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Abstract In this paper we pay attention to the legitimacy of the principles, scope and purpose of redistribution in Czech society. We use data from international surveys from the second half of the nineties, including European Values Study 1999 and ISSP 1996 module Role of the Government and some national Czech surveys. We claim that Czech society does not favour extensive redistribution at the level of principles. Nevertheless, demand for redistribution is stronger compared to the other European countries and preferences for state responsibility and redistribution increased during nineties. Furthermore, the purpose of redistribution seems to play a central role. While benefits for marginalised groups are not supported, mainstream benefits should be increased according to the public, and the strategies to improve human capital and capabilities to adapt in the labour market gain support as well. The Czech public also prefers to combine collective (social) protection with private supplementary insurance schemes against risks of the contemporary society. There are remarkable differences in most of the above described attitudes among social classes. The above described findings may be explained by the social consequences of market transition: specifically by impacts of new social risks differentiated according to class position combined with restrictive social policies implemented during the nineties.

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The Legitimacy of Redistribution: the Czech Republic in International Comparison¹

Tomáš Sirovátka² and Marie Valentová³

Abstract

In this paper we pay attention to the legitimacy of the principles, scope and purpose of redistribution in Czech society. We use data from international surveys from the second half of the nineties, including European Values Study 1999 and ISSP 1996 – module Role of the Government and some national Czech surveys.

We claim that Czech society does not favour extensive redistribution at the level of principles. Nevertheless, demand for redistribution is stronger compared to the other European countries and preferences for state responsibility and redistribution increased during nineties. Furthermore, the purpose of redistribution seems to play a central role. While benefits for marginalised groups are not supported, mainstream benefits should be increased according to the public, and the strategies to improve human capital and capabilities to adapt in the labour market gain support as well. The Czech public also prefers to combine collective (social) protection with private supplementary insurance schemes against risks of the contemporary society. There are remarkable differences in most of the above described attitudes among social classes. The above described findings may be explained by the social consequences of market transition: specifically by impacts of new social risks differentiated according to class position combined with restrictive social policies implemented during the nineties.

The Goals and Legitimacy of Redistribution

This article deals with the legitimacy of redistribution in Czech society. It is an important problem: in a democratic society, the legitimacy of redistribution and the consequential government economic and social policy (aside from other factors) buttress the legitimacy of the social and political system. The legitimacy of redistribution is thus necessarily reflected in political programmes and in the distribution of political forces that push, or promise to push, these programmes through.⁴ In the widest sense of the term (as a process of collecting and spending public financial resources), redistribution even appears to represent one of the key elements of political programmes, one that lays good foundation for the defining of the “right-left” dimension of the political spectrum.

In addition to the market-driven allocation of resources, redistribution represents the main instrument of welfare capitalism. De-commodification serves to meet important functional requirements- it is essential both for the survival of individuals and for the very existence of the social system as such since it allows for the reproduction of the labour force (and pertinent dependants) in situations of income deficiency and establishes the legitimacy of

¹ This working paper is essentially based on the paper “Sirovátka, T., Valentová, M: Legitimacy of Redistribution in the Czech Republic in International Comparison” presented at the ESPRN ANNUAL CONFERENCE Social Values, Social Policies Normative foundations of changing social policies which took place at the University of Tilburg, the Netherlands, the 29th -30th of August 2002.

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⁴ However, they do not necessarily realise the programmes - according to Downs (1956), political parties conceive their economic policy in order to win elections rather than to implement the policy.

the social system at the same time (Esping-Andersen 1990). A considerable conflict is inherent in redistribution and de-commodification. They must be applied in such a way that does not interfere with the functioning of market mechanisms and with principles of meritocracy, hence the welfare state appears to be a "*self-limiting welfare state*" (Offe 1985).

Demands on the welfare state change in consequence of the (post)modern capitalism development. In the past, the welfare state used to react to new social problems associated with the rise and the development of modern society. The prime purpose was to reduce the impact of "modern" risks (Flora and Heidenheimer 1981), that is risks linked to people's exclusive dependence on income from paid work and to the disintegration of broad traditional family networks and their socially protective functions. "Modern risks" followed, first and foremost, from situations and events that prevented people from reaching sufficient earnings from paid work. Another important welfare state's purpose was to reduce class inequalities.

The consolidation of the welfare state between the thirties and the fifties of the last century and its subsequent growth between the fifties and the seventies occurred as a result of the spread of modern risks across society. When the categories of "risk" and "class" ceased to fully overlap, and broader social classes found themselves increasingly more exposed to "modern risks", the welfare state, as a collective protection against these risks and a form of sharing the responsibility among all members of society, gained broad public support and legitimacy (cf. Baldwin 1980).⁵ Modern risks started to be regarded as "social risks" in that the society as a whole is endangered (see Stiglitz 1988).

In the globalised (post)modern society of the early 21st century, the nature of modern risks continues to change. Risks globalise, which means that the incidence as well as the scope of more or less unpredictable events, the consequences of which are relevant for us, is on the increase. And, increasingly more often the risks are "manufactured" by the very society (Giddens 1990). Technological advancement, for example, continues to render work with technical equipment useless and, combined with toughening competition in the interconnected global markets, it increases the risks of unemployment in periods of economic growth. At the same time, the risks differentiate socially and people increasingly more often find themselves facing these risks as individuals rather than as members of a group or a class (Beck 1992). However, the (post)modern society is not only a "risk" society, it is also a "more affluent society".⁶ The growth of wealth and the improvement of the living standard enhance, among other things, the possibility and capability of individuals to protect themselves against social risks on their own.

Two distinct welfare state approaches to issues of redistribution follow from these considerations. One of them is based on the assumption that individuals' concern for sharing protection against social risks is on the decline. The majority of population does not find collective protection against modern risks the best of alternatives. On the contrary – increasing taxation and contributions in favour of the widest possible coverage of social risks, including protection of the less prosperous minority, in particular the poor and the long-term unemployed, is perceived by the majority as a threat to their interests (cf. Galbraith 1992). Hence the rejection of the welfare state model that is too restrictive. Frequent abuse of the welfare system, tax dodgers and undeserving welfare benefits recipients, continues to impeach the welfare state in the eyes of those who have so far placed trust in it.

On the contrary, the second approach assumes that in a society based on the citizenship principle and on the claim to equal rights and opportunities attached to this

⁵ Initially, the members of the industrial proletariat class were most exposed to modern risks. Middle class's interest in the welfare state was influenced importantly by the experience of the crisis in the thirties and by the consequences of the Second World War.

⁶ measured by the growth in productivity and consumption (the authors are aware of the limits of such criteria, however, they rely on the importance that is generally attached to them)

principle, the unpredictability of (post)modern risks presents an urgent challenge to the sustaining of the collective sharing of risks, both in the interest of individuals and in the interest of the society as a whole. Hence the greater demands on redistribution through taxes and public spending that this strategy brings about.

In addition to the basic choice between the two approaches above, a number of other questions arise in connection with the extent of redistribution with regards to individual social risks and situations and thus also to individual social groups. Such decisions about the scope and purpose (recipients) of redistribution are based on the social consensus on the criteria-principles of social justice by which relatively diverse situations could be judged. The legitimacy of redistribution relates both to these general principles and to concrete decisions about the extent and purpose of redistribution.

Questions and Data

We are concerned with four research questions that we consider fundamental for evaluating the legitimacy of redistribution:

1. What are the general criteria-principles upon which the Czech public's demands on the welfare state spending are based?
2. What are the Czech public's demands regarding the extent of the welfare state spending?
3. What are the Czech public's preferences in relation to the purpose and recipients of welfare spending?
4. What are the Czech public's preferences in relation to alternative (private) solutions to protection against social risks?

When answering these questions we were also attempting to test the links between developments of strategy of redistribution and its legitimacy in the Czech Republic during 1990s.

In discussing and analysing these questions, we make use of several data files that contain information on attitudes to welfare spending and redistribution. We seek international comparisons since these are particularly important with regards to the complex conditionality of the legitimacy of redistribution by economic, political, cultural and social factors. Six countries were selected for the comparison which represent the liberal (Great Britain), conservative (Germany), social democratic (Sweden) and South European (Italy) model of the welfare state, and the post-communist Central European approach (Hungary and Poland).

The data files come from the following sources:

European Values Study from 1999 (CR 1908 respondents, a stratified random sample, compared with: Italy 2000, Hungary 1000, Germany 2036, Poland 1095, Sweden 1015, Great Britain 1000);

International project ISSP – The Role of the Government from 1996 (CR 1100 respondents, stratified random sample, compared with: Hungary 1500, Poland 1183, Sweden 1238, West Germany 2361, East Germany 1109, Great Britain 989);

Czech project Economic Expectations and Attitudes from 1992-1998 (in 1992: 2084 respondents, in 1993: 2071 respondents, in 1994: 1307 respondents, in 1996: 1459 respondents, in 1998: 1380 respondents, quota sample);

Czech project Legitimacy of Social Policy from 1999 (1319 respondents, quota sample).

Czech project Labour Market and Social Policy from 2001 (1350 respondents, quota sample).⁷

⁷ The authors thank namely the Sociological Data Archive of the Sociological Institute, Czech Academy of Sciences, for the opportunity to use data files from the ISSP, EEA and EVS researches.

Principles of Social Justice and Redistribution

Miller (1976) distinguished three basic principles in the notion of social justice: (equal) rights, needs and merits. He suggests that the concept of social justice is a consensual, culturally generated concept – and it is the emphasis placed on individual principles of social justice that varies. In the practice of the welfare state, the equal rights principle is associated with the principle of citizenship together with universalistic claims (or claims derived from a membership of certain category of citizens) which are to the greatest extent guaranteed within the social-democratic model of the welfare state. The principle of needs is associated with residualism and selectivity of the liberal welfare state, which only covers the very basic needs of the poorest people. The principle of merits is inherent in a notion of reciprocity advanced most of all by the corporative “insurance” model. In addition, a “mechanical, egalitarian” approach could be distinguished which accentuates equality in results and redistribution (it is sometimes associated with the social democratic model and the notion of social justice).

Naturally, these models do not exist in their pure form in the practise of the welfare state. Similarly, in the concrete institutional decision-making about redistribution, the principles of social justice mix together and it is the emphasis placed on one or another that makes the difference. Besides, even differing principles can sometimes dominate within a particular model in relation to different situations and different social policy areas (Sirovátka 2000).

Table 1

The principles of social justice in international comparison

(average values for selected countries, answer categories 1=very important, 5=not at all important)

	Give people opportunity to pursue their education	Recognise people on their merits	Guarantee that basic needs are met for all	Eliminate big inequalities in income
Great Britain	*	1,71	1,39	2,40
Germany	1,36	1,72	1,44	2,16
Sweden	*	1,91	1,46	2,71
Italy	1,22	1,97	1,44	2,24
Hungary	*	1,40	1,27	1,67
Poland	*	1,39	1,32	1,80
Czech Republic	1,27	1,45	1,75	2,38

Source: EVS 1999, * the question was not included in the survey in the given country.

Question: „In order to be considered just, what should a society provide?”

In the European Values Study, the principles of social justice were operationalised by means of a battery of questions that correspond with the basic purposes of the welfare state (see Table 1): the first column refers to equal rights (opportunities), the second one to merits, the third one to needs and the fourth one represents the principle of equal results. The battery items were not mutually exclusive⁸, and thus all of them show a shift of average evaluations towards the positive pole.

Answers to this battery of questions suggest that the Czech public, similarly to the other countries' population, accentuates the principle of equal opportunities most of all. Together with Poland and Hungary, it also stresses the principle of merits more than is the case in West European countries. On the contrary, the importance attached to the principle of

⁸ The authors of the EVS have evidently adopted Miller's assumption that decisions about redistribution do not usually derive from a single principle, but that different principles mix together.

needs is slightly lower in the Czech Republic. This corresponds to the fact that the extent of poverty in the Czech Republic is lower than in Poland and Hungary: in 1996, 4.5% of the Czech population were below the 50% level of income median, while in Hungary it was 7.3% and in Poland 11.9% (Förster, Tóth: 1999).

Table 2

Preferences for individual vs. state responsibility and for the principle of merits vs. equality

	<i>Individuals should take more responsibility for providing for themselves VS. The state should take more responsibility to ensure that everybody is provided for</i>		<i>There should be greater incentives for individual effort VS. Incomes should be made more equal.</i>	
	1991	1999	1991	1999
Great Britain	5,16	4,45	4,50	5,40
Germany	4,20	4,74	4,80	*
Sweden	3,29	4,22	4,55	*
Italy	5,50	5,63	5,19	4,98
Hungary	6,22	6,09	5,19	*
Poland	5,60	5,73	3,51	4,91
Czech Republic	4,37	4,89	4,68	5,51

Source: EVS 1991, 1999, * the question was not included in the survey in the given country

Question: „Now I would like you to tell me your views on various issues. How would you place your views on the scale from 1 to 10?“ The table shows average values. The lower the average value, the stronger the agreement with the first of the two statements.

The European Values Study makes it possible to study the choice between the responsibility of individuals and reliance on the state (individual responsibility vs. responsibility of the state), as well as the choice between the meritocracy principle and the principle of equality.

In the “reliance on the state” dimension, the Czech population scores “average” both on a ten-point scale and compared with other countries (see *Table 2*). Overall, inclination to individual responsibility prevails over reliance on the state. Poland and Hungary appear to be more “paternalistic”, while the EU countries included in the comparison (except for Italy) seem to be more “individualistic” than the Czech population.

It is worth attention that the emphasis laid on the state’s responsibility has increased in this country in the course of the nineties. The emphasis laid on the principles of equality – merits remains more or less in balance. In comparison with the other countries, accentuation of the principle of equality is strongest in the Czech Republic. Moreover, it has increased significantly over the nineties. The somewhat lower stress placed on the principle of equality in Poland is not surprising given the considerable shift towards the principle of merits witnessed in the country in the early nineties. The increase in importance attached to the responsibility of the state and to the principle of equality by citizens with lower socio-economic status is steeper in Czech society than it is in the other respective countries (see *Table 3*).

Table 3

Preferences for individual vs. state responsibility and for the principle of merits vs. equality by socio-economic status

	<i>Individuals should take more responsibility for providing for</i>	<i>There should be greater incentives for individual effort</i>
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	<i>themselves VS. The state should take more responsibility to ensure that everybody is provided for</i>				<i>VS. Incomes should be made more equal.</i>			
	A	B	C	D	A	B	C	D
Great Britain	*	*	*	*	*	*	*	*
Germany	3,84	4,3	5,19	6,06	*	*	*	*
Sweden	3,94	4,42	4,27	4,65	*	*	*	*
Italy	5,04	5,58	5,71	6,22	4,11	4,78	5,43	5,64
Hungary	4,52	5,77	6,42	6,42	*	*	*	*
Poland	5,05	5,17	5,78	6,41	4,24	3,91	5,25	5,42
Czech Republic	3,78	4,55	5,39	6,43	4,41	5,08	6,22	6,47

Source: EVS 1999, * the question was not included in the survey in the given country

A= upper and upper middle class, B= middle class and non-manual workers, C= qualified and semi-qualified workers, D= unqualified workers and the unemployed.

Judging from the international comparison and the trends in the Czech public's attitudes towards the principles that guide the decision-making about redistribution, it can be concluded that the impact of the "transformation risks" together with the deepening of income and social inequalities resulted in greater accentuation of the state's responsibility and a demand for greater income equality in late nineties. It is worth to note that transformation risks did not affected the citizens during the first half of nineties so intensively. Unemployment was low and GDP as well as real incomes were growing since 1993 after the initial decline in 1990-1992. But during 1997-1999 Czech economy faced recession and unemployment exploded from 3.5 % to 9.4 %. In 1998 cuts in welfare spending were introduced by the government ("austerity package"): slowdowns in revaluations of pensions and social benefits, reductions in amounts of unemployment benefit, child benefit and other family-related benefits. This development may help to explain increasing sensitivity of the Czech public to the risks brought by transformation as well as the shift of the preferences of public together with differentiation of the attitudes according class affiliation during the second half of nineties.

Nonetheless, it should be noted that certain discrepancy between attitudes towards the welfare state at the level of general principles on the one hand, and at the level of concrete solutions on the other hand, was observed in a number of countries, the Czech Republic included. Preferences for principles tend to reflect citizens' value, ideological and political orientations. On the contrary, the view of and support for concrete measures is guided by citizens' individual interest in the welfare system, that is by their social/class membership, as well as their experience with a concrete form of the welfare state (cf. Ringen 1987, Peillon 1996, Rabušic, Sirovátka 1999, among others). Clear conclusions about the public's concrete expectations regarding the level of welfare spending and redistribution thus cannot be derived from findings about preferred principles.

Requirements for the scope of redistribution: lower taxes or greater welfare spending?

The comparative analysis of the demands for the welfare spending level (contrasted with the level of taxation) is based on the research *The Role of the Government* conducted in 1996. The respondents answered the question: "If the government had a choice between reducing taxes or spending more on social services, which do you think it should do?" The respondents were offered the following answer categories: "reduce taxes even if this means spending less on social services", or "spend more on social services even if this means higher taxes".

In Hungary and the respective West European countries (except for Great Britain), the demand for tax cuts was predominant in 1996. This corresponds with the fact that the left-wing and central-left wing political parties that won elections between 1997 and 1998 in Germany, France, Italy, Sweden and Great Britain based their election programmes on the promise to cut down taxes, or at least not to increase them (Bonoli, George and Taylor-Gooby 2000: 72). The Czech Social Democrats (ČSSD) gave a similar promise in their governmental declaration in 1998, arguing rather for improved tax collection.

Table 4

Demand for welfare spending in selected countries in 1996 (%)

Country	reduce taxes	spend more on social services	can't choose	total (%)	difference: reduce taxes – spend more on social services
Hungary	57,7	24,2	18,2	100	33,5
West Germany	52,0	24,0	24,0	100	28,0
Italy	51,4	32,4	16,2	100	19,0
Sweden	44,5	34,9	20,6	100	19,6
Poland	29,5	24,8	45,7	100	4,7
East Germany	28,4	43,5	28,1	100	- 15,1
Czech Republic	27,9	41,9	30,1	100	- 14,0
Great Britain	21,0	55,5	23,5	100	- 34,5

Source: ISSP, The Role of the Government, 1996

Having compared the income tax level in the respective countries with preferences for tax cuts, we can say that the preference for welfare spending combined with a tax increase is not in any obvious way linked to the real tax level or the progressive taxation level. Nevertheless, the Czech Republic, Great Britain and to a certain extent also Poland belong among countries where the income tax level is somewhat lower than is the case in the other respective countries (see *Table 5*) – and these countries' populations tend to prefer increased welfare spending to tax cuts.

Table 5

Taxes in selected countries in 1997

Country	Total tax revenues as % GDP	The highest tax rate on incomes of persons in %	Disposable income of average industrial worker as % of gross wage single – married, 2 children ⁹
Sweden	51,9	59,6	65,6 – 65,6
Germany	37,2	55,9	57,9 – 77,6
Italy	44,4	46,0	70,9 – 75,1
Hungary	39,4	42,0	71,1 – 71,1
Great Britain	35,4	40,0	74,8 – 81,7
Czech Republic	38,6	40,0	77,2 – 82,8
Poland	41,2	40,0	84,2 – 86,5

Source: database OECD (Revenue statistics, Tax Data Base, Taxing Wages, DAF)

The preference for decreasing taxes, be it at the expense of restricting welfare spending, is more often found in countries where welfare spending is high, such as in Sweden (about 35 per cent of GDP), or where it is average, such as in Germany (30 per cent) or Italy (25 per cent) (Eurostat 2000). Greater support for redistribution observed in East Germany

⁹ Taxes, tax deductions and social security contributions are considered.

can be attributed to the frustration from the confrontation with the standard of living in the west part of the country. In the Czech Republic and Great Britain, which contrast with the other countries in terms of greater support for increased welfare spending, the real level of welfare spending is rather low or moderate (about 21 per cent of GDP in CR and 26 per cent in GB). Besides, even greater similarities between the two countries can be found in the "direction" of redistribution. Both countries favour "targeted" systems in which the replacement rates of social insurance/contributory benefits to wages are rather low and most of non-contributory benefits are targeted specifically at low-income groups. These welfare systems also make extensive use of income testing as a main technique for the allocation of benefits. Taxation is highly progressive, too (cf. Večerník 1998). In addition, the first half of the nineties was marked with the growth of income inequalities in both countries, as well as with the intensification of right-wing governments' pursuit of the liberal welfare state model: privatisation of social services and their resignation to fighting the trend of growing income and social inequalities. In the Czech Republic (unlike Great Britain), this resulted first of all from the gradual transformation of the formerly distorted income relations on the basis of merit principle.

Table 6

Position in the labour market, class affiliation and preferences for spending more on social services in 1996 in CR (%)

position in the labour market and class affiliation (self-identification) ¹⁰	reduce taxes	spend more on social services	can't choose	total
employed	33,5	37,9	28,6	100
no regular job	20,4	47,1	32,5	100
upper and upper middle class	36,8	39,5	23,7	100
middle class	33,2	44,2	22,6	100
lower middle class	26,9	41,6	31,4	100
working class	24,1	42,2	33,7	100
lower class	23,7	40,7	35,6	100

Source: ISSP, the Role of the Government, 1996

Note: the category "no regular job" includes the unemployed, students, pensioners, housewives and women on maternity leave.

It follows from *Table 6* that expectations regarding the level of welfare spending are linked (aside from other factors, including the preferred principles of social justice, for example) both to the real scope of redistribution, to the form of redistribution (for example with the progressive tax rates and with the targeting of benefits), and to the current developmental trend.

The increase in welfare spending gains more support in groups which take higher interest in the welfare state – be it due to their position in the labour market or to their social (class) status. Deviations in preferences for greater welfare spending in dependence of respondents' class affiliation are not as significant as are deviations in preferences for tax cuts (as well as deviations in the proportion of indecisive respondents). Poor support for tax cuts in the working class and lower class (with which 41% of population identify) is worth attention,

¹⁰ In this case, class/social status was indicated by respondents' self-identification with a social class. The importance of the subjective perception of one's social status in general and specifically with regards to the dynamics of status-defining criteria in the period of transition is emphasised for example by (Matějů, Vlachová 2000).

in contrast with a growing support for tax cuts in the middle class (32% of population). Labour market position influences the interest a person takes in increasing welfare spending and especially in cutting taxes rather than by their class self-affiliation.

However, the findings above about the preference for benefits and tax increase taken from the Role of the Government research need correction: other research shows that the Czech public's inclination towards redistribution is not so significant. In 1999 (the Legitimacy of Social Policy research), 55.7% of the respondents agreed with the opinion *"increase benefits and improve the social and health care policies only if this is made possible by means of economising in other areas of state expenditures, without tax increases"*. 17.4% of the respondents chose the answer that represented the rationale 'higher benefits (better social policy) – higher taxes'. The smallest part of the respondents (8.5%) favoured cuts in taxes and contributions even if it means reducing benefits (and restricting social policy). About 18% were not decided. According to the *Economic Expectations and Attitudes research*, those who *do not want to increase taxes* have long been in the majority.

Table 7

The share of social benefits to the payments to the state (taxes and social security contributions) in incomes of employees (decile groups according net income per capita in hshd)

DECIL	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	Average
1989	1.8	1.2	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.7	0.8
1992	2.2	1.2	1.0	0.8	0.7	0.7	0.6	0.5	0.4	0.2	0.7
1996	1.7	0.8	0.7	0.5	0.5	0.4	0.4	0.3	0.3	0.2	0.5
1998	1.4	0.8	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.4
1999	1.7	0.8	0.6	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.5

Source: Czech Statistical Office – family budget survey, own calculations

These findings about the Czech public's preference for redistribution and welfare spending growth, as well as the relative intensification of the calls for redistribution between 1996 and 1998, could be interpreted as a response to the subjectively perceived trend towards restricting the scope of welfare and its efficiency: what is meant here is particularly the decreased profit for the citizens from redistribution by means of benefits and taxes between 1988 – 1998 (Table 7, see also Večerník 2002). This development was caused mainly by decreasing replacement rates of most benefits – pensions, sickness benefit, unemployment benefit, child benefit and guaranteed subsistence minimum – in relation to wages, and partly by a slight increase of taxes. This trends were visible with all income groups, but the most affected were the middle income brackets (median voters) which have paid a great deal of the costs of transformation.

On the other hand, the rational choice hypothesis would suggest that the concern of middle and upper classes in public expenditures and redistribution should be on the decline, given the fact that most citizens would be dissatisfied with the growing targeting of social transfers in favour of low-income groups only.

Despite the discrepancies in different research conclusions – given to a great extent by incongruities in the wording of questions and answer categories – two conclusions can be arrived at. In none of the researches studied, the majority of population was in favour of tax increases for the sake of welfare spending growth (the maximum proportion of respondents who favoured tax and welfare spending increase was 41% in the ISSP research from 1996, after the deduction of indecisive respondents from the total). On the other hand, support for welfare spending increase, be it at the expense of tax increase, is relatively higher in the Czech Republic than it is in most of the other countries.

The purpose of welfare spending: what benefits? what services?

In order to study the demand for welfare spending in terms of its purpose, we make use of two indicators constructed as indexes. First, it is an index of "general demands" which consists of answers to questions/statements *"it should be definitely the government's responsibility to provide: the health care for the sick"* and *"it should be definitely the government's responsibility to provide: a decent standard of living for the old"*. This index represents a complex of demands of the mainstream of society: respondents favour or reject government assistance in situations where income stability is at stake, that is situations with which every "good" citizen can be confronted (old age, illness).

The "specific demands" index accentuates government support targeted at specific social groups, such as the unemployed and the poor. It is based on answers to questions *"it should be definitely the government's responsibility to provide: a decent standard of living for the unemployed"* and *"it should be definitely the government's responsibility to provide: decent housing for those who cannot afford it"* – Table 8.

Table 8

The average values of the indexes of general and specific demands on the welfare state
(on the scale from 1-highest to 4-lowest)

Country	general demands	specific demands	difference
Czech Republic	1,36	2,30	- 0,94
Hungary	1,35	2,17	- 0,92
Italy	1,24	1,86	- 0,62
Great Britain	1,25	1,87	- 0,62
West Germany	1,54	2,06	- 0,52
Sweden	1,34	1,84	- 0,50
Poland	1,33	1,80	- 0,47
East Germany	1,36	1,71	- 0,35

Source: ISSP, The Role of the Government, 1996

Note: the index values range between 1 (definitely yes) and 4 (definitely no), while the lower the value, the more respondents in a given country support the given government interventions.

It can be seen that within all the welfare state models, citizens' requirements addressed to the government tend to be high when it comes to general, universal claims in which most people take personal interest. Compared internationally, Czech respondents demand the least of the welfare state with regards to "marginal groups" (the unemployed and the poor in this case). As the support for general demands is quite high in this country, like it is abroad as well, the difference between the level of general demands and the specific ones is highest in the Czech Republic (to the detriment of the marginal groups).

Table 9

The average values of the index of general and specific demands on the welfare state in 1996 and 2001

	General demands		Specific demands	
	1996	2001	1996	2001
Lower and lower middle class	1,30	1,32	2,23	2,00
Middle class	1,45	1,35	2,40	2,24
Upper middle and upper class	1,71	1,41	2,69	2,40
Total	1,36	1,34	2,30	2,13

Source: ISSP-Role of government 1996, Labour Market and Social Policy 2001

Support for general demands did not change much in average during last five years, anyway it increased slightly with middle and upper classes. Support for specific demands increased in general (Table 9). These changes may among other stem from the fact that the risk of unemployment tripled between 1996 and 2000 in the Czech Republic.

Judgements about welfare spending on individual areas (purposes) were further studied on more recent data from the Legitimacy of Social Policy research conducted in 1999. The analysis brought the following findings: about 60 per cent of the respondents assess the overall level of spending on welfare purposes in the Czech Republic as low.¹¹ Such a critical view does not, however, apply to measures in favour of marginal groups (the poor and the unemployed). It is rather the sphere of general requirements where certain room for improvement is perceived. This holds true also for other areas associated with advancement of human capital and encouragement of equal opportunities (health, education, access to the labour market, housing) – Table 10.

Table 10

Evaluation of the current level of social policy spending in CR

(percentage of negative answers - „the level of state spending is (very) low) area	lower and lower middle class	middle class	upper and upper middle class	total
Housing	83	79	64	79
Health care	63	56	54	59
Active labour market policy	76	67	59	71
Sickness, disability and injury compensations	67	60	51	62
Education	62	63	52	61
Family-related benefits	64	57	51	60
Pensions and provisions for the elderly	53	42	42	48
Subsistence minimum guarantee	59	43	32	49
Unemployment benefits	56	39	39	46
Social policy in general	77	65	59	71

Question: “What is the level of the state spending on the following areas...?”

Source: Legitimacy of Social Policy 1999 (954 valid answers at minimum – about 10 to 29 percent of respondents were unable to assess the level of spending on the given areas)

The judgement of the overall level of spending on social policy measures is guided by respondents' individual interest in these measures – for example by their subjective sense of deprivation, self-identification with a social class, and political orientation: those who find themselves poor, those who identify themselves with lower classes and those who support left-wing political parties are more critical about the overall level of social policy spending.¹² However, the correlation is not very strong. It can be seen, for example, how very close the middle class and the lower class opinions are on most of the social policy areas. Nonetheless, middle class members lay somewhat more modest claims when it comes to providing for marginal groups: in concrete terms, in case of unemployment benefits and the subsistence minimum guarantee.

¹¹ This represents 70 per cent of valid answers.

¹² Spearman correlation coefficient Rho for correlation between the preferred political party on the left-right scale and the opinion on the level of spending on social policy was 0.26 (alpha = .000). In case of correlation with the feelings of deprivation it was 0.22 (alpha = .000) and in case of correlation with social class (self-identification) it was 0.18 (alpha = .000).

Collective (social) and/or individual (private) insurance?

If the “solidarity-based”, collective insurance system is found unsatisfactory – as has been illustrated on the judgements shown in *Table 10* – then the solution can either be to improve this system (by increasing taxes and corresponding spending) or to introduce private insurance schemes, possibly with restricting the scope of social insurance at the same time. It can be expected that the shift towards private supplementary insurance is advantageous to higher income groups in particular.

Table 11

Preferences for private supplementary insurance in CR (%)

Purpose-type of private insurance	lower and lower middle class	middle class	upper and upper middle class	total
Pension				
Is in favour of	28,6	40,9	56,6	35,2
Tolerates, but is not in favour of	49,2	46,5	40,8	47,7
Refuses, wouldn't permit	9,7	3,2	-	6,5
Doesn't know	12,5	9,4	2,6	10,6
	100	100	100	100
Early retirement				
Is in favour of	18,1	27,5	41,6	23,3
Tolerates, but is not in favour of	51,4	46,3	42,9	49,0
Refuses, wouldn't permit	12,5	11,0	6,5	11,5
Doesn't know	18,0	15,1	9,1	16,2
	100	100	100	100
Sickness benefits				
Is in favour of	18,0	23,4	37,7	21,5
Tolerates, but is not in favour of	47,7	53,1	46,8	49,7
Refuses, wouldn't permit	17,3	10,1	7,8	13,9
Doesn't know	17,0	13,3	7,8	14,9
	100	100	100	100
Health care				
Is in favour of	13,7	18,5	30,3	16,7
Tolerates, but is not in favour of	43,5	48,5	44,7	45,5
Refuses, wouldn't permit	28,6	21,0	22,4	25,2
Doesn't know	14,3	12,0	2,6	12,6
	100	100	100	100

Source: Legitimacy of Social Policy 1999

Question: “To what extent do you support the possibility to take out private supplementary insurance against certain risks? Such insurance would exist as a supplement to the existing obligatory system of contributions and benefits”.

Private supplementary insurance schemes are only rejected by a very small part of the Czech population (*Table 11*). This is also evidenced by the fact that more than a half of the economically active Czech population have taken out a supplementary retirement insurance by 2001. For example, in a British research “British Social Attitudes Survey” carried out in 1989, 63 per cent of the respondents said that they tolerated private supplementary retirement

insurance, and 49 per cent tolerated supplementary insurance for a better quality health care (Taylor-Gooby 1991: 116).¹³

Conclusions

The Czech public's attitudes pertaining to the principles of social justice that legitimise the scope and purpose of redistribution are somewhat ambiguous. Nonetheless, they generally correspond with the trend that prevails in advanced market democracies of today. This is true for example about Czech population's preferences on a scale from individual responsibility to the responsibility of the state, as well as on a scale from recognising one's merits to preferring equality. Nevertheless, in the course of the nineties, the Czech Republic has witnessed a slight increase in the importance attached to the role of the state and to the principle of equality. As regards the demand for the level of public spending and redistribution, Czech society is more in favour of redistribution than most West European countries as well as other Central European economies under reformation. As we have shown, in the forming of such attitudes, subjective assessment of the transformation's social impact, as well as the consequential perception of individual benefits/costs of the redistributive system change, play an important role, in addition to the differing accent placed on individual principles of justice.

Demands for redistribution are highly differentiated in the Czech Republic according to the purpose of welfare expenditures. The legitimacy of redistribution intended to protect against specific social risks, namely risks pertaining to marginal groups, seems significantly lower than the legitimacy of redistribution in favour of general social risks. Moreover, this gap is deeper in the Czech Republic than it is in other countries included in the comparison.

Market transition brings about a shift in the nature of social inequalities. What makes the difference is increasingly more often people's individual capacity to adapt to new situations, their "capabilities" and "functionings" (cf. Sen 1992), particularly their capacity to adapt to the dynamic labour market demands. This shift is to a certain degree reflected in citizens' expectations related to the purpose of public welfare spending. When it comes to individual areas of welfare expenditures, it is those measures which sustain and improve the quality of human capital, including the ability of individuals to succeed in the market-driven meritocratic society, that are broadly accepted as legitimate (in addition to the above mentioned general demands). On the other hand, the majority of the Czech public disfavours vertical redistribution of resources (targeted at the poor).

Private supplementary schemes are regarded by a greater part of the society as an acceptable form of protection against social risks (in diverse areas). Nonetheless, it is perceived as a supplement, rather than a preferred replacement of social security systems.

Finally, it appears that the social trend towards increasing social differentiation, including differentiation of the extent to which people are exposed to social risks, has two consequences. First, different social strata's preferences regarding the extent of welfare spending and redistribution differentiate. Second, the support for welfare spending in terms of its purpose differentiates too: the upper and middle classes tend to increasingly more often reject welfare benefits and services targeted at lower classes. We assume that the increasing targeting of welfare benefits at lower social classes, which has been enforced in the Czech welfare state since the nineties, reinforces both above mentioned tendencies towards differentiation of attitudes to redistribution (according to social strata and redistribution

¹³ It must be noted that the question wording was slightly different in the case of the BSAS: "To what extent do you agree with the following statement – people who can afford it should have the possibility to secure better standard of retirement pensions/ health care for themselves".

purpose). On the other hand increasing threats of unemployment risk probably contributed to the turn-off to more solidaristic attitudes at the end of nineties.

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Summary

In this paper we pay attention to the legitimacy of the principles, scope and purpose of redistribution in Czech society. We use data from international surveys from the second half of the nineties, including European Values Study 1999 and ISSP 1996 – module Role of the Government and some recent national Czech surveys to compare the representatives of welfare regimes (Sweden, Germany, UK, Italy as well as Hungary and Poland with the Czech Republic).

We claim that Czech society does not favour extensive redistribution at the level of principles. Nevertheless, demand for redistribution is stronger compared to the other European countries. This may be due to the social consequences of market transition combined with restrictive social policies implemented during the nineties. Furthermore, the purpose of redistribution seems to play a central role. While benefits for marginalised groups are not supported, mainstream benefits should be increased according to the public, and the strategies to improve human capital and capabilities to adapt in the labour market gain support as well. The Czech public also prefers to combine collective (social) protection with private supplementary insurance schemes against risks of the contemporary society. Remarkable differences in most of the above described attitudes among social classes were found – which are more profound when compared the other European countries.

We conclude that in the forming of such attitudes, subjective assessment of the transformation's social impact, as well as the consequential perception of individual benefits/costs of the redistributive system change, play an important role. We also assume that the increasing targeting of welfare benefits at lower social classes, which has been enforced in the Czech welfare state since the nineties, reinforces tendencies towards differentiation of attitudes to redistribution (according to social strata and redistribution purpose). On the other hand increasing threats of unemployment risk probably contributed to the turn-off to more solidaristic attitudes at the end of nineties.



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