirement age in 2014. It is therefore too early to say whether the transition to a DC system is politically sustainable in the long run.

In fact, the fate of the fully funded second pillar suggests that the achievements of the Polish pension reform movement of the late 1990s are highly vulnerable to political risk. The broad consensus upon which the reform was built appears to matter little once the consequences of past decisions hit society and the government budget. As the ever faster increase in explicit deficit and debt resulting from the diversion of contributions from the public pay-as-you-go scheme to the private system was no longer tolerable, Donald Tusk's government took action. After initially only decreasing the mandatory funded pillar's contribution rate in 2011, the 2013 reform package already included partial nationalisation of assets accumulated in pension funds. Despite the inclusiveness of the reform negotiations in the late 1990s, the great rewriting of the intergenerational social contract proved unsustainable.

The rewriting of the intragenerational contract through the replacement of the DB scheme with an (N)DC system may also be heavily contested once rising life expectancy, a declining contributor-to-pensioner ratio and workers' fragmented labour market histories start taking their toll on pensions. The Polish public may realise that the actuarial formulae of a DC scheme offers significant increases in monthly pension instalments for those willing to delay their retirement [Chłóń-Domińczak 2009; Domonkos 2015], thus providing a way out

of old-age poverty. However, it remains a question if this virtue will be enough to guarantee the long-term political sustainability of the system. In any case, the evidence so far suggests that inclusive policymaking has had a rather limited beneficial effect on reform sustainability in CEE pension politics.

Nevertheless, Guardiancich's work still provides very important theoretical insights that may inspire future research on welfare state reforms in the region. As time moves on, more evidence will be available to test if differences in the policymaking style of the executive really contribute to long-term reform sustainability. The Slovak Republic, where a systemic pension reform has been adopted in 2003 without much consultation with opposition and social partners, may become an interesting case to test proposition four. After several years of tinkering with the funded private pillar, there appears to be growing pressure for the adoption of a constitutional law on pensions. Such a shift from divisive policymaking in the 2000s to broad consensus-building in the 2010s within one polity would lend itself to an additional test of the book's argument on the importance of inclusive policymaking.

Guardiancich's analysis is a welcome and timely contribution to the debate on post-1989 welfare reform pathways in CEE. Its detailed description of pension reform processes in Croatia, Hungary, Poland, and Slovenia provide a very useful source of information for experts interested in these particular country cases. In addition, the intriguing theoretical framework and the propositions derived from it have great potential to inspire future research on policy reforms shaping our welfare states, both in the post socialist world and beyond.

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Adam Kozuchowski: *The Afterlife of Austria-Hungary: The Image of the Habsburg Monarchy in Interwar Europe*
Pittsburgh, PA, 2013: University of Pittsburgh Press, x + 219 pp.

In this concise, well written, and well informed book, first published in Polish in 2009, the young Polish historian Adam Kozuchowski analyses the images of the former Habsburg Monarchy as displayed and reflected in texts published by (1) professional historians, (2) journalists, essayists, and political scientists, and (3) novelists in the three decades after the breakup of Austria-Hungary in 1918. In other words, the author studies 'the discourse on Austria-Hungary in its formative years', produced by 'a generation that took an ambiguous and unclear imperial legacy and transformed it into a coherent image of the