

the parliaments but a different situation and a different climate caused the development of separate Czech and Slovak Republics.

It is thus confirmed that if the introductory question is relieved of its propagandistic touch, the answer remains to be found

primarily in the analysis of long-term existing differences between the Czech and the Slovak Republics. Only afterwards can we begin interpretations of the nature of their political actions.

Table 3. Log-linear model of relations between a republic's citizenship (REP), a political inclination (PARTY) and an attitude towards paternalism (PATERN)

	df	L2	p
<i>Tests of interactions' zero effects</i>			
1	6	937.929	0.0000
2	9	247.679	0.0000
3	4	5.312	0.2567
<i>Tests of partial associations</i>			
REP*PARTY	4	198.477	0.0000
REP*PATERN	1	16.896	0.0000
PARTY*PATERN	4	11.302	0.0234
<i>Estimations of parameters</i>			
ČR - Civic right-wing			1.13*
ČR - Christian			-0.30*
ČR - Center			0.06
ČR - Left-wing			-0.05
ČR - National			-0.84*
ČR - Paternalism			-0.16*
Civic right-wing - Paternalism			-0.17
Christian - Paternalism			0.10
Center - Paternalism			0.04
Left-wing - Paternalism			0.12
National - Paternalism			-0.09

\*) Standardized value of coefficient > 1.96

Ondřej Hubáček

### What Type of Capitalism Is Expected In the Czech Republic?

In July, 1992, the Institute of Sociology of the Czech Academy of Sciences, together with the Center for Empirical Research (STEM), carried out the fifth part of the serial empirical survey "Economic Expectations and Attitudes". It investigates the growing attitudes toward passing economic reform and their consequences.

From the various issues covered by the survey, here we focus our attention on the population's perception of the relationships between the state and the market. These relationships can be defined in terms of whether they are liberal, favor a relatively free economy or are social market oriented. The controversial issue shaping peoples' attitudes appears to be; "to what degree should the state directly intervene in the economic and social spheres of life?" "When do people

prefer state intervention in the market?" Answers to these questions will indicate which capitalist route is to be expected in our country.

We proceed in three methodological steps. First, we analyze explicit questions about the preferred form of economic system (see Table 1. for results). Second, we compare the relative frequencies of the explicit answers with the implicit ones, which are based on specific examples of various types of state intervention. The implicit questions are used to examine the consistency in peoples' explicit attitudes concerning the relationship between the state and the market. Cluster analysis is used to analyze the data. And third, in depth examination of differences in attitude types is conducted. Here we focus on satisfaction with current income, the influence of "cultural capital", political orientation, and the estimated value of respondent's private property.

Table 1. Expectation of economies' type (in %)

socialist, as it was before 1989	3.3
social market, high state intervention	45.6
free market, minimal state intervention	51.1

## The Basic Patterns of Attitudes

### 1. The "Liberal" Type (LIB)

The first cluster of people with liberal values, which we have implicitly traced, represents 57% of the Czech population above 18 years of age. Their attitudes are in complete agreement on the term "capitalism". The Czech population has clearly attributed the following features to the term "capitalism":

- private ownership without state restrictions;
- inequality among people as a natural phenomena depending upon the abilities of individuals;
- minimal intervention of the state into the economy;
- poverty as a result of personal inability;
- unemployment as a consequence of individuals' lack of enthusiasm for their occupations; and

- emphasis on a rapid economic transformation and more specifically a rapid privatization process.

These people emphasize the efficiency of the economic performance within a free market and the justice of the system, because of its clearly defined criteria which are obligatory for everybody.

The LIB type display high consistency between explicit and implicit answers.

### 2. The "Social Market" Type (SOC)

This group of people represents 43% of the Czech population. People who maintain discontent with the idea of unemployment as such and report sentiments of injustice, usually demand a social market economy.

Because of the fact that only a relatively small percentage of our respondents have experienced real unemployment, the fear of losing jobs means the fear of a system which allows unemployment. The nature of the above mentioned opinion consequently overlooks all positive attributes of the free economy and exists as long as people claim that the state's first responsibility is to provide every citizen with a job.

The feelings against a system's injustices and dishonesty create a contemptuous people biased against the development of a market economy. People who prefer a social market economy drew parallels between dishonesty, injustice, and the capitalistic system, and not with the morality of individuals and discrepancies of complex transforming processes.

These people thus prefer:

- direct state intervention into the economy - for instance, decreasing all prices by a state decree;
- state provision of jobs for all people; and
- a vision of poverty as the failure of a system, not of an individual.

According to this attitude, the first necessity in a state is the assurance of social justice. The commanding functions of the state, which firmly encroach on the distribution of market resources, are stressed. The consequences of disturbing market forces and the re-emerging state dirigism are not even considered. The characteristic concept of the state seems to be paternalistic towards its

citizens. The former latent communist rule, "equity of all in poverty" is here subconsciously substituted by a renewed one "wealth, but only for everybody".

The "social market economy" preferred by the SOC type, as reflected in their responses to the survey, is quite similar to the "socialistic" state which assures "socialist amenities". For the Slovaks, we estimate that their opinions are more represented by the SOC type (about 70% of the whole Slovak population) than by the LIB type (about 30% of the population).

### **Is "Paternalism" the Conviction of People Who Are Not Well-off And "Liberalism" the Conviction Of the Wealthy?**

The question can be put in another way: Are the requirements for the establishment of some "social" market economy only normal reactions reflecting a worse social situation of respondents? Is it then possible to predict that the intensity of their responses will decline simultaneously with economic growth? Or are these kinds of socialistic ideas the result of a profoundly "imbedded" ideology whose roots can be discovered in the earlier past? What influences these attitudes?

#### **1. Satisfaction with current income**

Satisfaction with current income is subjective and is expected to be evaluated in relation to various expenditures - whether respondents can afford good food or clothing and are able to spend money on culture, sports, etc. In regard to great dissatisfaction with the most basic needs - food, the SOC type of cluster manifests itself in 11% of the cases and the LIB one in 4%. Table 2 also shows that the SOC type of respondents in other types of expenditures experience greater financial troubles than LIB ones. The differences are statistically significant; therefore we con-

cluded that income level significantly determines the attitudes of people.

#### **2. The influence of "Cultural Capital"**

"Cultural capital" is defined in terms of empirically observable features. Here we define "cultural capital" as the education of the respondents, the education of their respondents' fathers, and their understanding of the present political situation. Other important differentiations among people are their inner understanding of achievement criteria and the relationship between the individual and the social system. The latter is mostly apparent through the respondents' evaluation of the justice of the system being considered.

Based on our analysis the SOC and LIB types are statistically significantly different in terms of their levels of education and socioeconomic background. The domain of less educated people is in the SOC type; if we consider only the elementary educated population, 60% of these people are in the SOC cluster. If we consider only people with university education, the LIB type contains 81% of these respondents. It is similar case when considering their fathers' education (these result are not presented in tables).

Observed differences between the SOC and LIB types suggest that the intellectual attainment of respondents is as important as income in predicting general opinions. Individual material success as revealed by subjective satisfaction with current income is not a matter of professions, because the SOC and LIB types are not differentiated according to them. We thus derive that the cultural capital of LIB types should be closer to some features which enable their holders to accept the new criteria of achievement and performance more easily. The fact that 76% of all formal, legal licences to run private businesses belong to the LIB types suggest these features allow one to be more independently directed.

Table 2. Social market and liberal type according to some socioeconomic characteristics

	Type		Total
	SOC (100%)	LIB (100%)	(100%)
<i>A. Food</i>			
definitely yes	16.3	33.4	18.5
rather yes	45.7	51.4	45.0
rather not	26.9	11.6	24.4
definitely not	11.1	3.6	12.1
<i>B. Income</i>			
very hard	35.5	16.7	29.1
hard	41.6	39.4	43.0
easy	22.9	43.9	27.9
<i>C. Leisure</i>			
definitely yes	3.2	11.9	8.5
rather yes	16.7	30.1	20.1
rather not	37.5	40.5	39.1
definitely not	42.6	17.5	34.6
<i>D. Education</i>			
elementary	30.9	12.5	24.9
vocational training	40.3	31.8	32.4
secondary school	22.8	39.3	30.8
university, college	5.9	16.2	11.9
<i>E. Fathers' Education</i>			
elementary	34.0	18.0	36.5
vocational training	46.7	43.4	38.4
secondary school	13.9	26.1	17.9
university, college	5.1	12.4	7.2
<i>F. Understanding of Political Scene</i>			
definitely yes	3.2	10.1	7.3
rather yes	21.6	39.5	32.1
rather not	51.1	39.4	45.1
definitely not	24.1	11.0	15.5

Source: "Economic Expectations and Attitudes V." July, 1992.

Questions:

A. Does the money you have in your household provide enough for good food?

B. How do you manage with the present income of your household?

C. Is some money left for culture, recreation, sport, and similar activities and for the purchase of things you need for your activities (books, records, sportswear, equipment)?

F. Would you say that you understand the present political scene?

Table 3. Structure of voters of some political parties according to the SOC and LIB types in the parliamentary elections of 1992 in the Czech republic (in %)

Political Subject	SOC	Type LIB
The Czechoslovak Social Democratic Party (Left Side)	73.3	26.7
The Left Block - Communist and Democratic Left Party (Extreme Left)	93.0	7.0
The Civic Democratic Alliance (ODA) (Right Side)	16.0	84.0
The Civic Democratic Party - coalition ODS-KDS (Right Side)	19.4	80.6

Source: "Economic Expectations and Attitudes V.", July 1992.

### 3. The aspect of political orientation

Table 3 reveals the structure of voters of some important political parties according to the SOC and LIB types. Results are presented according to electoral votes in the 1992 election (see Table 3).

If we consider the structure of electoral votes inside clusters' types, the SOC type were more likely to vote for political parties with a leftist orientation (results not shown in the table). In the last elections 45% of the SOC type voters opted for leftist political parties which then entered the Czech parliament; 21% voted for rightist ODS-KDS (Civic Democratic Party in coalition with Christian Democratic Party); and the remaining 38% were dispersed among other political parties which did not enter the Czech parliament.

In the LIB type cluster, 50% voted for ODS-KDS, 14% for (rightist) ODA, and the rest dispersed among other political parties aside from leftist ones.

We consider the results comparing the real political affiliation of respondents with their allocation within one of two clusters to be a sign that there are some potential dynamics, especially on the right side of the political scene. The direction of possible political shifts, mainly among the inconsistently thinking SOC voters for ODA and ODS-KDS, may depend upon whether the living standard will rapidly grow or not. If yes, the respondents' political alignment with ODA

and ODS-KDS will strengthen, if not, it may weaken.

As is seen in Figure 1, 21% of the SOC respondents align themselves with right-oriented people. We interpret this as an indicator of their greater confusion, since this political orientation is inconsistent with their responses to the implicit questions on state intervention. With regard to the left political side, the validity of self-political alignment is not biased. The person who consciously identifies him/herself with the political left, hardly belongs to the right, according to implicit questions. The LIB type of respondents confirmed the positive assumption about their clear awareness of their general political orientation.

### 4. The scope of private property

The difference between the SOC and LIB type, in regard to their private property, is also seen (Figure 2) but it is not statistically significant. Comparing the LIB and SOC type according to the possession of some specific things, we can not infer that there is a close relationship between property and opinions of the SOC or LIB type respondents. For example 38% of people of the SOC type own a family house (42% of the LIB type); 51% of the SOC type own a private car (68% of LIB); about 1% of the SOC type possess a house open to rent (3% of the LIB); and finally 11% of the SOC type people possess a forest or field (14% of the LIB

type). Thus, we can not say that the LIB type is rich or the SOC type is only poor.

### Towards Which Capitalism Do We Aim?

Based on the results of this analysis, it is not possible to say that the discrepancies between the SOC and LIB clusters are only a conflict of "rich" and "poor". SOC standing is not a conviction of inferior social stratum, with incomes hardly sufficient for their family's nutrition. There are other factors, outside of material ones which are obvious and have impact:

- it is possible to assume that the liberal opinion is firstly the conviction of individualistic and active people and only then of successful and materially satisfied people;
- the SOC type attitude can also be the expression of traditional social democratic ideas, not only of a communist past. Today, however, partial misunderstanding of processes and greater confusion intervene;
- while the relationship between the respondents' subjective economic and financial situation and their opinions is undeniable, it seems that this relationship is mediated by something which can be called the "cultural multiplier". This factor is somewhat independent of an individual's economic situation.

With regard to the fact that real restructuring of the state industrial sector has not begun yet, a temperate evaluation of the social situation is proper. The majority of the "risky" population is employed by state or cooperative enterprises which have crucial procedures still in front of them. We will see, whether economic necessity will compel our citizens to accelerate their individual activity or lead them to greater dissatisfaction. The transformation process will be very dynamic. It can move towards capitalism which is really capitalistic (liberal). If it does not move towards an efficient and rich economy, capitalism "without adjectives" will have trouble assuring its legitimacy because of obvious social-democratic roots in the Czech society. As was revealed by our surveys, a great part of the population tends to blame the political and economic system for their individual lifetime failures (about 40% of the Czech population).

The question about our future form of capitalism is still open at this time. We are just now near the turning point of the transformation period. Even though the development toward a free society is close to being irreversible, some latent threats still exist.

LIB/SOC TYPE-COMPARISON OF  
POLITICAL SELF-IDENTIFICATION (%)

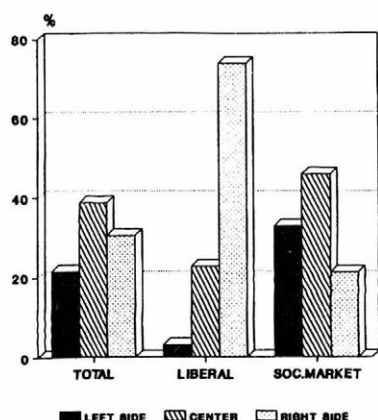


Figure 1

THE LIB/SOC TYPE-COMPARISON OF  
ESTIMATED VALUE OF PRIVATE PROPERTY

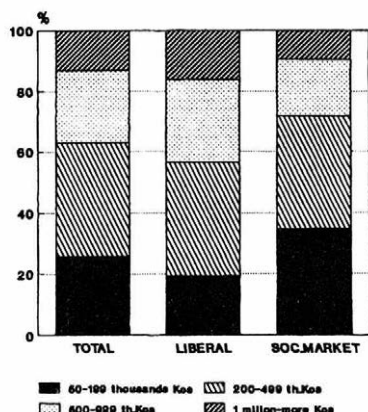


Figure 2