A Study on the Applicability of the Punctuated Equilibrium Theory on Welfare Policy among Emerging Democracies: Focused on Central and Eastern Europe

By
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M.A., Sungkyunkwan University, 2016
B.A., Sungkyunkwan University, 2013

Submitted to the graduate degree program in Political Science and the Graduate Faculty of the University of Kansas in partial fulfillment of the requirements for the degree of Master of Arts.

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Date Defended: 25 April 2018

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ABSTRACT

This study attempts to examine if the pattern suggested by the Punctuated Equilibrium Theory (PET) is observed in the Central and Eastern Europe countries' (CEECs) welfare policy. This study has three distinct findings. First, the PET can be extended to emerging democracies, while most existing PET literature focuses almost exclusively on established ones. Second, the PET is a more comprehensive approach in the welfare literature than the previously dominant theories, in the sense that the PET captures both incremental and non-incremental changes in a more coherent way that the traditional theories fail to. Third, the extent of punctuatedness can differ depending on the degree of institutionalization, institutional friction, and the property of welfare program: 1) It is bigger in CEECs than in old democracies because CEECs have not experienced enough institutionalization. 2) It is ambiguous whether more institutional friction does lead to an increase in the extent of punctuatedness, which challenges the established PET evidence. Rather, it appears that, at least surrounding welfare policy, less institutional friction is linked to higher level of punctuatedness both in mature welfare states and in CEECs. 3) Even though all three welfare programs surely shape the pattern of the PET, old-age pensions remain *relatively* more stable than unemployment and sick pay insurance.

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I. Introduction: An Exploratory study

My puzzle starts with why there are few studies of punctuated equilibrium in emerging democracies, while it is now regarded as a general finding in established democracies. On the one hand, it is not surprising, given that new democracies are lack of reliable empirical data. In practice, their history of democracy is still fairly short. Post-communist countries are never free from this as well. It seems, for example, that much of the post-communist welfare literature puts an emphasis on the divergence before and after democratization. Or, for the same reason, scholars have more interest in typology like welfare regime throughout the long history. Even so, on the other hand, the fact that new nations are born or many countries are relatively lack of data does not necessarily justify why there is even no careful discussion of whether or not punctuated equilibrium is possible in the post-communist countries. This study originates from this academic vacuum.

In this respect, my paper is an exploratory study to find out theoretical and empirical evidence of punctuated equilibrium through an analysis of a single policy area in the context of emerging democracies. More precisely, the major purpose of this study is to explore whether the pattern suggested by the Punctuated Equilibrium Theory (PET) is detected in welfare policy within Central and Eastern European Countries (CEECs)[1], which allows to interpret the overall tendency of welfare policy change among those countries. Building on this analysis, I strive to assess why and how the PET developed by Baumgartner and Jones – it refers to the pattern of political processes being involved in "a routine situation of limited change or incrementalism

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[1] According to the OECD glossary of statistical terms (2001), "Central and Eastern European Countries (CEECs) is an OECD term for the group of countries comprising Albania, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia, and the three Baltic States: Estonia, Latvia, and Lithuania". In this paper, CEECs do not include Albania and Croatia due to lack of data.

alternating with short bursts of intense and dramatic changes" (Walgrave and Nuytemans 2009: 190) because all political institutions cannot 'proportionally' react to variable societal demands – is still more valid in emerging democracies than the mainstream welfare state theories. Lastly, this study aims to compare the pattern of welfare policy in CEECs with the pattern in mature welfare states[2]. Does the former follow the latter's path? If not, what is the difference? All of these three works – analysis, assessment, and comparison – are necessary to better catch the pattern of welfare policy change in CEECs and its features. To my knowledge, this study is the first attempt to conduct and compare a large-N cross-country analysis in CEECs, particularly in the PET field.

The reason why this work is important is that the PET lays out a more comprehensive and practical guideline than the previous welfare theories, especially when it comes to how to approach the change of welfare policy. The previous theories argue that the pattern of welfare policy consists of incremental changes, while the PET claims that it is shaped by a combination of incremental and non-incremental ones. Likewise, the PET shows interests in discussing how these two different (i.e., incremental and non-incremental) types of policy changes can coexist at different times and how they are mutually related. This theory further demonstrates, unlike conventional wisdom, that rare but drastic changes are *endogenously* natural consequences as well as gradual ones; that is, policy change is surely incremental for a long period of time (i.e., equilibrium), but at some points, once above a certain threshold, policy is altered both rapidly and drastically (i.e., punctuation). Therefore, the PET appears a theoretical advance from other gradualism theories, in that the latter ones are incorporated into the former in a broader sense.

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[2] In this paper, mature welfare states are the same as established (or old) democracies. Their country list is as follows: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherland, New Zealand, Norway, Sweden, Switzerland, United Kingdom, United States.

Using this logic, my paper reveals that the PET functions as the most appropriate tool to capture the pattern of welfare policy in emerging democracies as well as in established ones. Empirical evidence supports that the PET is completely in line with the actual historical experiences of a single welfare policy area, not only in mature welfare states but also in CEECs.

Second, this study is noteworthy to examine commonalities and distinctions between established and emerging democracies from the perspective of 'information processing', which is the mechanism how political institutions respond to what occurs in real world and prioritize some information over other information. My paper, at this point, questions whether the ability of information processing varies depending on the level of institutionalization and institutional friction. Thus, to begin with, this study finds that CEECs have low level of institutionalization and less institutional friction (veto point) when compared with old democracies. It further finds that a threshold of institutional response is higher in CEECs because they have fewer reliable mechanisms to respond to information regarding societal demands, so that rare but major policy changes are more dramatic in CEECs than in old democracies. Lastly, this study's new finding is that less institutional friction in CEECs leads to an increase in the level of punctuatedness, which is opposed to the mainstream PET evidence against backdrop of democratic regimes; almost every PET literature holds that more institutional friction forms more bottlenecks in old democracies, thereby enhancing the extent of punctuatedness. This conflicting evidence shows that the way the PET works in new democracies may diverge from the way it does in old ones.

Third, this paper is significant in that a contextual factor like welfare program is added to the basic context-free PET analysis; that is quite a unique fusion. Thanks to this approach, the implication of this paper is diversified. Although it is obvious that the pattern suggested by the PET is reproduced both in mature welfare states and in CEECs, it is also worth noting that

the extent of punctuatedness differs from welfare program. To be specific, it is harder for policy decision-makers (or politicians) to reform old-age pensions rather than unemployment and sick pay insurance, because the former is sustained by public support under all circumstances while the level of public support easily fluctuates in the latter ones depending on economic conditions. Thus, the degree of punctuatedness is lower in the former than in the latter ones, which indicates that old-age pensions are relatively more stable compared to two other programs. This tendency is identically observed both in mature welfare states and in CEECs. As a result, this paper adds more realism to the basic context-free PET model.

II. A Unification Theory (PET) and Contribution

Policy change is interpreted in two ways. One is incrementalism and the other is non-incrementalism. The former stresses gradual change but the latter's focal point is abrupt change. The former maintains that public policy tends to keep the status quo, but the latter asserts that it occasionally experiences unusual break. In the welfare literature, most theories assume some form of incrementalism. New institutionalism is a great example. Historical institutionalism – one stream of new institutionalism – emphasizes the role of history in terms of policy process; path dependency and its ensuing gradual change. In other words, this school of thought argues that welfare policy is acutely susceptible to historically-formed ('locked-in') path (Adascalitei 2012: 60). Accordingly, a big reform is hardly possible to implement because vested interests benefit most from this historically-formed welfare system and further, possess enough political power to fight back desperately against the retrenchment. This mechanism explains well why welfare states were unable to curtail the welfare expenditure sharply in the era of retrenchment (e.g., the shift from Golden Age of Capitalism toward Thatcherism and Reaganism). To wrap it up in a nutshell, for new institutionalists, welfare policy change is seen as a slow and steady movement. As such, a sudden large welfare reform is simply an 'outlier' outside their scope.

The PET scholars raise the fundamental question against this approach. They contend that non-incrementalism need to be considered as important as incrementalism, when it comes to policy change. Thus, the PET suggests that 'a sudden large welfare reform' is also a big part of policy change to be included within a coherent theory's scope. This theory begins with the assumption that every political institution features a certain threshold of response to the input of information. By the very nature of political institution, it can ignore information input below the threshold. However, it is impossible to continue to do indefinitely because social problems

eventually get worse over time and hence, once above the threshold, they are required to be addressed quickly. This gives rise to long periods of incrementalism and short periods of non-incrementalism. Likewise, the PET thinks that institutions entail ambivalence of 'delaying' and 'bursting' change, whereas new institutionalism understand them merely as the mechanism of 'blocking' and 'slowing down' change (Baumgartner, Jones, and Mortensen 2014). Hence, new institutionalists conceive that "dramatic changes will *only* happen if institutions break down and disappear" (Jensen 2009: 292), whereas the PET scholars argue that those changes are quite natural consequences from the innate nature of institutions. This unified viewpoint of the PET is expected to address the following question in the welfare literature: Although welfare states are seemingly invariable, how does it happen that such a reform is often, regularly instituted to reverse the fundamental direction of welfare states?

To sum up, as the school of new institutionalism believes that political institutions are conservatively designed not to be swept away by sharp changes, drastic shifts are not properly considered. They are merely extremely exceptional cases caused by *exogenous* factors such as global (political / economic) shocks and the collapse of the whole system. In contrast, the PET as a comprehensive framework embodies both minor changes and radical reforms in a coherent way. According to the PET, the reason why big changes happen is not only because of external forces but also because of *endogenous* factors such as inherent nature of information processing.

My study is basically based on the above distinction between new institutionalism and the PET. It then investigates how the PET is applied to a single welfare policy area in emerging democracies, how the extent of punctuatedness could be different depending on the degree of institutionalization, institutional friction, and the property of welfare program, and what each difference means. As such, the main contributions of my study are twofold:

First, this paper extends the PET to 'emerging' democracies. Although this theory has a myriad of qualitative and quantitative tests since the 1990s, it has been by and large confined to western countries. This is because the PET is presumed to be able to be tested in countries where the separation of power is equally distributed among political institutions (Baumgartner, Jones, and Mortensen 2014). The guarantee of an individual political rights and civil liberties is surely prerequisite, which is entrenched mostly in the U.S. and western Europe. However, a few seminal articles propose that CEECs have the comparable traits as well (Diamond 2002; Zakaria 1997; Merkel 2004). Then, given that *every* political institution has a certain threshold of information processing response and its features are somehow equivalent in both regions, if policy punctuation does emerge in CEECs like western countries, should its degree be the same? If not, what differentiates CEECs from old democracies? To what extent do political institutions in each region differently respond to the outside world? Starting from these questions, my study examines whether and how the PET could be applied to CEECs. It fills the academic gap and lays the cornerstone for further comparative studies in the PET field, thereby contributing to the debate over the PET's regional expansion.

Second, my paper sparks new debate over varying levels of punctuatedness depending on different time periods of democracy, in quantitative terms. This study compares the CEECs' pattern of welfare policy change with old democracies' pattern of welfare policy change. To this end, a large-*N* cross-country analysis is conducted respectively. CEECs are, in general, classified as a specific welfare regime sharing a considerable number of commonalities. Even so, with regard to welfare policy change in those countries, much of the existing literature concentrates almost exclusively on a (thick) description of the policy trajectory of each nation. There are scarce studies reporting the CEECs' regional overall pattern or tendency as a whole, in quantitative terms. Furthermore, a couple of recent papers begin to deal with the possibility

of the PET in autocratic and authoritarian states (Rey 2014; Lam and Chan 2015; Chan and Zhao 2016; Baumgartner et. al. 2017), but there is still no clear-cut theoretical and empirical debate surrounding emerging democracies. Admittedly, they are much closer to established ones when compared with undemocratic regimes, but at the same time, it should be stressed that they are a bit different from old democracies, particularly in terms of institutionalization and institutional friction. My paper contends that this institutional discrepancy between old and new democracies can bring forth the difference of the level of punctuatedness.

The following section is the ***Theory***. This section introduces the PET's application in public policy, originally developed from the study of evolution, and then investigates how it is reviewed in western countries. Next, the ***Literature Review*** section first examines the extent to which CEECs are democracies and inquires into why the PET is a more appropriate approach than the mainstream welfare theories. In the ***Hypotheses*** section, three central hypotheses are proposed: "The extent of punctuatedness in old democracies will be lower than that in CEECs." "The extent of punctuatedness in old democracies will be higher than that in CEECs." "The extent of punctuatedness in unemployment and sick pay insurance will be higher than that of old-age pensions." In the ***Method and Data*** section, this paper asserts that a couple of methods, including L-kurtosis, are excellent at identifying the existence of policy punctuation regardless of region. As a dataset, the Comparative Welfare Entitlements Dataset (CWED) is employed. Next, the ***Findings*** section presents statistical output, compares distinct results according to the region and welfare program type, and interprets them. Last but not least, the ***Concluding Remarks*** section sums up the main findings and ends up with their respective implications and limitations.

III. Theory: A Summary of the PET

1. The Origin and Mechanism

As mentioned earlier, the PET is an attempt to incorporate gradual and abrupt changes into a single coherent framework. Originally, this idea in social theory derives from biological punctuated equilibrium theory. Eldridge and Gould's innovative research (1972) maintains that evolution happens as a consequence of a combination of large-scale long periods of stasis and small-scale short periods of speciation event; this novel assertion contradicts the conventional view that evolution occurs steadily and gradually. From this biological perspective, several public policy scholars begin to contend in the 1990s that it should be applied to social systems; to be more specific, policy change. According to them, policy change consists of long periods of gradualism and short periods of sudden large changes. Even though Givel points that policy process is so different from evolutionary biology in terms of "time frames for change, venues of punctuated equilibrium, levels of analysis for change, and patterns for change" (Givel 2010: 187), it appears, aside from this critic, that there is little evidence why the PET should not be established as a fruitful theory in the area of public policy. Rather, a number of current empirical studies indicate that the PET is supported in many policy fields of social science; in particular, national budget changes, education, environment, regulatory drugs, tobacco, gun control, and so forth. (Baumgartner, Jones, and Mortensen 2014).

The starting point of its specific mechanism is that every organization has the limited attention capacity and disproportionate information processing (response) to what can occur in real world; and thus, it is impossible for organization to manage all the relevant information at

once (Simon 1997 [1947]); it is an inevitable situation caused by the limits of human cognitive ability, which is referred to as bounded rationality. As a result, some 'urgent' information is prioritized, but other 'less urgent' information is ignored by decision-makers. In this attention-driven model, they "would examine an index comprising a weighted combination of indicators and update his or her beliefs based on this index. The decision would be a direct consequence of this updating" (Jones and Baumgartner 2005: 331). In this process, decision-makers share a certain policy image until it is contested. They are thus called policy winners for a long period of time. This long-term policy monopoly is available through negative feedback loops and self-correcting mechanism. Indeed, "a successful policy monopoly systemically dampens pressure for change" (True, Jones, and Baumgartner 2007, 159).

Then, what are other actors (e.g., policy losers or outsiders) able to do in the meantime? They constantly keep challenging the pervasive policy image and instituting new institutional venues as a way to make people adopt their favored image, but fail most of the time. This leads to the prolonged stabilization of the previous policy image. Even so, once their attempt finally succeeds in modifying the dominant policy image even slightly or (re)creating a new arena, it results in a large influx of new images and actors. "Where images are in flux, one may also expect changes in institutional jurisdictions. Where venues change, the terms of debate may be altered still further" (Baumgartner and Jones 1991: 1049). From this, small changes in policy image end up with a sudden striking reform via positive feedback loops and self-reinforcing mechanism for a short period of time, like the way negative feedback loops and self-correcting mechanism operate for such a long time. To put it another way, this challenging mechanism against policy monopoly, once it is taken, induces an enhancement of the likelihood of dramatic policy punctuation. (Leifeld 2016, 19-20; Bressers and Lulofs 2009, 32-33; Baumgartner, Jones, and Mortensen 2014).

In conjunction with the informational asymmetry and its ensuing negative or positive feedback loops of institutions, another *possible* reason for the PET is due to the hierarchically-structured institutions' conflict (between political system and policy subsystem) in modern representative democracy.[3] More recent attention is paid to this institutional friction (or set-up) because the above "basic model of the PET is not sensitive to the context in which the political processes take place" (Jensen 2009: 291). Jensen mentions that "hierarchical institutions, i.e. institutions endowed with formal power in the legislative process constitute friction that blocks input into the policy process, including rising public concern with specific issues, alarming reports of social problems, etc. […] The more bottlenecks in a system, the less responsive the system will be able to change in the environment. The U.S. with its check and balance provides a good example of a system with numerous bottlenecks i.e., the President, the Senate, the House, etc." (Jensen 2009: 291-292). It appears that the mainstream PET studies bolster this argument in the context of American politics. (Jones, Sulkin, and Larsen 2003; Jones and Baumgartner 2005; Jones, Larsen-Price, and Wilkerson 2009; Jensen 2009).

To sum up, once policy subsystem is monopolized by a specific decision-making and policy image at a given time in accordance with more 'urgent' information, its policy monopoly remains stable for a long time until a small change in the previous policy image is introduced – i.e., equilibrium. The influx of challenging information (e.g., alternative policy image) keeps being attempted during this period, even though it is usually blocked. Yet, at some point, the dominant policy subsystem would be eventually toppled. This revolutionary-like shift occurs

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[3] Political system refers to "macro politics, large-scale change, competing policy image, political manipulation, and positive feedback", whereas policy subsystem means "the politics of equilibrium, policy monopoly, incrementalism, a widely supporting image, and negative feedback" (Baumgartner, Jones, and Mortensen 2014, 67-68); more specifically, political system includes the government and a certain dominant ideology within society, while policy subsystem does iron triangles and issue networks, legislative sub-groups, and vested interest groups (Baumgartner and Jones 1991).

rapidly – i.e., punctuation. Moreover, most PET literature understands that more institutional friction intensifies this punctuation.

2. The Applicability in Comparative Perspective

One more notable aspect of the PET is that it has a potential to be universally detected, given the ubiquitous features of political institutions to handle information – not proportionate but disproportionate response. "The ubiquity of serial attentiveness and organizational routines of operations" does increase the likelihood of the PET, which is "particularly apt for relatively open democracies" (Baumgartner, Jones, and Mortensen 2014: 80). An increasing number of empirical studies buttress this statement in the sense that the PET is proved to be able to apply to established democracies such as western Europe, Canada, Australia, New Zealand, and Japan in comparative perspective (Baumgartner, Foucault, and Francois 2006; Baumgartner et al. 2009; Maesschalck 2002; Timmermans and Scholten 2006; Walgrave, Varone, and Dunmont 2006; Walgrave and Nuytemans. 2009). Among them, two articles published in 2009 are particularly remarkable.

In the first place, Baumgartner et. al (2009) lay the foundation of a new comparative policy process analysis. They inspect two hypotheses; the General Punctuation Hypothesis and the Progressive Friction Hypothesis. The former "implies that we should universally observe positive kurtosis whenever we look at indicators of change in the activities of government" (Baumgartner et al. 2009: 609). In other words, given the limitation of issue attention at a given time, the distribution of policymaking activities should be 'leptokurtic' because the government is unable to respond to societal input proportionally; on the flip side, if proportionate, its pattern

should shape a 'normal distribution'.[4] The latter hypothesis proposes that the higher the level of institutional friction (the further the policy cycle goes), the larger the level of punctuatedness. This is because institutional costs are lowest in the stage of input, higher in the next stage that "requires coordination among multiple actors or heavy bureaucratic procedures to be followed, and highest in those output processes such as budgeting that come only at the end of a long and complicated series of processes" (Baumgartner et al. 2009: 609).

To conclude, these two hypotheses hold true in all three countries such as Belgium, Denmark, and the U.S., implying that the PET is observed in every policy area across countries and its degree of punctuatedness increases progressively from the lowest friction toward the highest one; empirical evidence does not, indeed, show a single normal distribution. This result postulates that the pattern of the PET can be widespread independently of different institutional arrangements and type/form of government – for example, parliamentary system (Belgium, Denmark) and presidential system (the U.S.) –, and that more institutional friction could be also more likely to facilitate policy punctuation across countries. This finding is also consistent with another 2009 PET article with a focus on 'a general empirical law of public budgets' in comparative perspective (Jones et al. 2009).

Second, Walgrave and Nuytemans (2009) focus specifically on party program changes in 25 countries (mostly old democracies). Their finding is basically in line with Baumgartner et al. (2009) in that the pattern of party program strongly shapes the PET – i.e., leptokurtosis. Just as every political institution is said not to react to societal signals in a proportionate way, political parties do not adapt their manifesto to public preferences smoothly but rather "neglect

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[4] This paper will elaborate why and how the distribution of data (i.e., leptokurtosis and normal distribution) is associated with incrementalism and the PET, respectively, in the ***Method and Data*** section.

the signals altogether or overreact to them" (Walgrave and Nuytemans 2009: 201). Empirical evidence is robust across 25 countries and thus, the authors conclude that party manifestos are quite rigid and stable.

However, on the other hand, Walgrave and Nuytemans raise the question about Jones and Baumgartner's (2005) and Baumgartner et al.'s (2009) major findings that the extent of punctuatedness has a tendency to be smaller in lower level of institutional friction (i.e., input) than in higher or highest level of institutional friction (i.e., output). To put it simply, according to Walgrave and Nuytemans, party manifesto should be interpreted as 'input' actors from the perspective of policy-making process, but nonetheless the degree of punctuatedness is fairly high. The authors suggest that the reason for this inconsistency is because ideological features play a central role in political parties. In other words, parties as ideological vehicles "do not *want* to adapt to the environment most of the time since their first concern is their ideology and the implementation of their values and interests. The fact that parties lag behind is therefore probably more a matter of cognitive than institutional friction" (Walgrave and Nuytemans 2009: 292). As a result, this article insinuates that the Progressive Friction Hypothesis is not always valid enough, even in the context of established democracies, even though the PET pattern is strongly detected.

Likewise, the PET is a result of asymmetric information processing *and/or* the intrinsic institutional friction in modern democratic system. The cycle of incremental changes and non-incremental changes is patterned in a plethora of policy areas among old democracies. Further, the crucial implications of the PET are twofold: First, political process and policy change are well-explained by *endogenous* information processing at both individual and systemic levels. Second, a certain dramatic shift is not an abnormal outlier but a "normal explainable exception"

(Bressers and Lulofs 2009, 16). Therefore, the PET seems obviously a theoretical advance from other traditional incrementalism theories. Nevertheless, as Walgrave and Nuytemans's article (2009) exhibits the inconsistency with the established PET evidence, we cannot jump to the conclusion that the Progressive Friction Hypothesis is cogent in the context of new democracies, although the pattern of the PET is observed. The way it works in CEECs remains an intriguing empirical question. This issue is discussed in the following sections for further details.

IV. Literature Review

The first part of this section scrutinizes the extent to which CEECs are democracies. Here, it is found that CEECs are much closer to old democracies than other emerging ones, but not still equivalent in terms of the quality of democracy. The second part of this section focuses on the way policy change should be dealt with, particularly in the welfare literature. Here, it is discussed how the PET could be more compelling even in CEECs than new institutionalism. Overall, the *Literature Review* section demonstrates how the PET is extended from established democracies to emerging ones; and also, how it applies to a relatively unexplored single welfare policy.

1. CEECs: The Degree of Democracy

To what extent is the level of the CEECs' democracy similar to that of old democracies? The reason why this work is necessary is because my paper is interested in how the degree of punctuatedness varies depending on different time periods of democracy, particularly from the perspective of institutionalization and institutional friction. The previous PET studies maintain that, given the universal nature of all political institutions, the PET will be able to be observed everywhere regardless of regime type or institutional arrangements. Even so, it does not mean that the extent of punctuatedness is the same across countries. Then, what can make a difference? This study sheds light on the difference of time accumulation between old and new democracies. In other words, the difference of time accumulation leads to the quality difference of democracy, thereby creating the difference of the extent of punctuatedness. In this context, the extent of the CEECs' democracy is as follows.

In the first place, some indices explicitly affirm that CEECs are indeed democracies.[5] Among a number of indices, the Freedom House Index (FHI) and Polity IV are most frequently used in the study of democracy. They are, despite some critiques, cited as the most authoritative sources. Political regime is divided into three groups (Not Free, Partly Free, Free) in the FHI, and is divided into six groups (Full Democracy, Democracy, Open Anocracy, Closed Anocracy, Autocracy, Failed/Occupied) in the Polity IV. CEECs are, according to their longitudinal survey, classified into democracies most of the time – i.e. 'Free' in the FHI and '(Full) Democracy' in the Polity IV. The only exception case is 1995 Romania. One interesting finding is that 1996-7 Slovakia is 'Partly Free' in the FHI, whereas it is categorized as 'Democracy' in the Polity IV. This difference may come from the issue of measurement. My paper adopts the Polity IV index, because it traces the political regime's characteristics and transition much more directly; in fact, its methodology and terms explicitly stress the formal institutional aspect of political regime rather than the individual level of freedom. To conclude, it is certain that CEECs belong to the group of 'Free' and 'Democracy' almost all the time; but at the same time, we need to also note that their overall quality is below the quality of established democracies with 'Free' and 'Full Democracy' across time and place. The details are described in the Table 1.

Citing the FHI, Diamond (2002) concludes that CEECs should be liberal democracies. His typology is based on two criteria; 1) free, fair, and open election 2) high level of political rights and civil liberties. One noteworthy feature in this article is that the author makes use of more sophisticated six regimes (Liberal Democracy, Electoral Democracy, Ambiguous Regime, Competitive Authoritarian, Hegemonic Electoral Authoritarian, Politically Closed), because he

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[5] Due to lack of coherent welfare policy data, the time period of all empirical data used in this paper usually covers **from 1995 to 2010.**

worries about the rise of pseudo-democracy after the third wave of democratization and then, wants to clarify the differences of regime type according to substantial freedom & liberty and robust rule of law. In this context, Diamond's finding that CEECs belong to Liberal Democracy strengthens the above results of two different indices. Besides, Linde and Ekman confirm again that CEECs have been, for the most part, 'democracy' group since the 1990s (2011: 106-107). Citing the FHI like Diamond, the authors illuminate that CEEC's democracy has persisted for such a long time. These two papers citing the FHI remind us that the individual level of freedom in CEECs seems almost tantamount to that in old democracies.

In addition to this individual dimension (FHI), one need to take a look at the dimension of institution.[6] Merkel's study (2004) is seminal. He claims that liberal democracy is composed of five elements; electoral regime, political liberties, civil rights, horizontal accountability, and effective power to govern. Here, the concept of horizontal accountability is worth noting. This term refers to "lawful government action checked by the division of power between mutually interdependent and autonomous legislative, executive and judiciary bodies" (Merkel 2004: 41). It is consistent with 'check and balance' among political institution – the essence of American pluralism. Being intertwined with the other four pillars, horizontal accountability allows policy subsystem in other political systems to ensure enough autonomy from the central government (Baumgartner, Jones, and Mortensen 2014: 80). In conclusion, most CEECs (7 out of 10) meet all these requirements as liberal democracy, but Latvia, Bulgaria, and Romania are categorized as defective democracies in which not only are individual rights suspended but also horizontal accountability are limited.

Meanwhile, Zakaria declares that many CEECs since democratization "have moved

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[6] Of course, these two dimensions are not separable but deeply associated with each other.

successfully from communism toward liberal democracy" (Zakaria 1997: 28), saying "liberal democracy is a political system marked not only by free and fair elections, but also by the rule of law, a separation of power…" (Zakaria 1997: 22). He argues that CEECs are generally liberal than other 'illiberal' democracies in developing countries. Malova and Dolny (2008) maintain that CEECs secure human rights, horizontal accountability, and rule of law, but the link is still weak between institutions and electorates (i.e., vertical accountability). In line with this, Reik (2004) and Rose-Ackerman (2007) insist that, if the CEEC's democracy is investigated more critically, their level cannot reach to the fully consolidated democracies because institutions are not accountable for their citizens: Rose-Ackerman states "Full democracy cannot be attained unless the policy-making process is accountable to citizens through transparent procedures that seek to incorporate public input" (2007: 32). All in all, it can be argued that CEECs are certainly much closer to liberal democracies compared to other developing countries, but still somewhat defective compared to other liberal democracies.

To summarize, the above results show that most CEECs are substantially free under a rule of law at the individual dimension, and that many CEECs are liberal democracies at the institutional dimension as well. Indeed, Ekiert holds that CEECs after democratization are "not much different from established Western European democracies" (Ekiert 2012). Nonetheless, it should be also acknowledged that the democratic quality of CEECs is not still tantamount to that of old democracies. Compared to western European democracies, CEECs are not entirely "Full Democracy" and the degree of their institutional democracy (e.g., vertical accountability, horizontal accountability) is relatively incomplete as well. One more aspect to note is: There is an ongoing debate about whether recent developments such as restriction on the free press in Hungary and Poland will disqualify them as liberal democracies. Although it does not directly affect my analysis because the time period of this study's dataset is only available until 2010,

this discussion implies that CEECs have not yet reached to the full-fledged democracy.

2. New Politics Thesis and the PET in the Welfare Literature

As stated above, policy change has two interpretations: One is incrementalism and the other is non-incrementalism. Of these two contrasting viewpoints, the former typical of new institutionalism – focusing mainly on a slow and steady movement over time – dominates the mainstream welfare literature. In fact, "no matching theory in the welfare state literature can explain why non-incremental change should ever happen" (Jensen 2009: 289). The problem is, new institutionalism has one critical disadvantage that non-incrementalism typical of a radical welfare reform is overlooked and outside the scope of normality. As such, my paper proposes that the PET should be used as an alternative approach in the welfare literature, in the sense that it can successfully integrate two disparate welfare changes. More details are as follows.

One group of scholars belongs to incrementalism (Clegg 2007; see also Hacker 2004, Lessenich 2005, Streeck and Thelen 2005, and Thelen 2004).[7] Pierson, among them, takes the leading role in strengthening incrementalism's relevance to welfare policy (Pierson 1994; 1996; 1998; 2000; 2001). His main point is that a welfare state relies on path dependency; if some welfare policies are adopted at the initial stage, it is extremely difficult to reverse them. Because vested interests are inclined to resist against radical changes, vote-seeking politicians having a motivation to respond highly to the constituency stick to the extant system and only institute minor changes; here, note that vested interests are more skilled at organizing interest groups

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[7] Originally, incrementalism can be traced back to Lindblom (1979) in the study of public policy. However, this section focuses primarily on the debate relevant to the welfare literature.

and have powerful voices to deliver their opinions.[8] Furthermore, this logic is sustained due to regular elections in countries with democratic institutions. For this reason, politicians prefer to maintain the status quo as a strategy of 'politics of blame avoidance' (Pierson 1996). Since the publication of the 'The New Politics of the Welfare State', his thesis has become popular and been supported by a great number of follow-up studies. Now, Pierson's argument is treated as the most powerful theory in the welfare policy literature (Jensen 2009: 289-290).

The New Politics thesis is understood as part of new institutionalism in the sense that the thesis stresses the powerful influence of history and its in-built path dependent tendency. Further, both consider that status quo and gradual changes are normal, but non-gradual changes are exceptional cases outside their scopes. In this vein, they comprehend that institutions and their configurations can evolve in accordance with societal changes, but the speed is fairly slow. Accordingly, political institutional response to outside world (i.e., information input) typically remain rigid as well. The main problem with this approach does not, however, fit well with the actual dramatic changes typical of Hartz IV reform in Germany and the Thatcher government's radical reduction of benefit rights in the U.K.

On the other hand, the PET scholars assert that policy development be understood as coexistence of two different types of changes (i.e., incremental and non-incremental). They do think that non-incrementalism must be treated as equally as incrementalism. Baumgartner and Jones take initiatives in inventing the PET and in expanding its applicability both theoretically and empirically, mostly in the context of American politics and western Europe (Baumgartner and Jones 1991; Baumgartner and Jones 1993; Jones and Baumgartner 2005; Jones, Heather,

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[8] This powerful constraint "makes it difficult for various stakeholders to reform or retrench the already adopted programs. At best, what they can accomplish is a marginal reform of the core elements of the welfare state" (Adascalitei 2012: 60).

and John 2009; Baumgartner and Jones 2015). In consequence, as thoroughly discussed in the *Theory* section, the PET serving as a unification theory is one of the most convincing theories in nowadays public policy literature. Nevertheless, one critical question can be raised for this study. Then, how is it possible to apply the PET to a single welfare policy?

Jensen's study (2009) could be a clue. Admittedly, to some extent, new institutionalism (or the New Politics thesis) provides valuable insight into the question why politicians do not try to run a risk of making a reform surrounding welfare policy as long as possible. However, on the other hand, it does not explain why a big reform is implemented from time to time; and further, a welfare reform is literally important because its effect differs markedly from gradual adjustment. It really alters the tenets of welfare states all of a sudden. As such, the PET need to serve as an alternative approach, instead of new institutionalism, so as to explain two disparate changes consistently. Only in the PET model, dramatic shifts of the welfare policy are regarded as natural consequences.

Jensen further posits that, given the significance of re-election, it is also plausible that "politicians might be even more sensitive to shifts in the public agenda on welfare issues than on other issues" (Jensen 2009: 293). This way of thinking is opposed to new institutionalism' prediction concerning politicians' motivation, in the sense that the PET conceives that election must be thought of as an instrument for *not only* stability *but also* radicalness; the New Politics thesis, typically, considers election as an instrument not for change but rather for stability. Then, which prediction is empirically right? To this end, Jensen explores the PET's relevance to two welfare programs (i.e., old-age pensions, unemployment insurance) in mature welfare states. The author looks into the distribution of data to identify whether the PET is discovered, which is in accordance with the mainstream PET quantitative analysis. He draws a conclusion, based

on this analysis, that the PET is obviously much more suitable to depict the actual changes and

directions of welfare policies.

V. Hypotheses

The *Literature Review* section finds that the quality of liberal democracy in CEECs is approximately similar to that in established democracies, but it is hard to say that both are equal. Also, it is found that the PET can apply to a specific welfare policy. Building on these findings, this study first identifies whether the PET pattern is reproduced in CEECs outside the current PET scope, and further examines the extent to which the degree of punctuatedness in CEECs is different from that in old democracies.

I propose three central hypotheses in this section. The first is the 'institutionalization advantage' hypothesis. As Huntington suggests earlier, "institutionalization is the process by which organization and procedures acquires value and stability. The level of institutionalization of any political system can be defined by the adaptability, complexity, autonomy, and coherence of its organizations and procedures" (Huntington 1968: 12). The important thing to note here is that a high level of institutionalization, in general, requires a long period of maturity; which turns out that time is the first and biggest hurdle to 'democratic' transformation of institution. In fact, the upholding institutional principles after democratization diverge from those prior to democratization; to put it simply, new rules are newly embraced in a new era. Thus, institution-rebuilding takes the time to get accustomed to the new environment (after transition).

At this point, new democracies have not experienced enough institutionalization when compared with old ones. This issue leads to the relatively lower level of information processing capacity in CEECs, so that CEECs are less responsive to information input than established democracies because the CEECs' institutions have fewer mechanisms to handle social demands

in a proportionate way.[9] In practice, as mentioned in the ***Literature Review*** section, CEECs are less accountable to their citizens; some articles (Raik 2004; Rose-Ackerman 2007; Malova and Dolny 2008), for this reason, assert that CEECs are ostensibly full-fledged democracies, but their reality is not. As such, the CEECs' responsive threshold is expected to be higher than established democracies' one. Conversely, as established democracies have developed enough institutionalization, their institutional response to societal changes (i.e., information input) not only functions in a more proportionate way but also is relatively lower. This logical chain of thought is a revised version of 'informational advantage' hypothesis.[10] While the original one is proposed to be tested in the context of undemocratic states, my hypothesis is newly adapted for 'new' democracies. To wrap up, the institutionalization advantage hypothesis states:

H₁: The extent of punctuatedness in old democracies will be lower than that in CEECs.

The second *counter*-hypothesis is the 'veto point advantage' hypothesis, assuming that "any information gains provided by democratic institutions are outweighed by the frictions that accompany such institutions" (Baumgartner et al. 2017: 798). This logic is exactly opposed to the first hypothesis. In other words, institutional friction offsets the proportionate response (to outside world) of democratic institutions. The mechanism is, as meticulously explained in the ***Theory*** section, that institutional friction hinders the influx of information as an obstruction for a long time; the accumulation of information, however, eventually ends up with amplifying the extent of punctuatedness. Simply put, more institutional friction makes it less likely for political

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[9] In other words, the mechanism of institution's information processing capacity in CEECs is incomplete or unstable – immature institution.

[10] "Non-democracies have fewer mechanisms to gather information about societal problems, so the response threshold may be higher than in democracies" (Baumgartner et. al. 2017: 797).

system to react to information input proportionally.

Here, one interesting finding is that the level of institutional friction is generally lower in CEECs than in old democracies.[11] Evidence demonstrates that the CEECs' institution set-up is certainly more centralized than old democracies, given that the absence of federalism and weak bicameralism. Also, this conclusion is consistent with my discussion about institutional dimension of the CEECs' democracy, as provided in the **Literature Review** section; that is, the degree of separation of formal institution is relatively lower in CEECs than in old democracies. While the dominant PET literature seems to support that institutional friction enhances the level of punctuatedness against backdrop of established democracies, it might not be necessarily the case. As pointed out in the **Theory** section, Walgrave and Nuyteman (2009) state that the reason why the PET is strongly observed in party program (manifesto) is not because of institutional friction but rather because of information processing caused by human's cognitive limitation. Also, the most recent PET article reveals that "evidence supports the information hypothesis rather than the institutional (friction) hypothesis" (Baumgartner et al. 2017: 801) through the comparison of democratic and authoritarian regimes. In this context, whether old democracies with more institutional friction shows a higher extent of punctuatedness than CEECs with less institutional friction is by itself worth testing. To summarize, the second hypothesis is:

H2: The extent of punctuatedness in old democracies will be higher than that in CEECs.

The third is the 'program type advantage' hypothesis, which directly borrows from

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[11] The measurement of institutional friction is to compute additively the number of veto point, following the logic of Huber and Stephens (2001; 2014). Their method is parsimoniously used in the study of comparative welfare states. Its details and veto point results are discussed in the **Method and Data** and **Findings** section.

Jensen's article (2007). Just as every policy area is not equivalently important, the level of public support for welfare policy varies depending on the property of program. Jensen's finding is that welfare program can be largely subdivided into two categories; 'fixed-needs' (e.g., old-age pensions) and 'variable-needs' program (e.g., unemployment insurance). The former is the program which significance is strongly sustained almost under all circumstances irrespectively of socio-economic conditions, whereas the gravity of the latter is different depending on socio-economic performance. Simply put, old-age pensions have the 'fixed' welfare attitude (needs) of the public since this program is where everybody becomes its current or potential beneficiary. On the other hand, unemployment insurance has the 'variable' welfare attitude (needs) of the public because the degree of public support fluctuates according to economic cycle. Several empirical researches demonstrate, as Jenson mentions, that public support (or welfare attitude) for unemployment compensation is high during economic downturns, but it becomes relatively lower when economy continues to prosper. (Jensen 2007: 142-143; Blekesaune and Quadagno 2003: Blekesaune 2007).

Then, why does public attitude swing more swiftly in the variable-needs program? The answer is: When economy is going bad and the rate of unemployment increases, people are more afraid of risks beyond their control (Blekesaune and Quadagno 2003: 424). On the other side, people have fewer incentives to support for spending in unemployment insurance when economy is going well and the rate of unemployment stays low. To sum up, varying levels of support depending on welfare program imply that "unemployment insurance is generally easier to reform than old-age pensions" (Jensen 2009: 299), meaning that the extent of punctuatedness will be higher in unemployment and sick pay insurance[12] than in old-age pensions.

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[12] The feature of sick pay insurance is judged to be variable-needs program. Jensen argues that the labor market

Lastly, then, why is the 'program type advantage' hypothesis tested in this paper? Here are two reasons. First, this hypothesis test shows which program has more relative stability in a long time; in other words, which one is *relatively* closer to new institutionalism rather than to the PET? This analysis shows why the PET is a more comprehensive theory including new institutionalism. Second, just as institutional friction is recently developed in order to avoid the trap of context-free analysis, this hypothesis is also tested to add contextual realism to the basic PET model (i.e., the first hypothesis). To sum up, the third hypothesis is presented as follows:

H₃: The extent of punctuatedness in unemployment and sick pay insurance will be higher than that of old-age pensions.

In sum, the first is to test the impact of institutionalization on institutional information processing capacity (response to outside world). The second is to test the ability or limitation of institutional friction in the context of division of formal power (horizontal accountability). The third is to test varying levels of punctuatedness depending on welfare program. Here, the second and third are expected to add rich implications to the basic PET model.

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hosts most of the variable-needs program (Jensen 2007: 143). In fact, sick pay insurance aims at needs in the event of temporary non-occupational status due to illness or injury.

VI. Method and Data

1. Method

This paper gauges the degree of kurtosis so as to identify whether the pattern suggested by the PET emerges in the CEECs' welfare policy area. This novel method is very common in the PET field, but still looks peculiar to other researchers. It thus needs an elaboration. In the first place, the patterns of distributions are subdivided into three; platykurtosis, mesokurtosis, and leptokurtosis. The first has flat central peak and thick shoulders, the second refers to normal distribution, and the third comprises tall central peak, weak shoulders, and long tails; the first is opposed to the third. Likewise, three different distributions have disparate shapes involved with dissimilar implications of the pattern of policy change, respectively. This paper, amongst them, turns attention to the differentiation between mesokurtosis and leptokurtosis. To this end, this paper utilizes a histogram and numerical tests, which helps highlight the contrast between new institutionalism (mesokurtosis) and the PET (leptokurtosis). Another note is that, for the purpose of a regional comparison and contextual realism, this paper adds two key factors such as institutional friction and type of welfare program.

New institutionalism (i.e., incrementalism) is in line with normal distribution because "this year's policy is composed of last year's policy plus a small random error, which is made up of a lot of more or less independent factors. It follows from the Central Limit Theorem that the sum of many independent factors will be normally distributed" (Jensen 2009: 294). On the contrary, the PET is in accordance with leptokurtosis because tall central peak means a longer period of stability rather than new institutionalism posits and, at the same time, long tails means

sudden large non-incremental responses (Breunig 2006; Jones and Baumgartner 2005). Hence, the distribution of punctuated equilibrium has 'excessive' observation both around zero (center) and in the tails (extreme(s)), when compared with normal distribution of new institutionalism (Robinson 2004: 31).

A scrutiny of kurtosis indicates that it has a few significant advantages. First or all, it is the most useful, productive, and simplest way to find out the pattern implied by the PET. Its first step is to take a look at the histogram, which shows how 'actual' data is distributed through the comparison to the 'hypothetical' line of normal distribution. However, only an analysis of histogram might be sometimes ambiguous to interpret the pattern with precision. Second, on that account, the PET scholars conduct three additional numerical tests such as sktest, Shapiro-Wilk normality test, and Shapiro-Francia normality test. Not only do all these three tests help confirm the result of histogram, but they have one great advantage that the minimum number of observation is tiny; sktest for 8 observations, Shapiro-Wilk for 4 observations, Shapiro-Francia for 5 observations. All these tests help remove the vagueness of the interpretation of histogram. Lastly, the value of kurtosis and L-kurtosis shows whether the distribution of a given data is mesokurtic or leptokurtic. When kurtosis is above 3 or L-kurtosis is above 0.123, the distribution is judged to be leptokurtic – i.e., punctuated equilibrium (Baumgartner et al. 2009; Jensen 2009).[13]

Note that L-kurtosis is especially an ingenious method. The reasons are as follows. The use of L-kurtosis is, above all, available in samples smaller than 100. Rather, it is regarded as more accurate in small samples than maximum likelihood estimate (Hosking 1990; Jensen

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[13] Unlike Baumgartner and Jones, Walgrave and Nuytemans (2009) argue that, if L-kurtosis is closer to 0.125, the distribution of data is normally displayed. In this paper, it is judged that there is little difference between 0.123 and 0.125 in terms of criteria.

2009). This advantage is quite meaningful, given that CEECs suffer from lack of data across time. As I mentioned above, this is not only because reliable data is insufficient but also because new born countries are mixed. In this regard, L-kurtosis is quite a handy method as a means to overcome the issue of data in emerging democracies. Most importantly, L-kurtosis is scale free, stochastically more stable, and less influenced by single outliers rather than simple kurtosis (Baumgartner et al. 2009: 612). These features "allows for the comparison of different variables" (Jensen 2009: 295). Accordingly, researchers have much more freedom to handle and compare the data.

Building on this discussion, the actual sequence is as follows. For descriptive statistics, I first compute year on year percentage change in three major welfare policies, respectively. Its equation is "year on year percentage change = 100 X (the next year's replacement rate – this year's replacement rate) / this year's replacement rate". Next, in order to surmise the CEECs' regional pattern, this paper assembles year on year percentage change in each welfare program into a single variable. Then, histogram and numerical tests are conducted in order. Through this work, I find out the values of kurtosis and L-kurtosis. The same work repeats among mature welfare states.

2. Data

This paper makes use of a variety of indices. First, for the measurement of democracy, I employ two indices such as the FHI and Polity IV. The FHI shows an outstanding performance at capturing the individual level of political rights and civil liberties. However, the focal point of my paper is also placed at the institutional dimension of liberal democracy as well as at the individual level of freedom. For this reason, the Polity IV index is added. In practice, Polity IV

is a more convenient index in sorting political regime than the FHI. This measurement issue and detailed account are already discussed in the ***Literature Review*** section.

Second, as for the measurement of institutional friction, this paper follows the logic of Huber and Stephens (2001) and Jensen (2009). "Institutional friction is operationalized as the number of veto point" (Jensen 2009: 296). The authors further understands that it is an additive index with *degree of federalism* (0=no federalism, 1=weak federalism, 2=strong federalism) + *presence of presidentialism* (0=no & parliamentary system, 1=yes & presidential or collegiate executive) + *degree of bicameralism* (0=no & only one chamber, 1=medium-strength or weak bicameralism & two chambers but one substantially stronger than the other, 2=strong bicameralism & two chambers with relatively equal power) + *degree to which referenda are used in national policy making* (0=never or infrequently, 1=frequently). The biggest advantage of this measurement is parsimony, which computes the friction of formal institution in a concise way. Also, this is perfectly consistent with the previous PET studies and comparative welfare literature. One remaining problem is that there is no comparable data about CEECs. As such, I use the additive data I gather on my own, referring to raw data made by Huber and Stephens (2001) and Brady et al. (2014). The data is basically compiled referring to each nation's constitution; Bulgaria, for instance, has no federalism (0), parliamentary system (0), one chamber (0), and rare referenda at the national level (0). As a result, its additive veto point is 0+0+0+0=0.

Third, there are two major approaches with reference to how to measure welfare policy. Pierson's New Politics thesis capitalizes on public spending and social welfare expenditure, whereas Allan and Scruggs' article (2004) proposes the replacement rate as an alternative data. Allan and Scruggs point out that the total welfare expenditure has a natural tendency to increase

over time due to various socioeconomic reasons; for instance, if the demands of welfare go up as a negative consequence of globalization or economic recession, even though the government radically cuts down the benefit rights, the total welfare expenditure can remain similar or even increase. This is because an increasing number of population who depends on welfare benefits can exceed the declining number of population experiencing benefit reduction. In this situation, if we use public spending as a variable, it conceals the truth of welfare retrenchment (Allan and Scruggs 2004). For this reason, this paper utilizes the replacement rate, offered by the CWED2 whose PIs are Lyle Scruggs, Kati Kuitto, and Detlef Jahn, as the measurement of welfare policy.

This dataset presents the formal replacement rate of three major decommodification indices (unemployment insurance, sick pay insurance, and pensions), instead of measuring the budget. First and foremost, as noted in the previous paragraph, these indices can reflect 'actual' change of each welfare program because it is computed "as relative to the income of the average production worker" (Jensen 2009: 296). Therefore, this index is free from a variety of variable macro-economic indices or welfare expenditure which usually tend to increase over time due to several reasons such as the rising aging population. Second, the data is trustworthy because a single team has continued to conduct the ongoing research project. This issue is important because one need to "be certain that punctuations are caused by actual policy changes and not breaks in the data series, etc." (Jensen 2009: 295).

The time period of all data in this paper covers from 1995 to 2010 for a fair comparison, except for 1993-4 old-age pensions in Czech Republic and 1992-4 unemployment insurance in Hungary. These exceptions are included as raw data because this study need to gain the number of observation in CEECs as many as possible, given lack of data in this region; and further, they are not outliers. Meanwhile, 1995 Romania data is removed from raw data because it fails

to belong to democratic regime at the time.

VII. Findings

First of all, the Table 2 describes the number of veto point both in CEECs and in mature welfare states. In general, the veto point is lower in CEECs than in mature welfare states. Not only its average & median are lower in CEECs (0.7 & 0.5) than in mature welfare states (1.61 & 1), but its range is also smaller in CEECs (from 0 to 2) than in mature welfare states (from 0 to 6). Further, half of the CEECs do not any veto player point (0). The details are described in Table 2.

Built upon this index, the Table 3 and Table 4 are the summary of descriptive statistics in CEECs and in mature welfare states, respectively. All data come from the replacement rate of unemployment insurance, sickness insurance, and pensions in CWED2. Note that the overall standard deviation is much bigger in CEECs (27.21) than in mature welfare states (3.76), which means that the degree of dispersion is higher in CEECs; it can be due to the influence of outliers. This tendency is identically observed in every welfare program; that is, all standard deviations in unemployment insurance, sick pay insurance, and pensions are higher in CEECs (41.32, 7.59, 20.72, respectively) than in mature welfare states (4.32, 2.86, 3.92, respectively).

The Figure 1 and Figure 2 portray the pattern of policy change in CEECs and in mature welfare states. Both histograms assure us that the pattern suggested by the PET is reproduced both in CEECs and in mature welfare states. Both regions have higher peaks, weaker shoulders, longer tails, and several outliers that catch the eye, when compared with normal distribution. Next, in order to reconfirm the pattern of distribution, this paper conducts the afore-mentioned three types of numerical tests (i.e., sktest, Shapiro-Wilk, Shapiro-Francia). The result is that we can reject the hypothesis that the data is normally distributed, because the p-value is almost near zero in every test. Lastly, the level of kurtosis and L-kurtosis is also a lot higher above 3

and 0.123 in any region. The kurtosis score is 182.415 in CEECs and 35.392 in old democracies. The L-kurtosis value is 0.555 in CEECs and 0.404 in old democracies. To summarize, all tests demonstrate that distribution of welfare policy change is leptokurtic in both regions during the same period (basically, 1995-2010). These findings lead to a robust conclusion that the pattern of the PET is identified in emerging democracies as well in established ones.

Then, what differentiates the pattern of CEECs from that of mature welfare states? To what extent? To this end, three hypotheses are tested.

To begin with, in regard to the first hypothesis, the L-kurtosis value of CEECs (0.555) is higher than that of mature welfare states (0.404). This finding implies that the mechanism of the CEECs' information processing capacity is less complete and stable because of relative low level of institutionalization, so that their response threshold is relatively high and thus the level of punctuatedness augments. In other words, for such a long time, CEECs are less likely to be responsive to information input rather than mature welfare states, but at some point, it erupts more dramatically. In fact, if one takes a look at each histogram, the percentage change from previous year (%) is much steeper in CEECs than in mature welfare states: While the range covers from -15.38 to 44.57 in mature welfare states, it covers from -50 to 454.44 in CEECs. That is, outliers stand out more starkly in CEECs than in mature welfare states, which suggests that the extent of punctuatedness is more drastic in CEECs. It is also consistent with the above-mentioned bigger standard deviation in CEECs.

Then, what about the second hypothesis if the first one proves true? As stated above, in terms of mean and range, the number of veto point is certainly smaller in CEECs than in mature welfare states. The second hypothesis argues that more institutional friction leads to an increase in the extent of punctuatedness, so that the L-kurtosis value of mature welfare states

will be higher than that of CEECs. However, the result shows lower level of kurtosis in mature

welfare states (0.404) than in CEECs (0.555). The Table 5 further finds that, within CEECs,

countries with institutional friction (veto point: 1 & 2) present lower level of L-kurtosis (0.489)

than those with absence of institutional friction (veto point: 0) do (0.607); which indicates that

the informational advantage of democratic institutions outweighs the institutional advantage in

the context of emerging democracies (CEECs). It is concluded that, unlike the prediction of the

dominant PET studies, less institutional friction induces high level of punctuatedness.

One noteworthy aspect of the Table 5 is that the same tendency is identified even within

mature welfare states, suggesting that the notion that more institutional friction amplifies the

level of punctuatedness may not be true even in old democracies: Countries with high level of

veto point show lower degree of L-kurtosis (0.345) than those with low level of veto point do

(0.413). This finding is inconsistent with Jensen's finding (2009) with regard to the pattern of

welfare policy in mature welfare states: Jensen says that evidence supports "the general finding

of the punctuated equilibrium literature that countries with a lot of friction will see extended

periods of stability, punctuated by dramatic changes" (2009: 299), but my finding indicates that

countries with a lot of friction show lower extent of punctuatedness.

One possible explanation for this inconsistency is that time period of data could affect

the ramification. Some might argue that time period of my data is too short (around 15 years),

so that my result is less convincing. However, it appears that it is not necessarily the case. Once

again, in order to confirm if data creates the inconsistency with the established PET evidence,

this paper conducts the above-mentioned tests with 'all available data' (1971-2011). As a result,

the Table 6 reinforces my position that the dominant notion (i.e., the more institutional friction,

the bigger the extent of punctuatedness) does not hold true surrounding a single welfare policy

area in old democracies. At the same time, this finding is in line with Walgrave and Nuytemans (2009), in that the authors' evidence raises the question about the validity of Progressive Friction Hypothesis in mature welfare states.

However, just as Jensen (2009) states that "the difference between the two L-kurtosis values is slight" – i.e., high veto point (0.456) versus low veto point (0.440), my result using 41 years' data also implies that the difference of the two L-kurtosis is so tiny – i.e., high veto point (0.466) versus low veto point (0.472). In conclusion, it can be thus argued that, the effect of veto point on the extent of punctuatedness is ambiguous. Of course, at least within a single welfare policy area, we can say that institutional friction does not have a great influence on an increase in the extent of punctuatedness, both in old democracies and in CEECs.

Lastly, the Table 7 describes varying levels of L-kurtosis according to welfare program. In both CEECs and mature welfare states, the L-kurtosis values of unemployment and sick pay insurance are all higher than L-kurtosis of old-age pensions. Thus, evidence supports the third hypothesis. To put it another way, the 'variable-needs' unemployment and sick pay insurance greatly influenced by economic cycle are generally easier to reform rather than the 'fixed-needs' old-age pensions supported by public support under all circumstances. That is why the former's policy punctuation takes place more frequently than the latter. Relatively speaking, old-age pensions are closer to new institutionalism than two other programs, though, of course, *all three programs shape the PET.* This finding is quite intriguing because Myles and Pierson, in fact, present 'the reform of old-age pensions' as empirical evidence in order to strengthen the New Politics thesis (Myles and Pierson 2001); which again turns out that the PET can include new institutionalism, not being contradictory each other, in that the PET has an exploratory power of not a single program but all three welfare programs.

VIII. Concluding Remarks

This paper aims to identify if the PET pattern is observed in CEECs' welfare policy. It has three implications. First, the PET is more plausible than new institutionalism in the welfare literature. The mainstream welfare theories tend to concentrate on incrementalism; in contrast, the PET incorporates incrementalism and non-incrementalism into a single framework. In this respect, the PET is a theoretical advance distinguishing from the conventional incrementalism. Second, it is found that the PET can be applied to CEECs. Most of the extant PET literature is confined to advanced countries. Even, recently, several articles begin to focus on how the PET is detected in autocratic or authoritarian regimes, but there is no study dealing with CEECs as a whole in the PET field. In conclusion, this paper suggests that the PET pattern is discovered amongst CEECs. Lastly, based on this finding, this paper further examines the extent to which punctuatedness varies depending on the level of institutionalization, institutional friction, and the property of welfare program: 1) The level of punctuatedness is bigger in CEECs than in old democracies since CEECs have not experienced enough institutionalization due to relative lack of time accumulation and then, their institutional information processing capacity is incomplete. 2) It is unclear that more institutional friction does lead to higher level of punctuatedness both in CEECs and in old democracies, which challenges the established PET evidence. 3) Amongst three welfare programs, old-age pensions are relatively more stable than unemployment and sick pay insurance. Thus, the extent of punctuatedness is lower in old-age pensions than in two other programs. This tendency is valid both in CEECs and in old democracies.

Despite these insightful findings, as many PET studies reveal, the PET still has several shortcomings. First, it is hard to predict when policy punctuation takes place and exactly what will trigger dramatic changes. Second, related to the first demerit, some vital concepts such as

the shift of policy image and the collapse of policy monopoly are too abstract to be measured in quantitative terms. Third, the relationship between the level of institutional friction and the extent of punctuatedness is still fuzzy. Not only does my paper challenge the dominant notion, but a couple of articles (i.e., Walgrave and and Nuytemans (2009), Baumgartner et al. (2017)) also cast doubt on whether more veto point is really linked to the surge of punctuatedness.

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Appendix

Table 1: The Comparison of Freedom House Index and Polity IV in CEECs

	Freedom House Index (Status)	Polity IV (Regime Trend)
Bulgaria	Free	Democracy
Czech	Free * 1993-1994: Free	1995-2005: Full Democracy 2006-2010: Democracy * 1993-1994: Full Democracy
Estonia	Free	Democracy
Hungary	Free * 1992-1994: Free	Full Democracy * 1992-1994: Full Democracy
Latvia	Free	Democracy
Lithuania	Free	Full Democracy
Poland	Free	1995-2001: Democracy 2002-2010: Full Democracy
Romania	*1995: Partly Free* 1996-2010: Free	*1995: Open Anocracy* 1996-2010: Democracy
Slovakia	1995: Free *1996-1997: Partly Free* 1998-2010: Free	1995-2005: Democracy 2006-2010: Full Democracy
Slovenia	Free	Full Democracy

* The Czech Republic and Hungary include 1993-4 and 1992-94 data because of the CWED policy data analyzed later in this paper.

Table 2: The Number of Veto Point in CEECs and Mature Welfare States

	Federalism	Presidentialism	Bicameralism	Referendum	Veto (Total)
Central European and Eastern Countries					
Bulgaria	0	0	0	0	0
Czech	0	0	1	0	1
Estonia	0	0	0	0	0
Hungary	0	0	0	0	0
Latvia	0	0	0	0	0
Lithuania	0	1	0	0	1
Poland	0	1	1	0	2
Romania	0	1	1	0	2
Slovakia	0	0	0	0	0
Slovenia	0	0	1	0	1
Mean(Median)					0.7 (0.5)
Mature Welfare States					
Australia	1	0	2	0	3
Austria	1	0	0	0	1
Belgium	2	0	1	0	3
Canada	2	0	0	0	2
Denmark	0	0	0	0	0
Finland	0	1	0	0	1
France	0	1	0	0	1
Germany	2	0	2	0	4
Ireland	0	0	0	0	0
Italy	0	0	1	0	1
Japan	0	0	1	0	1
Netherlands	0	0	1	0	1
New Zealand	0	0	0	0	0
Norway	0	0	0	0	0
Sweden	0	0	0	0	0
Switzerland	2	1	2	1	6
UK	0	0	0	0	0
USA	2	1	2	0	5
Mean(Median)					1.61 (1)

Table 3: Year on year percentage change (%), 1992-2010 (CEECs)

	All Policy			Unemployment			Sick Pay			Old-age Pensions			Veto
	Obs.	Mean	SD	Obs.	Mean	SD	Obs.	Mean	SD	Obs.	Mean	SD	
Bulgaria	45	2.31	20.98	15	8.03	31.05	15	-3.33	12.91	15	2.22	13.55	0
Czech	47	-2.46	9.92	15	-2.04	6.75	15	-0.49	13.09	17	-4.57	9.2	1
Estonia	45	10.30	68.83	15	28.76	118.91	15	-0.59	2.99	15	2.73	13.59	0
Hungary	48	-1.62	5.97	18	-2.56	6.43	15	0.01	5.68	15	-2.13	5.73	0
Latvia	45	1.12	21.33	15	8.66	34.84	15	-0.90	4.13	15	-4.40	10.04	0
Lithuania	45	1.74	18.38	15	5.12	30.09	15	-1.77	8.63	15	1.86	7.53	1
Poland	45	-1.46	6.95	15	-2.25	7.11	15	1.09	6.55	15	-3.22	6.89	2
Romania	42	2.16	35.79	14	1.16	10.76	14	-0.78	6.54	14	6.11	62.08	2
Slovakia	45	-1.72	8.95	15	-0.39	5.36	15	-1.53	6.06	15	-3.24	13.48	0
Slovenia	45	0.70	5.26	15	3.69	7.35	15	0.55	1.80	15	-2.14	3.41	1
Total/Mean	452	1.07	27.21	152	4.70	41.32	149	-0.78	7.59	151	-0.77	20.72	0.7

Table 4: Year on year percentage change (%), 1995-2010 (mature welfare states)

	All Policy			Unemployment			Sick Pay			Old-age Pensions			Veto
	Obs.	Mean	SD	Obs.	Mean	SD	Obs.	Mean	SD	Obs.	Mean	SD	
Australia	42	-1.01	3.70	15	-1.72	2.29	15	-1.72	2.29	12	0.76	5.73	3
Austria	45	0.44	4.01	15	-0.15	0.70	15	1.22	6.84	15	0.26	1.47	1
Belgium	45	0.46	2.76	15	0.28	2.84	15	-0.38	0.97	15	1.47	3.60	3
Canada	45	-0.48	1.77	15	-0.53	1.12	15	-0.44	2.14	15	-0.48	2.01	2
Denmark	45	-0.61	4.32	15	-0.77	5.76	15	-0.84	3.90	15	-0.23	3.14	0
Finland	45	-1.07	1.89	15	-0.78	2.29	15	-0.45	1.00	15	-1.97	1.91	1
France	45	-0.14	2.32	15	-0.28	1.50	15	-0.12	1.30	15	-0.03	3.60	1
Germany	45	-0.10	3.08	15	0	0	15	-0.43	3.23	15	0.12	4.39	4
Ireland	45	1.08	5.56	15	0.88	5.81	15	0.28	4.82	15	2.08	6.20	0
Italy	45	2.19	8.61	15	5.36	13.03	15	0.16	0.70	15	1.04	6.79	1
Japan	45	0.58	3.79	15	-0.30	5.08	15	1.31	3.48	15	0.72	2.42	1
Netherland	45	0.64	1.98	15	0.55	1.54	15	0.55	1.05	15	0.84	2.97	1
New Zealand	45	-0.95	1.73	15	-1.17	1.60	15	-1.44	1.73	15	-0.25	1.72	0
Norway	45	0.68	2.51	15	0.08	0.23	15	0	0	15	1.97	4.13	0
Sweden	45	-1.19	3.78	15	-1.50	4.64	15	-0.17	2.58	15	-1.91	3.86	0
Switzerland	45	-0.30	1.63	15	-0.11	1.47	15	0	0	15	-0.80	2.39	6
UK	45	-0.59	3.72	15	-1.31	1.54	15	-0.79	2.20	15	0.34	5.90	0
USA	30	-0.26	1.39	15	0.09	0.33	-	-	-	15	-0.60	1.91	5
Total/Mean	792	-0.03	3.76	270	-0.08	4.32	255	-0.19	2.86	267	0.18	3.92	1.61

Figure 1: Distribution of welfare policy change in CEECs, 1992-2010
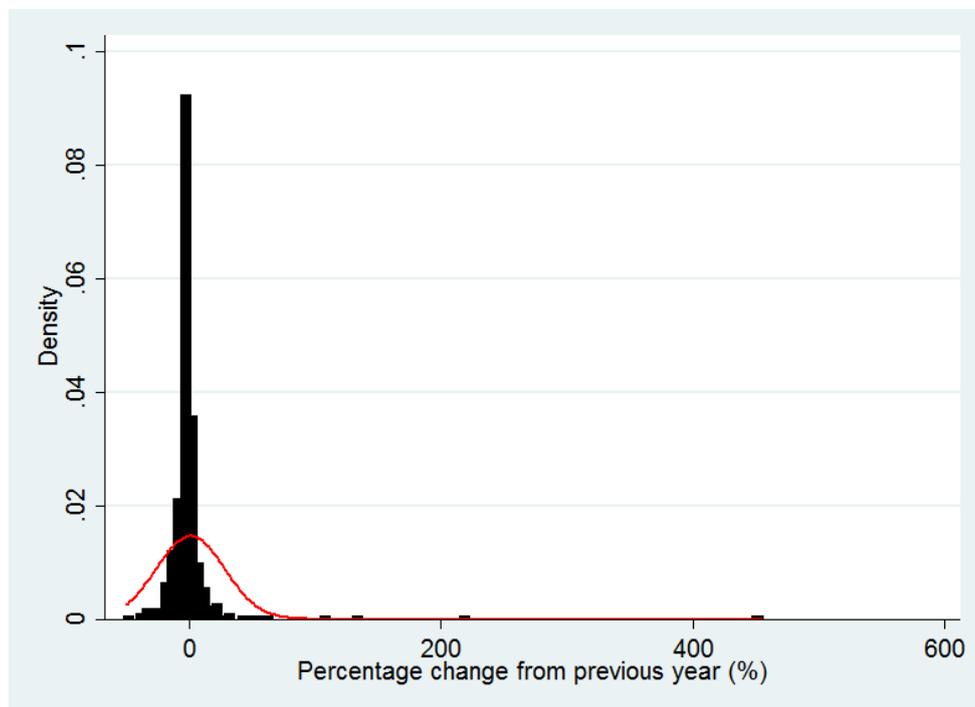
* Number of observation = 452, Kurtosis = 182.415, L-kurtosis = 0.555

Figure 2: Distribution of welfare policy change in mature welfare states, 1995-2010
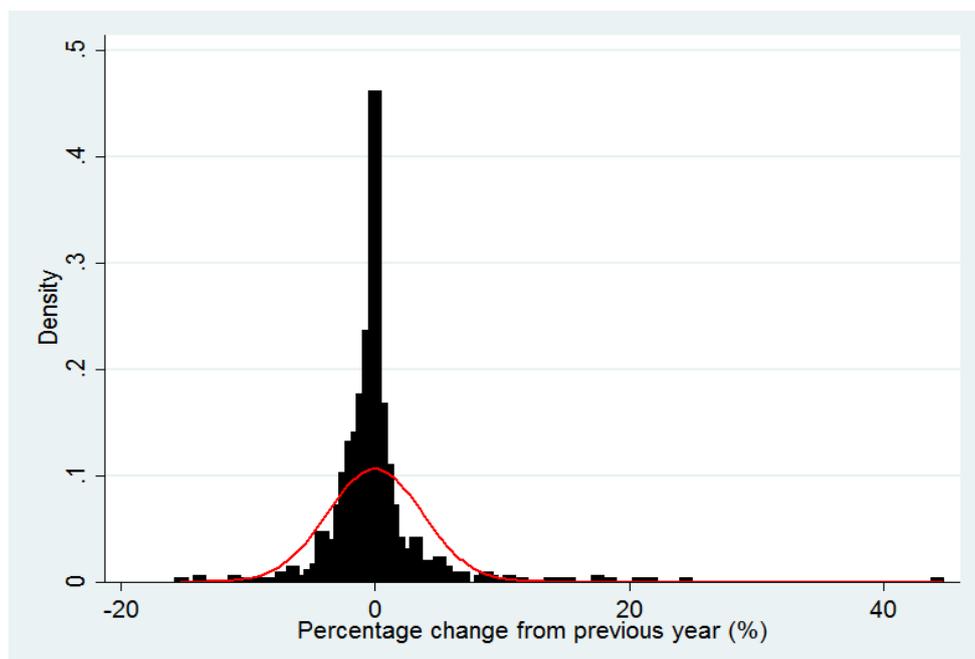
* Number of observation = 792, Kurtosis = 35.392, L-kurtosis = 0.404

Table 5: L-kurtosis according to the Level of Institutional Friction (1992-2010)

	CEECs	Mature Welfare States
Low (or Absent)	0.607	0.413
High (or Present)	0.489	0.345
All	0.555	0.404

* The median veto point is 0.5 in CEECs, but it is 1 in mature welfare states. Hence, within CEECs, countries above 0.5 are considered to host high level of institutional friction – Absent versus Present. On the other hand, within mature welfare states, countries with more than 1.0 are categorized to have high level of institutional friction – Low versus High. The reason why these different criteria are applied is because we need to secure sufficient number of countries for a fair test.

Table 6: L-kurtosis according to the Level of Institutional Friction (1971-2011)

	Mature Welfare States
Low (or Absent)	0.472
High (or Present)	0.466
All	0.478

* Countries with more than 1.0 are considered to host high level of institutional friction.

Table 7: Comparison of L-kurtosis according to the Type of Welfare Program

	CEECs	Mature Welfare States
Unemployment Insurance	0.626	0.467
Sick Pay Insurance	0.604	0.424
Old-age Pensions	0.399	0.323
All policy	0.555	0.404