Varieties of Capitalist Democracy: What Difference Does East-Central Europe Make?

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ABSTRACT

The establishment of capitalist democracies in East-Central Europe raises the question of whether existing accounts of varieties of capitalist democracy need to be revised. This article provides a systematic quantitative comparison of varieties of capitalist democracy in the Czech Republic, Hungary and Poland with 19 other OECD countries. It finds that the East-Central European cases constitute a distinctive cluster; that they have much in common with Greece, Iberia and Ireland and that they are closer to the continental European than the liberal variety of capitalist democracy. These results have important implications for the internal politics of the European Union, prospects of an East-Central European repeat of the relative success of Ireland and the Mediterranean in the European Union, and debates about the influence of neo-liberalism on public policy.

The collapse of European communism and the admission of East-Central European states to the European Union and OECD raises the question: how many varieties of capitalist democracy exist today? Given the sharp divergence between the communist states and the capitalist democracies for over 40 years, the former communist states make an intriguing group for investigating the global diversity of capitalist democracy.

Capitalism is an economic system in which 'the means of production and the capacity to work are owned privately and there are markets in both'. (Przeworski 1991: 101) Democracy is a political system in which the principal decision makers are 'elected [in] free, fair and frequent elections [in the context of] freedom of expression, alternative sources of information, associational autonomy and inclusive citizenship'. (Dahl 1998: 85) Notwithstanding important legacies from the socialist authoritarian past, academics, international organisations, journalists, and citizens all accept that the countries of East-Central Europe, as capitalist democracies. Moreover, capitalist democracy has been consolidated in

East-Central Europe in the sense that no significant group, domestically or externally, considers an alternative system. There is little doubt that East-Central European capitalist democracy will continue into the foreseeable future.

It has long been accepted that there are different varieties of capitalist democracy. Frequently, this literature engages in grand contrasts, like those between pluralism and corporatism (Goldthorpe 1984) or between liberal and co-ordinated market economies (Hall and Soskice 2001). Other authors identify smaller groups, such as the Scandinavian or Mediterranean models. Finally, studies of individual states in comparative perspective are well integrated into the wider literature (Timonen 2003). Given this literature, the emergence of capitalist democracies in East-Central Europe poses the following fundamental questions. To what extent do the new cases (1) add yet another variety; (2) fall into a pre-existing category; (3) reconfigure previous divisions?

There are a number of competing views of the comparative status of Central Europe. Many authors emphasise the effects of the era before the transformation of communism. Sometimes this leads to an emphasis on the shared legacy of communism and at other times the impact of the different histories of the countries before and during communism is stressed (Bunce 1999). Another group of scholars tends to concentrate on the recent post-communist past. One group perceives the neo-liberalism of the 'Washington Consensus' to be profoundly important in post-communist development (Williamson 1993: 1329; Gerskovits 1998). A different literature investigates progress towards the not-necessarily-neo-liberal norms of the European Union (Ágh 1999; Goetz 2001). The latter has been the clear first preference of most Polish and Hungarian governments, and also some Czech ones. This paper seeks to go beyond the existing literature by explicitly addressing the distinctiveness of East-Central European political economies. It employs a wider and more appropriate range of variables and cases than is usual and analyses the data using cluster analysis, which is probably the most direct form of numerical taxonomy.

Variables and cases

Studies that assess the distinctiveness of East-Central European capitalist democracy tend to be too restricted in their choice of variables or cases. Most authors restrict themselves to the political, economic or social welfare spheres and to a limited number of indicators within a given sphere. An interesting body of research focuses on property relations (Eyal et al. 1998; Staniszkis 1998; Stark and Bruszt 1998). This is the only literature, which even occasionally aspires to a comparison of capitalist

democracies as overall social systems. This aspiration is based on the definition of capitalism as an economic, political and social system that privileges private ownership of the means of production and the distinctiveness of East-Central Europe as an area where capitalism was 'introduced' in the absence of widespread private ownership. While this is convincing as a justification for detailed research on East-Central European property relations, it is less convincing as an argument that property relations constitute a master variable from which the configuration of the economic structure, political institutions and social welfare is derived. Another valuable literature focuses on political parties crucial in new representative democracies (Kitschelt et al. 1999; Mair 1996; Lewis 2001), and an emerging literature investigates social welfare regimes (Lipsmeyer 2000). Neither of these literatures suggests that they are looking at anything but a sub-system of an overall capitalist democracy.

Two related reasons for the neglect of the overall distinctiveness of East-Central Europe are the difficulty of defining the key elements that distinguish capitalist democracies from each other and the difficulty of collecting valid data for a variety of countries. Clearly, there can be no single way of conceptualising and measuring varieties of capitalist democracy. However, the following are reasonable criteria, which any useful approach should fulfil. Firstly, the measures should be relatively comprehensive. Capitalist democracies are too complicated and multi-faceted to be reduced to a single 'efficient secret'. Secondly, the measures should vary significantly so that they distinguish between types of capitalist democracies, rather than distinguish all capitalist democracies from other regimes. Thirdly, the measures should co-vary significantly. This ensures that systemic characteristics rather than a haphazard collection of unrelated phenomena are being measured. Fourthly, the validity of the measures should be reasonably equal across cases.

Comparative political economy has for decades compared capitalist democracies on the basis of a wide range of well-researched and largely uniformly measured variables relating to politics, social welfare and economic structure. This term is intended to refer to a research programme stretching back to Shonfield's *Modern Capitalism* (1969) and Goldthorpe's *Order and Conflict in Contemporary Capitalism* (1984), continuing up to Hall and Soskice's *Varieties of Capitalism* (2001). Some authors in this tradition write of 'capitalism' (Hall and Soskice 2001) while others write of 'capitalist democracy' (Kitschelt et al. 1999b). The latter is preferred because it more accurately identifies the sample of countries to which the literature refers and emphasises the interdependence of the political and economic spheres (Lindblom 1977).

The comparative political economy literature fulfils the criteria for comparison outlined above. However, there are three possible dangers in applying this literature to East-Central Europe. Firstly, since this literature was explicitly designed to study Western capitalist democracies, it might ignore the sources of distinctiveness in non-Western (or neo-Western) countries by forcing them into existing categories. While this danger cannot be eliminated, it is important to note that comparative political economy has been very sensitive to diversity. It has long admitted the difficulty of classifying cases such as France, Italy and Ireland. The addition of Mediterranean cases has led to the formation of a whole new category (Ferrera 1996). A second objection is that this school has focused on long-term patterns in stable countries and is unsuited to the study of transitional societies. The first response to this argument is to say that this is not the early 1990s. While East-Central Europe may be changing faster than other parts of the world, the next few years are unlikely to bring substantially new patterns of politics, economics or social welfare. The era of sudden systemic change and decisions about basic structures is over. The second, and more fundamental, response to the instability argument is that it is not so much the overall validity of the exercise but the manner of its interpretation that is in question. This is a snapshot of East-Central Europe around the turn of the millennium, and as such, is useful in itself. No assertion about the long-term trajectory of societies is being made. Thirdly, there may be, and should be, concerns about the availability and quality of data. Most of the data had been collected from reputable international sources, notably OECD. Some primary research has been carried out to fill lacunae. In many instances the missing cases were not the East-Central European cases but Western countries. The quality of the measures is similar to that of other large-scale studies of comparative political economy.

Consistent with the composite nature of a political economy, countries are classified according to measures of political institutions, social welfare and economic structure. Within each category, a number of indicators are employed, resulting in an overall total of sixty-two different measures for each case. The individual measures will be familiar to experts in comparative political institutions, social welfare and economic structure and are listed in Table 1.

To characterize political institutions, Lijphart's ten variables from *Patterns of Democracy* (1999) have been used, but are not further reduced into Lijphart's two categories of consensus and majoritarian democracy. Much of the comparative political economy literature adopts the number of years in government of parties of different ideological hues as the key political variable (Kitschelt et al. 2000b: 458). Lijphart's institutional variables capture much better the structural emphasis of the literature.

Table 1: *Measures of capitalist democracy*

Polity[4]	Number of parliamentary parties	
	Cabinet type	
	Cabinet duration	
	Electoral disproportionality	
	Interest group pluralism[5]	
	Federalism	
	Bicameralism	
	Constitutional rigidity	
	Judicial review	
	Central bank independence (Cukierman, Miller and Neyapti 2002)	
Social Welfare (OECD 2001b)	Unemployment benefit	Qualifying period (Scruggs and Allan 2003; US SSA 2002)
		Waiting period (Scruggs and Allan 2003; US SSA 2002)
		Duration (1)
		Single replacement rate (OECD 2002a: 33)
		Family replacement rate (2)
	Old-age pension	Qualifying period (Scruggs and Allan 2003; US SSA 2002)
		Expenditure as percentage of GDP (3)
		Pension funds as percentage of GDP (OECD 2003b)
	Gender	Gender gap in employment (OECD 2002b: 74)
		Gender gap in wages (OECD 2001a: 137; Barth 2002: 12)
		Female labour force participation
	General characteristics	Social security transfers as % of GDP
		Gini index of inequality (World Bank 2003: 236–237)
		Employers' & employees' social security contributions as % of wages
		Private health spending as percentage of total health spending
Economy (OECD 2001b)	Globalisation	Imports as percentage of GDP
		Exports
		Incoming direct investment
		Outgoing direct investment
	Employment	Part-time employed as percentage of total employment
		Self-employed
		Agriculture
		Industry
		Trade (4)
		Finance
		Other Services (5)
	Value added in the overall economy	Value added by agriculture as percentage of total value added
		Industry
		Services
	Value added in manufacturing (6)	According to 23 sectors

(1) As for qualifying period except that Polish duration is dependent on the level of regional unemployment (Gllówny Urząd Statystyczny 2003) and the unlimited duration of the Australian benefit has been arbitrarily replaced with a score of 300, Denmark being the next highest with 208.
(2) A family is a married couple with two children.
(3) Organisation for Economic Co-operation and Development 2002b: 154; Swiss figure from Queisser 2000; Irish and Greek figures from Abramovici, 2000: 2–3. In contrast to the OECD, Eurostat does include private-sector pensions. In Greece, private-sector pensions are of marginal importance (Mylonas & de la Maisonneuve 1999). The Irish figure, by far the lowest, does not include occupational schemes for private-sector employees with constituted reserves.
(4) Amalgamates Wholesale and retail trade, restaurants and hotels with Transport, storage and communication.
(5) Amalgamates Education, health, social work and other services with Public administration and defence. Includes armed forces (figures from Bonn International Centre for Conversion 2001).
(6) Organisation for Economic Development and Co-operation, 2003a. French figures for the food and to-bacco industries calculated from the Confederation of the Food and Drink Industries of the EU 2003 and Institut National de la Statistique et des Études Économiques 2000. Data on Swiss and Czech tobacco and coke, petrol refining and uranium processing industries received directly from national statistical offices (Kholova 2003; Rais 2003).

Moreover, Lijphart's variables can be measured straightforwardly in East-Central Europe, while there are problems in trying to fit the ideological dimensions of East-Central European party systems into Western categories. This applies most strongly to the Polish case (Szawiel 1999; Szczerbiak 1999: 1420–21). Some authors tend to stress the similarities of Polish parties to their Western counterparts and the importance of the socio-economic left-right dimension. However, even these scholars admit that its importance is less than that of the socio-cultural dimension and attitudes to the previous regime (Kitschelt et al. 1999: 387; Lewis 2001: 50–59, 80–81). Lijphart's variables measure the characteristics of party systems, cabinets, executive-legislative relations, electoral systems, interest groups, federalism, bicameralism, constitutional rigidity, judicial review and central banks. The greatest weakness of Lijphart's approach lies in presidentialism, the accommodation of which requires some arbitrary decisions. This analysis only includes one presidential regime, the USA. The vast majority of the variables say something meaningful and important about the vast majority of the cases in this study. At any rate, the fact that his measures have survived over two decades of intense debate and are used far more frequently than any other overall measures of patterns of democracy makes them the best choice for this research.

In terms of social welfare, the closest equivalent to Lijphart's *Patterns of Democracy* is Esping-Andersen's *Three Worlds of Welfare Capitalism* (Esping-Andersen 1990). This paper utilises data on two of the three main benefits chosen by Esping-Andersen (unemployment benefit and old-age pension); in addition he analyses sickness benefit. The work of Esping-Andersen and others has been rightly criticised for its failure to address gender issues (Lewis 1992). Here, the extent to which female family-members, as opposed to state institutions, look after the young, old and infirm care is proxied by wage and employment gender gaps and the female labour force participation ratio. Finally, data on some general characteristics of welfare states are included that capture overall state effort (social transfers), the balance of state versus market provision (private health spending), corporatism (social insurance contributions) and the effect on equality (Gini index). These general characteristics are indicators of the main variables, which distinguish between Esping-Andersen's 'three worlds'. The data suffer from the unavailability of OECD Social Expenditure statistics for all cases. However, the range of policies, relative reliance on the market, state, family and corporatist mechanisms, as well as financing and outcomes should produce valid distinctions between welfare regimes.

The economic data seeks to capture different types of capitalism rather than different levels of performance. Thus, it concentrates on structure

rather than Gross Domestic Product, unemployment or inflation. Three elements of economic structure are measured: globalisation, employment and value-added. The sectors which account for large numbers of employees often make a much more marginal contribution to a nation's value-added figure. Globalisation is measured by imports, exports, and incoming and outgoing direct investment. The employment figures include self-employment, part-time work and employment in agriculture, industry, trade, finance and other service sectors. Value-added figures are provided for the broad agricultural, service and industrial sectors. The final set of measures is the value-added figures for the 23 two-digit manufacturing sectors of the ISIC 3 classification. Strengths in different areas of manufacturing have consistently been shown to vary hugely between different countries and to have profound consequences for the rest of the economy (Hall & Soskice 2001; Soskice 2000).

Whilst these individual measures are in themselves often narrow and/or superficial, together the sixty-two measures give a very broad overview of the characteristics of capitalist democracies. It should also be noted that the economic and social welfare statistics have survived repeated evaluation by statistical agencies and that most of the political and social welfare statistics point in the same direction as more detailed and qualitative analyses (Kitschelt et al. 2000b: 435).

Attempts to evaluate the uniqueness of East-Central European capitalist democracy are undermined as seriously by problems of case selection as they are by problems of variable selection. There are three principal deficiencies. Firstly, there is the lack of a comparator. Some studies seem to falsify the hypothesis of a distinctive East-Central European variety of capitalist democracy by demonstrating substantial divergence amongst East-Central European countries. This type of approach is clearly open to the objection that such differences, important as they may be, are small in comparison to the differences between East-Central Europe and capitalist democracies elsewhere in the world. Not much better is the second situation, in which the comparator is some sort of Western average, which precludes the possibility that some Western countries may be more similar to East-Central Europe than others (Mair 1996). Even more dangerous is a comparator based not only on a homogeneous but also an idealised notion of the West. Much of the literature on 'civil society' falls into this latter trap. Finally, there is this approach in reverse, in which East-Central Europe is presented as homogeneous, disregarding the important historical and contemporary differences between societies there. This paper's sample falls into none of the above traps. The cases consist of three East-Central European countries (the Czech Republic, Hungary, and Poland) and nineteen other OECD countries (Australia, Austria, Belgium, Canada, Denmark,

Finland, France, Germany, Greece, Italy, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the UK and the USA). The Czech Republic, Hungary and Poland, although regarded as relatively successful in the post-communist period, have very different histories before, during and after communism. The restriction to only three East-Central European countries means that any conclusion about the region as a whole is tentative. The OECD countries offer a majority, and good spread of, the world's long established capitalist democracies, although not of the capitalist democracies in Asia and Latin America that seem to have consolidated in the 1990s.

Data analysis

Methodology

The first step was to standardise for the 22 countries the 62 political, social welfare and economic variables. For the political variables all measures were weighted equally. For the economic variables a preliminary step was taken: coefficients for globalisation, employment, value-added, and manufacturing value-added were computed, weighting all the components of these sub-variables equally. The measure of economic similarity is the mean of these four coefficients. The same procedure was followed for the social welfare data on unemployment benefits, old-age pensions, gender and general characteristics. The proximity scores for the capitalist democracies consist of the mean of the economic, political and social welfare coefficients. These procedures mean that the larger number of economic variables is not privileged in advance with a disproportionate influence on the formation of the clusters. For example, while the data on manufacturing makes up thirty-seven per cent of total number of measures, each type of political institution accounts for the same weighting as over nine manufacturing sectors. The second step was to produce a proximity measures for each case and the other 21 cases. The proximity measure used was the Pearson correlation coefficient.[1] This resulted in a twenty-two by twenty-two matrix, which was submitted to cluster analysis. Thus, the clusters are formed from the information in the proximity matrix. The clustering algorithm takes no account of the raw data.

The third main step was to conduct an agglomerative hierarchical cluster analysis using SAS version eight.[2] This procedure starts by treating each case as a one-country cluster, and then proceeds in a series of steps to amalgamate clusters. Once a pair of countries has been put together in a cluster, they cannot be subsequently separated. The

agglomerative and hierarchical nature of the technique is clear from the resulting dendrogram, presented in Figure 1. Cluster analysis is sensitive to both the method of clustering and to outliers (Everitt 1980: 103). Therefore, the analysis was conducted according to both Ward's and complete linkage methods and for three samples, one full sample of twenty-two and two samples of twenty removing outliers according to different definitions. These six procedures provide a good test of the reliability of the results.

The dendrogram provides an interesting set of solutions but does not determine which number of clusters between twenty-one and two is the most appropriate. There is a wide range of statistics for selecting the number of clusters, two of the most powerful of which are shown in Table 2 (Milligan and Cooper 1985). Even when such statistics provide consistent answers, as they do not here, there status is somewhat unclear. Here the most reliable clustering solutions will be selected by comparing the membership of the nine clustering solutions across the three samples for both complete linkage and Ward's method, 18 solutions in total.

Results

Never are the three East-Central European countries in different clusters, even when there are as many as eight clusters and only 22 cases. In all

TABLE 2: *Statistics for selecting the number of clusters (Ward's method only)*

No. of clusters	N = 22			N = 20; k = 2 (3)		N = 20; k = 5	
Pseudo F (1)	Pseudo T² (2)	Pseudo F	Pseudo T²	Pseudo F	Pseudo T²		
9	7.8	1.8	8	2.1	6.7	–	
8	**8**	1.6	8.5	1.8	**6.8**	**1.3**	
7	7.9	3.5	**9**	1.8	6.7	2.9	
6	7.2	4.8	**9**	3.5	6.9	3.5	
5	7.1	3.3	8.5	3.9	7.3	3.7	
4	6.7	**3.4**	7.8	6.8	7.2	3.6	
3	**6.9**	9.1	7.6	**4.4**	7.5	4.3	
2	6.8	5.2	**7.9**	7.4	**8.1**	**5.4**	
1	–	6.8	–	7.9	–	8.1	

(1) The most valid numbers of clusters are those identified by peaks in the value of Pseudo F. Selected solutions are in bold.

(2) The most valid numbers of clusters are those preceding a large increase in the Pseudo T². Selected solutions are in bold.

(3) K specifies the number of neighbours to use for kth-nearest-neighbour density estimation.

The outliers are then defined as the two cases with the lowest densities. K = 2 eliminates the Netherlands and Italy, while k = 5 eliminates Germany and Spain.

eight solutions with six or more clusters, East-Central Europe forms a cluster on its own. In two out of six solutions with three or four clusters, East-Central Europe forms a cluster. In the other four solutions with three or four clusters, East-Central Europe forms a cluster with Greece, Spain, Portugal and Ireland. In one of the four two-cluster solutions, East-Central Europe again clusters with the same four countries. In the remaining three two-cluster solutions East-Central Europe combines with a variety of continental European countries. East-Central Europe is *never* found in the same cluster as Australia, Canada, the USA, Switzerland, or the UK.

Cluster analyses will produce sets of clusters for data in which there is no structure. There are some methods for evaluating the overall fit between clustering solutions and the data but they are even weaker than the statistics used for the selection of clusters. It is clear that the various clusters of capitalist democracy are not strictly separated categories. For example, a plot of the first two canonical variates against cluster membership suggests overlap between the clusters (Everitt and Dunn 1991: 121–122; Aldenderfer and Blashfield 1984: 68–74). More reliable than this method, or any other, is consistent agreement between different methods and samples, as has been demonstrated above. Moreover, this research is a lot easier to evaluate than cluster analyses where little or nothing is known about the structure of the data. For the 19 Western
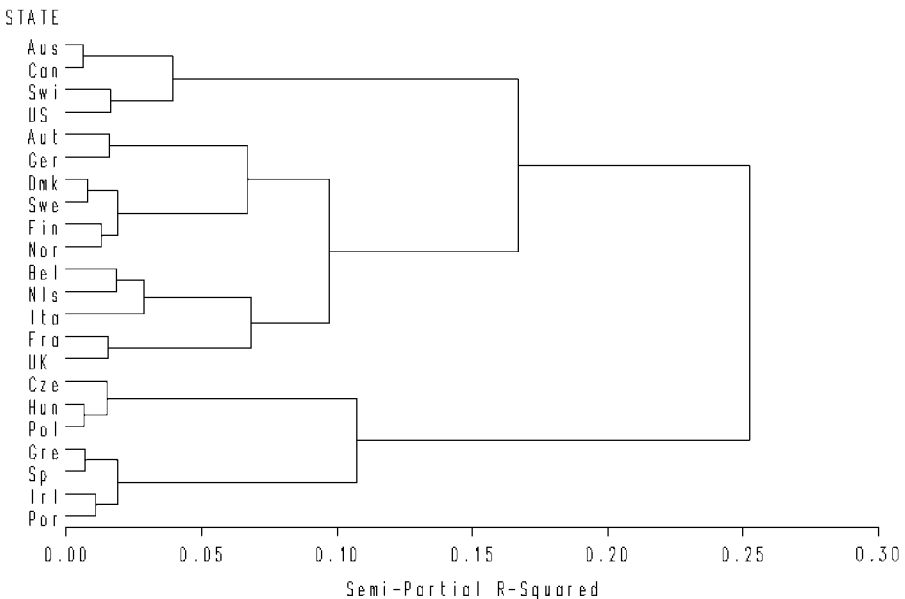
FIGURE 1: *Dendrogram from Ward's Method of Cluster Analysis (N = 22)*

cases, the analysis concurs with decades of quantitative and qualitative research on various samples of countries. An inspection of the dendrogram in Figure 1 reveals virtually no cluster at any level, which would be considered strange or controversial by experts in the field. An exception may be the location of the UK with the continental European rather than the liberal group. However, it should be remembered that this is only one of the six clustering solutions. In only one of the other clusters is the UK located in a clearly continental European cluster. It is also worth noting some features to the UK that distinguish it from other liberal countries. The UK's political scores are decidedly European on the final five political institutions. It does not have much in common with the federal countries. In social welfare, the UK is liberal overall but has a relatively small private expenditure on healthcare. As a member of the European Union, the UK is much more globalised than the countries in the liberal group. Overall, the uncontroversial location of the established capitalist democracies is a very strong indication of the validity of the procedure and the credibility of its results.

If the sub-types of capitalist democracy are held to be relatively numerous, there is a clear East-Central European variety. This suggests that post-communist divergence in this region has been minimal. If there are several types of capitalist democracy, East-Central Europe is to be found with the four European 'cohesion' countries, suggesting a relatively coherent peripheral status, in spite of radically different histories. If there are only two varieties of capitalist democracy, East-Central Europe is not defined by neo-liberalism; instead, it seems closer to achieving a 'return to Europe' by the configuration of its political, social welfare and economic structures, as well as by membership of the European Union.

Next is a brief examination of the nature of the clusters in which the East-Central European countries are found. This consists of a simple contrast between the mean standardised score on each variable for the East-Central European cluster and all other cases. For the 23 manufacturing sectors value-added scores have been computed according to five categories based on the primary factors believed to affect the competitiveness of an industry. This is a standard way of comparing varieties of capitalism in the literature (OECD 1987; Fioretos 2001: 222).[3]

The purely East-Central European cluster is strongly distinguished by its political characteristics. The Czech Republic, Hungary and Poland are classic consensus democracies in terms of parties and executives: the rarity of single-party governments and minimal winning coalitions is especially striking. Unlike most consensus democracies, they have pluralist rather than corporatist systems of interest groups. All three countries are relatively centralised, but they have the independent central banks traditionally associated with federalism. In addition, Poland and

Hungary have very powerful constitutional courts.

The East-Central European welfare states are not so distinctive as their polities. Most measures point in the direction of relatively generous welfare regimes which crowd out non-state methods of provision. However, their unemployment replacement rates and overall social transfers are fairly low. Their low female labour participation rate contrasts with narrow gender gaps in both wages and unemployment. By far the most unusual aspect of their welfare system is the very high contribution rate of employers to social insurance.

The economic data reveals a high level of distinctiveness. This is encapsulated in a high reliance on industry, in terms of both employment and value-added, in contrast to an unusually undeveloped service sector. Manufacturing is characterised by the strength of resource-intensive sectors. Their economies are relatively agricultural overall but there are huge differences between highly agricultural Poland, moderately agricultural Hungary and the Czech Republic, where agriculture is of little importance. Another feature of their economies is the low rate of part-time employment.

The cluster that combines East-Central Europe, Iberia, Greece and Ireland does not have such a strong political identity. Its two most striking characteristics are centralisation (in spite of the presence of Spain) and interest group pluralism. The welfare regimes of this group are not extensive on most measures. They are most clearly distinguished by gender, which suggest a reliance on unpaid female carers, and the high employer contributions. Their economies are relatively agricultural and have weak service sectors, most notably in terms of the low numbers employed in financial services.

The continental European polities are most strikingly identified by centralisation, unicameralism and multi-party or minority-party rule. Their welfare regimes are more extensive and much less reliant on the market than those of the liberals. The European economies are more globalised and disproportionately dependent on industry and agricultural rather than services. They are relatively weak in science-based manufacturing.

Implications

After the fall of communism, the East-Central European countries are integrating into various multi-national institutions, most importantly the European Union. Countries belonging to the same institution or institutions must have some characteristics in common to qualify for membership; this implies a degree of homogeneity. Yet, the logic of political history is that there ought to be differences within multi-national

institutions, and the economic logic of comparative advantage is similar.

This article both bolsters and undermines the conventional wisdom on post-communist enlargement and the development of the European Union. It bolsters the idea that East-Central Europe will bring a distinctive group of countries to the Union, thereby putting further pressure on a system, which was already struggling with existing levels of diversity. It also bolsters the hopeful hypothesis that East-Central European countries can follow the relatively successful steps of the Mediterranean countries that preceded them into the EU. This analysis also undermines the idea that East-Central Europe is a neo-liberal 'Trojan Horse' and a source of obvious support for the UK's hitherto isolated position in debates about European political economy.

These conclusions are subject to major caveats. Firstly, European integration is enormously complex, partly because alliances of member-states tend to be formed on a case-by-case basis, leading to virtually all permutations being possible. Secondly, the sample here consists of only three countries. Nonetheless, the available evidence suggests the Czech Republic, Hungary and Poland are roughly representative of the other accession countries: Slovakia, Slovenia, Lithuania, Latvia, and Estonia. Wider replications of Lijphart's methodology have produced similar results (Roberts 2004; Fortin 2004). The importance of heavy industry and agriculture relative to services is surely to be found in other post-communist cases, which endured the same economic model for four decades, as well as centuries of economic marginalisation. The social welfare situation is a lot less clear and may be a source of greater diversity.

NOTES

1. Euclidean distance takes more information into account by confounding 'elevation, scatter and shape' in a complex and unpredictable manner, while correlation emphasises only shape (Skinner 1978). Since 'high' scores do not have similar meanings across different variables, 'elevation', or the mean score of cases, is of questionable relevance to this study. The information provided by 'scatter', or the standard deviation, is contained in the 'shape' of a particular case's profile across variables. What does matter is 'shape', whether variables are positively or negatively associated with each other and the strength of that association. The compound nature of Euclidean distance and the particular nature of the data under examination here make the correlation coefficient a preferable option for the interpretation of the final results of the analysis.

2. Cluster analysis requires data in the form of distances rather than similarity measures. The correlation coefficients were transformed to distances by subtracting them from one.

3. The restriction to two-digit categories makes the above analysis cruder than that undertaken by the OECD and others, but it should still give a valid impression of the relative strengths of national manufacturing sectors. As in other parts of the paper, this methodology manages to reproduce the results of other more detailed studies.

4. Scores for Czech Republic, Hungary and Poland computed by the author. These scores are for the mean from the first full year of post-communist parliamentary democracy until 2002 (Hungary begins in April 1990, Poland in October 1990 and the Czech Republic in January 1993). Principal Sources: National constitutions; *European Journal of Political Research*, various years; *East European Constitutional Review*, various issues; University of Essex 2003. Solidarity Electoral Action has been

counted as a factionalised party. This article follows Lijphart's treatment of Germany by using only the party-list votes in the computation of electoral disproportionality for Hungary. Scores for other countries from Lijphart 1999, 312–314. These scores are the mean for the period 1945 to 1996.

5. This variable demanded a deeper qualitative knowledge than the other political measures. Principal sources: Gardawski, Gąciarz, Mokrzyszewski & Panków 1999; McMenamin 2002; Jasiecki 2002: 248–269; Draus, 2000; Cox & Vass, 2000; Myant, Slocock & Smith, 2000; Hála, Kroupa, Mansfeldová, Kux, Vaková, Pleskot, 2002.

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