THE DYNAMICS OF SOCIAL SECURITY IN A PARTIAL REFORM EQUILIBRIUM SOCIETY: THE ROMANIAN CASE

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Reforms in the social area have been less evaluated in regard to their completeness. Do social reforms in their initial state create winner or loser groups? And if so, are these groups opposing further steps of reforms, leading to partial reform equilibriums, as many analyses of economic reforms assess? A brief institutional analysis provides evidence of the fact that those who gain from a partial reform state are the winners of incomplete economic reforms, while loses are supported rather uniformly by the whole population.

Stating the problem

The paper aims at highlighting the articulation processes in the field of social security in regard to the degree of completeness of initiated reforms. As most analyses of social policy in CEE countries have until recently contained to assessing the design and distributive impact of policies and programs, issues regarding the variables influencing institutional developments of social reforms have remained rather untouched. The present endeavor is directed towards assessing the appropriateness of the explicative model of of economic reforms for the social sector.

Adam Przeworski (1991) has been among the first authors who talked about the pitfalls of transition in the CEE countries. Before the transition period can show its advantages for the whole society, or for at least a critical number of groups, a 'grievance valley' has to be traversed; thus, transition will 'proceed in spurts'. His belief was that early losers of transition will become a significant brake of the reform processes[1]. Yet Hellman (1998) shows that the main risk of partial reforms lies not in the constituency of short-term losers but of short-term winners, which – under some circumstances – will oppose the continuation of the reform process. "(...) the politics of postcommunist economic reforms has not been dominated by the traditional short-term losers of economic transition – striking workers, resentful former state bureaucrats, impoverished pensioners, or armies of the unemployed. Instead, the most common obstacles to the progress of economic reform in postcommunist transitions have come from very different sources: from enterprise insiders who have become new owners only to strip their firms' assets; from commercial bankers (...); from local officials (...); and from so-called Mafiosi who have undermined the creation of a stable legal

[1] For a similar position see also Joan Nelson, The Politics of Economic Transformation: Is Third World Experience Relevant in Eastern Europe?, *World Politics* 45, 1993. Haggard and Kaufman (*The Political Eocnomy of Democratic Transition*, Princeton: Princeton University Press, 1995) support this argument, while identifying two further political barriers to economic reforms in early democracies: the problem of collective action and the short time horizon of political decisions, given the short electoral cycles (156-158).