

Changes in the Perception of Poverty and Wealth: The Czech Republic, 1991-1995*

MARTIN KREIDL**

Institute of Sociology, Academy of Sciences of the Czech Republic, Praha

Abstract: The objective of the paper is to explain the change in the perceptions of factors determining economic inequality and to show how these perceptions affect distributive system legitimacy and political orientations. A comparison for the Czech Republic for the years 1991 and 1995 is carried out based on the data from the survey 'Social Justice'. The following basic trends can be found in regard to perceptions of the causes of poverty and wealth: the stability of a strong tendency to attribute poverty to failures of the poor themselves (blaming the poor), a decrease in the tendency to attribute the rise of poverty to structural failures (blaming the state), and the growth of the role of meritocratic explanations of wealth, without any weakening in the tendency to blame the system for providing opportunities for unfair profit.

In addition to the above-mentioned tendencies, hypotheses are also tested in regard to the structure of beliefs about poverty and wealth (confirmatory factor analysis) and the relationships between these beliefs, a person's position in the stratification system (objective and perceived social status), and political orientations (structural model). The results of the analysis support the hypothesis that these relationships strengthened during the period under study, bringing the situation in the Czech Republic closer to that in western democracies.

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Economic inequalities in societies

A society without inequalities is a myth – an observation which aptly summarises Pitirim Sorokin's fundamental contribution to the broad range of analyses of social stratification [Sorokin 1959]. Specific attention to inequalities in the distribution and in the accessibility of individuals and groups to material wealth, power, and prestige was later put forward by Gerhard Lenski [1966]. It has since become clear that economic inequalities are only one of several aspects according to which society is stratified. At the same time, different types of societies may be classified according to the degree of inequalities, their origins, and the attitudes of people towards them. With regard to the significance of economic inequalities, in this context Lipset's thesis must be stressed: from a political standpoint, inequalities and, above all, their interpretation influence political preferences and the stability of a given regime [Lipset 1960: 61-67].

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**) Direct all correspondence to: Martin Kreidl, Institute of Sociology, Academy of Sciences of the Czech Republic, Jilská 1, 110 00 Prague 1, phone + 420 2 24 22 09 79, ext. 232, fax + 420 2 24 22 02 78, e-mail kreidl@soc.cas.cz

Inequalities in societies become problematic only when it is no longer possible to justify them satisfactorily. While in the great majority of cultures people have been considered to be naturally unequal – *homo hierarchicus*, modernity brought with it the notion of social equality. But even this ideal has been transformed over time. Beginning with the original demand of a new bourgeoisie for an equal chance to gain scarce resources, the notion of social equality later developed into the right to an equal share of them.

The notion of social justice, born of the conflict between actual social inequalities and the ideal of equality, only became meaningful in the modern period. Let us assume that we understand it to be the demand for certain methods in the distribution of material wealth, social standing, prestige, and positive and negative sanctions. If we use the question of justice to address the problem of the division of material wealth (calculable in money), that is, questions of who, what, and how much is to be gained, we may speak of distributive justice. According to Homans [1974], distributive justice is always based on the idea of the proportionality between investments and rewards.

Members of society, even those who are structurally disadvantaged, have always tended to justify the existence of inequalities. When this justification fails, the system loses legitimacy. We may then say that *a system is legitimate when it is accepted even by those who are disadvantaged by it*. Doing away with the ideal assumption of absolute legitimacy, this definition allows us to move from the degree of acceptance of inequalities to the degree of their legitimacy.

It is possible to describe the manner in which the system legitimacy is upheld on the level of individual consciousness, even when it seems to be in opposition to individual interests, with two principles: *the equity principle*, and the *status attribution principle*.

According to the first principle, each investment and contribution (in the form of expended energy, money, or the acceptance of responsibilities) should in the end result in profit. This distribution principle was described and empirically documented on small groups [Leventhal et al. 1972, Homans 1974]. Its relevance for the macro-theory of the legitimisation of inequalities has been pointed out by Lerner [1975] and Walster and Walster [1975].

Status attribution theory [Berger et al. 1972, Webster and Driskel 1978] illustrates how an individual assesses the status of others when only some status relevant characteristics are known. While trying to preserve their own cognitive consistency, people generalise from what is evident and assume that the unknown social signs are consistent with known ones. It means that they assess retrospectively an individual's contributions according to observed rewards. The whole process is, then, circular [Cook 1975], resulting in the *self-reinforcing* nature of the entire legitimising process.

With respect to the relevance of these two theses, from individual positions on the social ladder the perception of perfectly legitimate inequalities could be summarised as follows: "the wealthy and powerful think they deserve their advantages, and the poor and powerless see their own disadvantages as justified, though not pleasant." [Della Fave 1986: 479].

Even with the previously mentioned self-reinforcing nature of the process from which legitimacy emerges and is maintained, there remains the possibility of the delegitimisation of stratification. Della Fave suggests that this could happen if in certain conditions a distributive counter-norm is created which is based on the principle of equality

rather than equity. Then legitimating norms and counter-norms exist in a state of continual tension [Della Fave 1986: 480].

As James Kluegel has suggested, the universality of the assumptions about the legitimacy of economic inequalities could be undermined if large segments of the population experience poverty and unemployment during periods of economic recession or stagnation [Kluegel 1987]. Robinson and Bell had before him attempted to summarise the varying tendency of different social groups towards egalitarianism, on the basis of three hypotheses: the *underdog hypothesis*, which, similar to Kluegel, predicts a stronger tendency to equalise among lower social groups; the *enlightenment hypothesis*, according to which educated people would exhibit a stronger sense of egalitarianism; and the *Zeitgeist hypothesis*, which attempts to explain the growth of egalitarianism as a long-term process in western societies [Robinson and Bell 1978]. The latter two are, however, debatable. In his attempts to explain the tendency to equalise, Adam Szirmai found only the first of these hypotheses to apply unambiguously [Szirmai 1986: 165]. Subsequent studies have even supported the enlightenment hypothesis, which *de facto* represents its opposite [Kluegel and Matějů 1995].

Let us consider the first case: the egalitarian distributive counter-norm should be socially specific and egalitarianism should be maintained among lower status groups. The rise of this distributive counter-norm, however, does not necessarily require the rejection of the original one. As suggested by the *split-consciousness theory* [Lane 1962], they may coexist, each occupying a different part of one's mind. In practice, this means that it is not possible to rank both of these approaches on a single scale (i.e., the stronger the one approach, the weaker the other), and so it becomes necessary to find two scales.

Why the poor are poor...

Kenneth Galbraith divides modern poverty¹ into two categories [Galbraith 1967: 302]. On the one hand, poverty results from personal characteristics (e.g., lack of education, alcoholism, and inability to maintain the tempo of modern economic life or even due to psychological inferiority), a position often taken up by liberal-oriented people. Responsibility for this condition of poverty is attributed to the individual; the fact that others have successfully defended themselves against it is in itself taken as proof that poverty is not an inescapable human condition.

¹⁾ Throughout all of known history, Galbraith argues, nearly all nations have been poor, with the exception of the past several generations of inhabitants in certain parts of Europe, and their descendants. Here, destitution no longer applied to society in general: that is, the general became the specific, giving the problem of poverty its unique, modern character [Galbraith 1967: 300].

The old economic world of the “iron law of wages” was step by step being replaced by the world of economic merit. Here, the wage was no longer determined by the standard of living conditions, but by a marginal product dependent upon the education and talents of a given individual. Because self-improvement requires some investment, it resulted in the logical assumption that, as land brings rent, this investment should be rewarded in economic terms.

In a society of traditional political economic thinking, i.e., *laissez faire* societies, social inequality should result from the different successes of certain actors in economic competition. More qualified, effective, and industrious workers and entrepreneurs are automatically rewarded, while the unsuccessful are punished for their inability or indolence.

On the other hand, we should consider the phenomenon called 'regional poverty', which cannot be explained simply as stemming from the individual. It is possible to claim that an individual is unqualified, but it is not possible to make the same claim for all inhabitants of an entire region. People afflicted with 'regional poverty', according to Galbraith, are to a certain extent victims of the environment in which they live.

James Kluegel has in a similar way classified beliefs about the causes of poverty in American society. Between 1969 and 1980, the great majority of Americans identified the cause of poverty as the poor themselves (including poor management of money, lack of will, abilities and talents, poor morals, and alcoholism). However, not even poverty as the result of structural disadvantage (few opportunities for study, low wages in certain fields, few job possibilities, prejudice, and discrimination...) was omitted from these responses [Kluegel 1987].

The case of *blaming the poor* coincides with the dominant distributive ideology (*equity*). The tendency to argue that poverty emerges from the structural aspects of society and is out of the control of any one individual, (i.e., *blaming the state*), suggests a tendency towards the challenging egalitarian counter-norm. These two approaches to poverty may be defined as *merited poverty* (the fault of the individual) and *unmerited poverty* (the fault of the system).

Oscar Lewis [1968] proposed a third response to why poor people are poor, which may be referred to as *fatalistic poverty*. His "*culture of poverty*" thesis may be summarised as follows: the culture of poverty is the inability to take advantage of present opportunities, which is transmitted over several generations. If an individual is born in a family environment characterised by missed opportunity, he/she is unlikely to abandon this environment in future life. Here, the focus is on a somewhat different point: we have been considering not the origins of poverty but its maintenance. Thus, we are standing somewhat outside of the original individual-system dichotomy. In contrast to the first two theses, it is difficult to establish a concrete link between the fatalistic explanation of poverty and any kind of political orientation or society-wide ideology; doing away with poverty, breaking its "*vicious circle...*": a promise of liberals and conservatives since time immemorial [Novak 1992: 250-251].

...and the rich rich

If we are going to proceed in the world of economic merit, one simple claim shall suffice: the wealthy deserve their wealth, or, if you like: "property is the compensation due to its creator" [Galbraith 1967: 56]. This world is, however, an exclusive one and many people do not believe in it any more. Egalitarianism will again play its role, rejecting the legitimacy of wealth. The discourse of egalitarianism defines wealth as the result of an unjustly organised economic system: it allows owners to turn a profit unjustly, and to do so the off labour of others. In its most extreme form, this egalitarian approach would lead to the absolute rejection of private ownership: "Ownership is a crime," wrote Proudhon [cited in Friedman and Friedmanová 1992: 5].

To a significant degree, socialist ideas and parties, which are direct descendants of the working classes and their interests, owe their popularity to the idea of a more equal distribution of wealth in society. They emerged as a direct reaction to the socio-economic conditions that produced the industrial revolution. They illustrate the capacity of sentiments of injustice and illegitimate inequalities to influence politics. For that matter, the

decision on the organisation of economic life, in agreement with Aron's articulated primacy of politics, is always a political one [Aron 1993: 15-20]. Thus it is no surprise that state representatives will always bear responsibility for the rejection of the legitimacy of the system; even though the mechanisms of the legitimacy of inequality are created in society spontaneously and have a self-reinforcing character [Della Fave 1980, 1986]. Politicians may be responsible not for the public acceptance of a given distributive system, but for the possible rejection of it. The challenging distributive ideology may be caused by personal experience with poverty, yet this experience need not be of absolute deprivation, but 'only' of the subjective one, a sentiment that stems from *relative deprivation* [Stouffer et al. 1949]. The manipulation of this sentiment and its development (e.g., questioning the distributive system) may be a very effective component of political competition.

Pierre Bourdieu [1986] posits a third possible source of wealth in his theory of different forms of capital and their convertibility. Social capital, in the form of broad-based cognisance and web of contacts, may be transformed not only into earnings in the form of the exchange of services and favours, but also directly into economic profit.

In summary, three possible and alternative interpretations of the sources of poverty have been discussed (the fault of the individual, structural causes, and the fatalistic interpretation of simply being born in the wrong place) and wealth (merited, unmerited, and wealth from social capital).

At least the first two pairs of each group of three interpretations have presumed counterparts in human consciousness (in the form of distributive ideologies), but also in practical politics or in the plane of political ideas. In the same way that we may say the concepts of poverty and wealth are inseparable,² it is equally possible to link the opinion of the individual causes of one with the conviction about the individual causes of the other. Likewise, we may link assumptions about the systemic sources of poverty with those about the dishonest (due to the system) acquisition of wealth.

The assumptions described above should in theory apply universally. Nevertheless, in the Czech Republic we may predict a transformation of the mutual relations of both principles (individual and system), with the figurative emphasis of one upon the other, and the transformation of their relations within the framework of the social structure of Czech society.

Poverty and wealth in transition

In socially stable countries like the United States, the equity principle is in a dominant position and egalitarianism is in the position of challenging distributive ideology, each with its own specific relationship to the social structure [Ritzman and Tomaskovic-Devey 1992]. It would be difficult to find such a degree of unambiguity in a country in transition, and especially in one that is in the process of the transition from a system dominated by socialist egalitarian ideology to an ideology of merit. In this period between the fall of the first ideology and the establishment of the second, i.e., in the course of revolutionary change, *collective mobility* is usually a more important element of legitimisation, than

²) It is argued here that it is impossible to separate the terms poverty and wealth: one is always the flip side of the other, and as one changes the second changes as well. As Mareš and Rabušic put it: "poverty and wealth are complementary terms" [Mareš and Rabušic 1996: 297].

individual mobility [Wesolowski and Mach 1986a, 1986b]. Rather, society becomes differentiated according to the subjectively perceived change in *life chances* [Dahrendorf 1979]. Segments of the population defined by their positive or negative change in life chances become supporters of both distributive ideologies.

Individuals who in the course of the transition experience a significant positive change in their own life chances, are likely to align themselves with the advocates of meritocratic distributive principles. Likewise, those who view the change in their life chances negatively, tend to identify with the systemic principle of egalitarianism. Old egalitarianism is thus driven out by the principle of merit, which does not have the character it should have according to Della Fave's argument.

Thus, distributive principles in transforming societies do not show patterns similar to those found in relatively stable western societies. In principle, it is not possible to determine with any certainty if the equity principle or the equality principle will occupy the position of the dominant distributive ideology. At the same time, the transition of the nature of things will remain incomplete, argue Wegener and Liebig, as long as these principles do not have the structure and consistency identical to those found in the West [Wegener and Liebig 1995: 258]. The crystallisation of the norms of distributive justice, in their mutual relationship (their negative correlation) as well as in their relationship to social status, has already been demonstrated in the case of the Czech Republic [Matějů 1997].

Yet at the same time, during transition periods, the original and subjectively defined social groups [which may be called the '*winners*' and '*losers*' of the post-communist transition – see Matějů 1996] also undergo transformation: their original subjective characteristics become complemented by objective ones. With reference to these facts we can argue that in the course of transition, the relationship between individual and systemic models of economic approach to inequalities will become increasingly sharper, while at the same time the relationship of each to social status undergo transformation.

If it is true that Czech society should in the course of transition become closer to the western societies in its characteristics, the development can be expected to be as follows: the equity principle will be more socially universal, while the equality principle becomes more socially specific.

At the beginning, the only thing that should be significant from this standpoint is this relationship to subjective social status. By the later phases of development, however, the objective attributes of stratification should begin to play a role. If this is the case, it would confirm the adequacy of expectations formed at the beginning of the transition: it would mean that individuals who in the initial stages of the transition felt a significant positive change in their life chances have in the new market environment actually become economically successful. Yet many people will never achieve the expectations they had during the first stages of the transition, while others simply never held any positive expectations. At the moment when the channels of mobility open up, some people undergo a shock resulting from their relative deprivation in comparison with the more successful. In addition, if people believe that the wealthy have acquired their property through dishonest means, here can be found some possible sources of egalitarianism in transforming societies. So in the eyes of some people, the new economic and political system creates the impression of having been a failure and is thus unacceptable.

The dependence of both distributive principles on social status should then acquire the following form: the egalitarian structural explanation of inequality will be stressed among lower social strata, while higher social status will imply the rejection of the systemic and the predomination of the individual model.

The theory of voting behaviour and hypotheses of development

It is possible to explain voting behaviour from two perspectives: instrumental and expressive. In the first case, the concern is a rational act driven by economic interests, while in the second case it is prevailingly a social act that expresses the values of an individual reference group.

The economic theory of voting behaviour [Downs 1957] is based upon the following argument: people try to maximise their profit even through the act of voting. Lower social classes give preference to left-wing parties, which support greater equality and the politics of a stronger welfare state. If the left-wing parties win, the tax burden for the lower classes might be smaller than their earnings from the state budget. In contrast, the propertied groups are likely to vote for right-oriented parties that support a smaller welfare state and minimal state redistribution.

The second theory, labelled by Heath et al. [1985] as “expressive”, is based on the assumption that there is a stronger relationship between certain social groups and certain political parties over time. “(Individuals) will vote as their class members traditionally vote” [De Graaf et al. 1995: 999]. Parties are thus guaranteed relatively stable support from certain social strata. It is argued that some form of collective identity develops. People accept the opinions and even the ideology of the preferred political movement. In their above-mentioned study, Robinson and Bell [1978] put forth the following idea, which is only a variation on this theme: people express a stronger tendency towards egalitarianism on the basis of their identification with the working class or with the lower classes in general.

This model of class-party alignment as deriving from economic interests has been the subject of much criticism. Some authors have questioned the notion of class-based social divisions [Clark and Lipset 1991] or the significance of classes to political action [Clark et al. 1993]. These arguments may be summarised in five points [see Manza et al. 1995]: increased rates of mobility, the individualisation of inequalities, cognitive mobilisation, post-material values, and structural mobility (the drop in ‘membership’ in the working class).

However, the exact opposite model is often used to describe post-communist countries. As these countries progressively become distanced from state socialism and move closer to the model of democratic, market societies, the right-left axis of the political spectrum shall become even more relevant, and economic differences and class divisions shall play an even greater role in elections. Iván Szelényi and his colleagues have called this process the shift from “the politics of symbols” to “the politics of interests” [Szelényi et al. 1997].

Hypotheses

The above mentioned hypotheses may be summarised as follows:

Hypothesis H1: There are three latent sources influencing the opinions of the causes of poverty (merited, unmerited, fatalist).

Hypothesis H2: There are three latent sources influencing the opinions of the causes of wealth (merited, unmerited, social capital).

Hypothesis H3: The opinions of merited wealth and poverty may be summarised by the phrase merited inequality (the so-called individualist model).

Hypothesis H4: The opinions on unmerited wealth and unmerited poverty may be summarised by the phrase unmerited inequality (the so-called systemic model).

Hypothesis H5: Both factors of merited and unmerited inequalities are dependent upon social status.

Hypothesis H6: At the beginning of the transition process, the key factor is subjective status, but the importance of the role of objective position within a stratified system increases thereafter.

Hypothesis H7: In the course of the transition process, the dependence of systemic factor upon social status increases.

Hypothesis H8: In the course of the transition process, the individualist and systemic principles become more sharply defined (their negative correlation grows).

Hypothesis H9: A stronger belief in the merit of existing inequalities leads to greater satisfaction with the political system.

Hypothesis H10: The growth of the conviction that existing inequalities are unmerited (structural factor) causes dissatisfaction with the political system.

Hypothesis H11: The degree of satisfaction with the political system influences political preference (in the case considered, the more satisfied people support right-oriented parties and the less satisfied support left-oriented ones).

Hypothesis H12: Social status influences the degree of satisfaction with the political system.

Hypothesis H13: Social status influences political preference.

Hypothesis H14: The influence of social status on political preference grows over the course of transition.

Hypothesis H15: Political orientation influences the opinions of merited and unmerited economic inequalities.

Hypotheses 3 and 4 are taken from Della Fave's discussion of legitimating norms and counter-norms [Della Fave 1980, 1986]. Hypothesis 5 is taken from Ritzman and Tomaskovic-Devey [1992], Hypothesis 6 addresses the modification of the subjective definitions of 'winners' and 'losers' in objectively existing social groups. Hypotheses 7 and 8 correspond to the assumption of the crystallisation of distributive norms [Wegener and Liebig 1995]. Hypotheses 9 and 10 are, in general, linked to the system which, on behalf of its right-wing political representatives, is defined as based on the principles of merit. Hypothesis 13 is related to the instrumental theory of voting behaviour, and Hypothesis 14 to Szelényi's shift to a "politics of interests." Hypothesis 15 is based on the notion of collective identity [cf. Robinson and Bell 1978].

Methods to test the hypotheses³

Hypotheses H1 and H2 were tested with the aid of confirmatory factor analysis. This has the following form:

$$\mathbf{y} = \Lambda_y \boldsymbol{\eta} + \boldsymbol{\varepsilon}, \quad (1)$$

where \mathbf{y} is the vector of the directly measured variable, $\boldsymbol{\eta}$ is the vector of latent variables, Λ_y is the factor loading matrix expressing the dependence of the measured variables on the latent variables, and $\boldsymbol{\varepsilon}$ is the vector of measurement errors by the \mathbf{y} variable.

We may test hypotheses H3 and H4 putting together parts of the original measurement models of the causes of poverty and wealth (1) to one model with the particular variables \mathbf{y} , $\boldsymbol{\eta}$, $\boldsymbol{\xi}$.

This gives up the model of the second order factor analysis of the given set:

$$\boldsymbol{\eta} = \Gamma \boldsymbol{\xi} + \boldsymbol{\zeta} \quad (2)$$

$$\mathbf{y} = \Lambda_y \boldsymbol{\eta} + \boldsymbol{\varepsilon}, \quad (3)$$

where (3) agrees with (1) and for equation (2) $\boldsymbol{\xi}$ is the vector of the second order factors, $\boldsymbol{\zeta}$ is the vector of the measurement errors for the first order factors and Γ is the matrix expressing the relationship of the factors of the first and second orders.

We intended to go on working with the second order factors when testing hypotheses H5-H7, and H9-H15. Their best formal expression is the structural equation model. The original second order factors (in the $\boldsymbol{\xi}$ form) appear in these hypotheses both as dependent and independent variables. In the structural equation model, the $\boldsymbol{\xi}$ variables are in the position of dependent variables, i.e., their variation is not explained [Bielby and Hauser 1977; Jöreskog and Sörbom 1989: 5]. This means that it is technically impossible for the model (2) (3) to be a direct component of the comprehensive model. For this reason we derived the factor scores of the $\boldsymbol{\xi}$ variables from the measured variables and the factor scores regression.⁴

³) For this analysis the Social Justice database from 1991 and 1995 is used, with the combination of data originating from two national questionnaire surveys as part of the Social Justice Project. The investigation in 1991 was defined as an international comparative research project to address social justice and inequalities in thirteen countries. The Czech team repeated this study in 1995. In both cases, data collection was conducted by STEM (Centre for Empirical Research). The method was multi-level random sampling (region and household). In households, persons older than 18 were interviewed (the concrete persons were chosen on the base of a random procedure). There was a total of 2,056 respondents (810 in 1991 and 1,246 in 1995).

The cornerstone of our argument is the grouping of opinions on the causes of wealth and poverty. Through two rounds of questions, we tried to get the respondents to express why certain people are wealthy and others are poor in the Czech Republic. As an indicator of objective social status, we use the International Socioeconomic Index ISEI [Ganzeboom, De Graaf, Treiman 1992], as a measure of subjective positions on the social ladder we use the SUBST variable (subjective status = self-classification within the social hierarchy). We worked with the self-classification of the respondents on the left-right axis (POLOR variable), and with their satisfaction with the political system (SATIS). Further variables, created on the basis of the above-mentioned, are described in the text. The exact wording of the questions is in appendix 1.

⁴) Description of the calculation procedure:

(1) We standardised the measured variables (\mathbf{y}) to the form of z-scores.

(2) In the second order factor analysis, we calculated the factor scores regression.



The summary of the above mentioned hypotheses creates a structural model in the following form:

$$\mathbf{y} = \Gamma \mathbf{x} + \mathbf{B} \mathbf{y} + \zeta, \quad (4)$$

where \mathbf{x} represents the vector of the exogenous variables, \mathbf{y} is the vector of the endogenous variables, Γ is the matrix of mutual relations between the exogenous and endogenous variables, \mathbf{B} is the matrix of mutual relations among endogenous variables, and ζ is the vector of the structural disturbances of the endogenous variables.

The entire model which emerges may be applied in the form of multi-sample analysis of the data for both years when the Social Justice Project was conducted in the Czech Republic, and from the comparison of individual coefficients we can determine what the results will be in the case of the hypotheses H6, H7, and H14.

Finally, we can test hypothesis H8 with the aid of Pearson's correlation coefficient between latent constructs from the second order factor analysis.

Poverty and wealth – a basic description

First is an overview of the distribution of the main variables entering into the analysis. Of particular interest is their absolute sequence, i.e., what people actually find most commonly to be the determinants of wealth (poverty), as well as the development of this distribution between 1991-1995.

With regard to Table 1 (the causes of poverty), the following may be argued: according to the opinions of respondents, the more important causes of poverty are the people themselves (poor morals and lack of effort). Following them in absolute sequence, the tendency to blame the system for poverty can be seen (insufficient opportunities, a bad economic system, discrimination). With regard to wealth (Table 2) the exact opposite responses can be found: among all the proposed causes, the systemic explanations (connections, a bad economic system, and dishonesty) were more common than individual ones (hard work and talent). In Table 3 we tried to order the causes of poverty hierarchically according to the sequence in the framework of the given round and place their approximate equivalents towards wealth in the same row on the table (in both cases according to the hierarchy of causes). The column "trend" shows the change in mean for the given period.

It can be seen that the corresponding pairs are in approximately the same relative position in the framework of columns, and it would appear that they have a concrete relationship to the shared value system. From the viewpoint of the extremely different positions in both hierarchies, there is only one notable point: Lack of effort very often leads to poverty, but hard work in people's eyes only rarely secures a high standard of living (one

- (3) We used the factor scores regression and values of the standardised variables in the regression equations to the calculation of the values of the factor scores of the first order factors (η).
- (4) We respecified part of the original model of the second order factor analysis (the relation between the ξ and η variables) to the form of the first order confirmatory factor analysis.
- (5) In this model we again calculated the factor scores regression.
- (6) Using this factor scores regression and factor scores values (η in the (2) (3) equations), we calculated second order factor scores (ξ in (2) (3)). All figures and coefficients for their calculation may be obtained from the author.

explanation would be the commonly held notion that with work comes a comfortable standard of living, but in most cases not an unusually above standard one).

Results⁵

The models applied to test the assumptions about the internal structure of the causes of poverty and wealth (Model 1 and 2) turned out to be statistically plausible (see Tables 4 and 5). And the initial assumptions about the structure of explanation of the origins of poverty and wealth, expressed in hypotheses 1 and 2, appear to accurately describe how people interpret the sources of economic inequalities.⁶

A more detailed analysis has been done [see Kreidl 1997] which attempted to classify individual countries according to their position on all six factor scales. In all cases, considered generally, countries of the former Eastern Bloc remain polarised from those in the West. In cases where one group of countries shows a high value of the factor score, the second group scores low, and it is even possible to notice a certain degree of clustering inside these groups. Generally, people from countries which have experienced a socialist order are more inclined towards a systemic explanation of economic inequalities (this trend is most visible in Russia, Bulgaria, and Estonia).

With regard to the changes in opinions in the Czech Republic, it can be concluded:

- the system is increasingly less considered to be the cause of poverty (from the standpoint of the legitimacy of the system of economic inequalities, we may interpret this as a positive shift); on the scale of the systematic causes of poverty, the Czech Republic in 1995 ranked among the advanced western countries.
- the failings of the system in the creation of wealth continues to be considered on the same level and is, similar to other post-communist countries, rather significant (this means that people continue to cite failures in the system to explain the possibilities for illegitimate wealth).
- the conviction that wealth is the product of individual merit has increased considerably (even here the Czech Republic ranks among western countries).
- there remains a strong tendency to ascribe poverty to the failings of the individual.

From the standpoint of the stability of the system of economic inequalities, this high degree of the legitimacy of poverty, based upon the explanation of individual failings, together with the conviction that the economic system is having increasingly less influence upon the origin of poverty, may be taken as a positive sign. In comparison with Western Europe, however, it turned out that the tendency to blame the poor for their poverty is extraordinarily strong in the Czech Republic.

For supporters of the merit principle, there is more good news: the idea that wealth is the reward for work and ability is becoming more and more common in society. On the

⁵) All structural models mentioned in the text have been tested using the LISREL program. The input files and the correlation matrices that were applied may be obtained from the author.

⁶) In order to support the general applicability of our thesis, i.e., a parallel structure of assumptions among people in other countries, we tested this same model in the case of The Netherlands [see Kreidl 1997]. The most significant result from these studies in the Czech Republic and in The Netherlands suggests that the great importance of luck to one's degree of economic success in the Czech Republic contrasts with the relatively low factor loadings of these items in The Netherlands.

other hand, many still believe that the accumulation of wealth remains the result of problems with the economic system, and this opinion still predominates. What is the reason for this schizophrenia? It would appear that people recognise the parallel existence of both phenomena. That is, the rich are probably not viewed as a single group, but at the very least as two distinct groups. In their responses, people reacted both to merited wealth as well as its unmerited manifestation.

The greater legitimacy of wealth in western countries, which is most likely based upon acceptance of meritocratic principles, is there contrasted with the rejection of the individual causes of poverty. Thus in the West, the poor are not attributed with such a degree of responsibility for their poverty as they are in the East.

To proceed in testing out the hypotheses we now move to the two general attitudes towards inequalities. The individual sources of poverty and wealth were labelled with the single term 'merited' (Hypothesis 3) and the systemic causes of poverty and wealth with the single term 'unmerited' (Hypothesis 4). The notion about how these general approaches influence the measured variables is expressed with the second order factor analysis (see Model 3).⁷

Because this model is statistically plausible (see Table 6) we continued putting the so-called individualist and systemic models into the wider context of social stratification⁸ and political behaviour. By this context is meant the relation of both mentioned variables to status relevant measures and the consequences both opinions (merited and unmerited inequalities) should have in the field of politics (hypotheses H5-7, 9-15). The general notion about these relations is expressed in Model 4 (see Diagram 4). The goodness of fit statistics for this model are found in Table 7. These data strongly support the legitimacy of the general hypothesis expressed by the model. From the parameters of the model in matrix B and Γ , we may judge the development through time.

The dependence of the systemic explanation of inequalities (UNMERIT) upon social status had grown: the degree of dependence on both the objective and subjective status had increased considerably (γ_{21} for the objective status increased from -0.02 to -0.10; γ_{22} for the subjective status increased from -0.12 to -0.19; see Table 7) and in 1995 both were statistically significant. The relation between the objective social status (ISEI) and MERIT variable also strengthened (from -0.05 to 0.07). Neither of both coefficients varied significantly from 0, however, their statistical difference remains significant. The statistical insignificance of these coefficients shows that people with different objective

⁷⁾ In the course of the analysis, it became necessary to do away with the original 'symmetrical' assumptions about the order of relations in this framework. As observed initially, however, the additionally added causal relationship (λ_{33}) may have a sufficiently strong interpretative capacity (see table 6). This does not depart significantly from the theoretical construction outlined above.

During the calculation it also became clear that it is difficult to support the assumption of a multivariate normality, on which the calculating method of maximal likelihood is based. For this reason this method was replaced with unweighted least squares where this presupposition is not required.

⁸⁾ It is hoped that this attempt will be interpreted as direct response to what Jiří Večerník claimed in his today already classical text dealing with the problem of poverty in the former Czechoslovakia. "The logically consequent step," he wrote in his introduction to the Study of Poverty in Czechoslovakia, "would be to put the problem of poverty into the frame of social stratification research." [Večerník 1991: 577].

social status do not differ in their acceptance of the individualist model of inequalities. Nonetheless, if we take into account the development tendency, we see that should the trend continue, the belief about merited inequalities would lose its social universality.

It is evident that during the observed period the belief that economic inequalities are due to the economic system and its characteristic was becoming socially specific, while the individualist model of economic acquisition remained universal with respect to objective social position and there was an evident decrease in its relation to the subjective social status. These results suggest that in 1995 the individualist model was closer to the position of universal and thus the dominant distributive norm.

The relation between status characteristics (ISEI, SUBST) and political orientation (POLOR) also became stronger. The tendency of higher status groups to vote to the right and the lower ones to the left strengthened. This tendency is evident in the case of subjective status (γ_{42} increased from 0.04 to 0.14). However, this increase was not statistically verifiable in the direct relationship between the objective status and political self-classification of the respondents (expressed with the γ_{41} relation in Model 4): in 1991 it was -0.04, in 1995 it reached 0.03.

The above-mentioned coefficients only represent the direct relation, but there are also indirect effects mediated by other variables included in the model. Thus a clearer picture is obtained if we measure the total effects of the exogenous variables (ISEI, SUBST) on the fourth endogenous variable (POLOR): the total standardised effect of the ISEI variable on the POLOR grew from 0.00 (t-value -0.06) to 0.12 (t-value 2.19) and the total standardized effect of SUBST variable on POLOR grew from 0.07 (t = 1.83) to 0.18 (t = 3.56). This means that in 1995 it was possible to demonstrate statistically the influence of both status variables on political orientation and its increase. If nothing else it gives strong evidence supporting Szelényi's thesis about the shift to the politics of interests.

Even the POLOR-UNMERIT relation expressing how political self-placement on the left-right scale influences the opinion of unmerited inequalities (β_{24} in Model 4) increased significantly (from 0.03 to -0.11). Thus, if in 1991 political self-classification did not influence the acceptance or rejection of the systemic, unmerited origins of economic inequalities, it was different in 1995. Two years after the November revolution, it was not yet clear, either on the left or right, whether economic inequalities were the remnants of the old socialist system or the result of the new capitalist one, and so it was not clear to potential critics who to blame. By 1995, economic inequalities were more likely to be associated with the new liberal system. Notably, in the same year much of the questioning of the distributive processes had its origins in the self-identification of individuals with the political left.

From the standpoint of rebuilding consistencies in Czech society, it is important to underline that the correlation between objective and subjective social status increased significantly (φ_{12} between the ISEI and SUBST variables increased from 0.20 to 0.35).

It is now necessary to draw some conclusions from the mutual crystallisation of the merited and unmerited principles. The situation here is, however, rather complicated. Even though the correlation between both of these principles increased somewhat during the period of observation (from -0.23 to -0.27), the growth was expected to be more substantial. It appears that the problem is hidden in the complexity of the item. According to the model of the causes of poverty with the invariable factor loadings matrix, the negative

correlation between the MERIT PRTY variable (merited poverty) and UNMERIT PRTY (unmerited poverty) grew from -0.20 to -0.35 (see Table 4 – common metric standardised solution). This strongly supports the thesis of the crystallisation between the individualist and systemic principles. But the same did not happen in the case of wealth (the negative correlation between the MERIT RICH and UNMERIT RICH variables in Model 2 had the same value in both years: -0.54; see Table 5). It seems that the persistent and widespread feeling of unmerited wealth is the one remaining stumbling block.

Conclusions

The basic aim of this analysis has been to show where people search for the sources of poverty and wealth, and why they conclude that some people are poor while others are wealthy. It tried to map out one particular assumption about the internal structure of these opinions, and place it within the wider context. The focus has been the relations to the legitimacy of economic inequalities, political preferences, and their grounding both in subjective and objective social characteristics.

The existence of three latent variables structuring the assumptions about the origins of poverty was confirmed. In other words, in principle, people explain poverty in three different ways: first, the insufficient efforts and lack of morals among poor people (merited poverty); the second places blame for poverty on the system and its failures (discrimination and lack of opportunities); and third termed “fatalistic”, with its “culture of poverty”.

Similarly, people assume three possible sources of wealth: individual merit (abilities, hard work); systemic problems (a poorly organized economic system which makes it possible for certain individuals to accumulate wealth dishonestly); and finally the understanding that wealth is based in social capital, i.e., in connections and contacts which give certain individuals a head start in economic competition.

I have tried to illustrate the duality of possible individual and structural sources of poverty and wealth with a model of two latent constructs: the factor of merited (the individualist model) and unmerited (systemic model). In itself the success of their applicability is significant. That is, their results suggest that both terms do not necessarily complement each other, but represent two distinguishable characteristics. In general, at the same time it is possible to be a strong defender of both individualist and systemic models of the origins of inequalities.

Several sociologists have argued that the equity principle is the basic legitimising element of the economic stratification of society and its universality may be disrupted by presence of egalitarianism, which emerged and has been maintained by disadvantaged social groups. In advanced societies then, egalitarianism represents a challenging distributive counter-norm. With the understanding of the development of distributive ideologies in the Czech Republic [Matějů 1997], I have tried to document the development of individualist and systemic explanations of inequalities between 1991 and 1995. The conclusions here agree with those of the above mentioned study.

The opinion that economic inequalities are unmerited has increasingly become specific to members of lower social groups and to people who view themselves as strongly politically on the left. The tendency to explain inequalities on the basis of individual merit was, in the first phase of the transition, the ideology of those who, from the standpoint of the subjective optimism of one's life chances, may be defined as the 'winners' in

the post-communist transition. In the later stages, this tendency has also begun to merge with objective social characteristics.

Does this then mean that the transition has entered its second phase? This is quite possible. The inclination towards an individual model is already not as strongly determined by subjective social status, and the influence of objective classification on the imagined social ladder, no matter how much its role has increased, is still not significant. This is without doubt in agreement with the thesis that between 1991 and 1995, the principle of merit was attaining the position of a dominant legitimating principle.

This change in the position of distributive ideologies is also in agreement with an equally important theme: the acceptance of a merit-based or systemic model of the interpretation of inequalities (as well as their rejection) may increasingly be interpreted as an expression of the formation of economic interests in society. It would appear that the Czech Republic really is undergoing the transition from the "politics of symbols" to the "politics of interests": economic interests continue to play a greater role on the level of distributive ideologies and the interpretation of inequalities, as well as directly on choices between individual political directions, which undoubtedly suggests the strengthening of the materialist definition of the left.

In his book *What is Democracy?*, Giovanni Sartori argues that the new definition of the left is the basic touchstone of the further development of western societies [Sartori 1993]. The relevance of this to us is that Czech society is still awaiting the resolution to a related problem: the left and the assumptions about unmerited economic inequalities tend more and more to represent themselves as a result of forming economic and class-based interests [see also Matějů and Řeháková 1997].

It is possible to find two potentially problematic issues in the attitudes of Czech society towards economic inequalities:

- 1) During the period of observation, the tendency to locate the sources of wealth in the economic system, which allows certain people to amass economic profit through dishonest means, has prevailed. The persistence of this opinion may be interpreted as one phenomenon capable of undermining the stability of the system in the future. While this opinion might be expected to stem from an egalitarian personal stance, this assertion does not seem verified. Taking into account its extent, the criticism of 'dishonest wealth' may be rooted not only in the radical egalitarian counter norm. There are people who on the one hand tend to explain poverty in accordance with the equity principle and on the other hand criticise wealth as unjust. In this point one could be satisfied with the observation that populations in all post-communist countries show a great tendency to describe the sources of inequalities in systemic terms and with the conclusion of Matějů and Vlachová, when comparing the Czech and Netherlands populations in their attitudes towards social justice, that the Czechs were much more confused in the sense of distinguishing the equity and equality principles [Matějů and Vlachová 1995: 233]. A further task could be to find out whether there are other plausible explanations.
- 2) With great regularity, poverty continues to be attributed to the faults or limitations of the individual. Czechs continue to believe that "*the poor alone are to blame for their poverty*". This sentiment represents an undoubtedly strong obstacle to any displays of solidarity. If it is true that poverty is above all a type of social status, a relationship between people [Sahlins 1974: 1-39], it is because of the absence of reflexivity in the Czech Republic that poverty so defined still does not exist.

In order to explain this, it is necessary to consider the specificity of Czech poverty in the post-communist era. Using objective poverty measures, there was a very low poverty incidence in the observed period.⁹ Despite this fact, vulnerability to poverty is still high [Večerník 1996: 113] and expectations of poverty exceed its real incidence [ibid.: 95]. In addition, when employing subjective poverty measures it turns out that feelings of being poor are very high, even higher than in the western countries. It is worth stressing here the previous findings of other authors that support the importance of the concept of relative deprivation when analysing the post-communist countries. It has been shown elsewhere that feelings of subjectively asserted deterioration of one's social standing and the risk of the feeling of being under-rewarded (in financial terms) are much greater in transforming societies [Reháková and Vlachová 1995, Reháková 1997]. Despite the fact that there was no significant increase in the incidence of objective poverty, in 1995, 66% of all respondents assumed that there were more poor people in the Czech Republic than there had been before 1989 [Mareš and Rabušic 1996: 297]. The relatively large disproportion between objective and subjective poverty indicators that is reported for the Czech Republic, may, as some sociologists argue, result in societal tensions [cf. Mareš and Rabušic 1996: 312]. I am convinced that the fear of future poverty and the feeling of being vulnerable to it could result in blaming the poor for their poverty. As Michael Lewis put it, people may produce psychological distance between themselves and the poor by blaming the poverty on the weaknesses and failures of individuals [Lewis 1978, cit. in Kluegel 1987: 84].

The unjust wealth issue and the case of blaming the poor represent challenges, which, in the long run, should not go without response. In both of these cases it is rather difficult to judge the actuality of the situation; this difficulty may come from the fact that in the study of human behaviour, it is often more important to consider how people define reality than reality in itself. Thus it is certain that if the tendencies observed in 1995 continue, or even increase, neither the poor nor the rich are going to be well off in the future.

MARTIN KREIDL is a Masters student of Sociology at the Faculty of Social Sciences, Charles University, Prague. He has been member of the research team on social stratification at the Institute of Sociology since 1996. In his research he focuses on classical topics from the field of social stratification as well as on political ones. He is a founding member of Association for the Support of Sociology (ASS).

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⁹) According to Večerník, there were both in December 1990 and November 1994 2% of households under the legal poverty line [Večerník 1996: 102].

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Table 1. The causes of poverty

	1991	1995	both years	α
MORAL	3.81	3.72	3.75	0.052
NO EFFR	3.18	3.36	3.29	0.000
NO OPPR	3.17	3.18	3.17	0.988
P SYST	3.33	2.99	3.12	0.000
ABIL	3.05	3.12	3.09	0.131
BLUCK	2.62	2.76	2.71	0.003
DISKR	2.53	2.42	2.46	0.023

The average values on the scale: 1 - never, 5 - very often

α - significance level for the independent samples t-test for the comparison of means

See Appendix 1 for the variable names.

Table 2. The causes of wealth

	1991	1995	both years	α
CNEX	4.00	4.18	4.11	0.000
UNFR	3.97	4.01	4.00	0.373
ABIL	3.54	3.72	3.65	0.000
R SYST	3.60	3.65	3.63	0.340
OPPR	3.45	3.64	3.57	0.000
HARD	3.04	3.47	3.30	0.000
LUCK	2.77	3.30	3.09	0.000

The average values on the scale: 1 - never, 5 - very often

α - significance level for the independent samples t-test for the comparison of means

See Appendix 1 for the variable names

Table 3. The causes of poverty and wealth

poverty	Trend 91-95	wealth	Trend 91-95
MORAL (1)	0	UNFR (2)	0
NO EFFR (2)	+	HARD (6)	+
NO OPPR (3)	0	CNEX (1)	+
P SYST (3)	-	R SYST (3)	0
ABIL (5)	0	ABIL (3)	+
BLUCK (6)	+	LUCK (7)	+
DISKR (7)	-	OPPR (5)	+

The number in parentheses indicates the sequence according to the average.¹⁰

The trend of the fall (-) and growth (+) at the 0.05 significance level (independent samples t-test)

¹⁰) If these numbers do not vary, it means that the difference in the following values is not statistically significant ($\alpha > 0.05$).

Table 4. Confirmatory factor analysis: the causes of poverty (*multisample*):
Parameters of the model*Invariant factor loadings: LAMBDA matrix*

	FATAL	MERIT PRTY	UNMERIT PRTY
NO ABIL	0.67@	—	—
BLUCK	0.35*	—	0.33*
MORAL	—	0.43@	—
NO EFFR	—	0.70*	—
DISKR	—	0.28*	0.40@
NO OPPR	—	—	0.59*
P SYST	—	—	0.55*

PSI matrix (common metric standardised solution)

	1991	1995
FATAL-MERIT PRTY	0.19	0.34*
FATAL-UNMERIT PRTY	0.11	0.08
UNMERIT PRTY-MERIT PRTY	-0.20	-0.35*

*) the coefficient is statistically significant ($\alpha = 0.05$)

@) fixed coefficient

Goodness of fit statistics: $N = 1,023$ (417 + 606); $\chi^2 = 33.96$ ($df = 31$; $\chi^2/df = 1.10$); $p = 0.33$); RMR = 0.031; GFI = 0.99Table 5. Confirmatory factor analysis: the causes of wealth (*multisample*):
Parameters of the model*Invariant factor loadings: LAMBDA matrix*

	MERIT WLTH	UNMERIT WLTH	SOC CAPIT
ABIL	0.55@	—	—
LUCK	0.37*	—	0.41*
UNFR	—	0.64@	—
HARD	0.69*	—	—
OPPR	—	—	0.61@
CNEX	—	—	0.50*
R SYST	—	0.68*	—

Both models were calculated with the freed parameters $\Theta\epsilon_{63}$ (-0.16*), $\Theta\epsilon_{42}$ (-0.13*)*PSI matrix (common metric standardised solution)*

	1991	1995
MERIT WLTH-UNMERIT WLTH	-0.54*	-0.54*
MERIT WLTH-SOC CAPIT	0.00	-0.05
UNMERIT WLTH-SOC CAPIT	0.62*	0.94*

*) the coefficient is statistically significant ($\alpha = 0.05$)

@) fixed coefficient

Goodness of fit statistics: $N = 1,122$ (456 + 666); $\chi^2 = 39.72$ ($df = 30$; $\chi^2/df = 1.32$); $p = 0.11$); RMR = 0.024; GFI = 0.99

Table 6. Second order factor analysis (*multisample*):
Parameters of the model*Invariant factor loadings: LAMBDA matrix*

	MERIT WLTH	MERIT PRTY	UNMERIT WLTH	UNMERIT PRTY
ABIL	0.60*	—	—	—
HARD	0.63@	—	—	—
MORAL	—	0.84*	0.43*	—
NO EFFR	—	0.44@	—	—
UNFR	—	—	0.56*	—
R SYST	—	—	0.78@	—
NO OPPR	—	—	—	0.41*
P SYST	—	—	—	0.79@

Both models were calculated with the freed parameter Θ_{54} (0.22* in 1991 and 0.06 in 1995)

Invariant factor loadings: GAMMA matrix

	MERIT	UNMERIT
MERIT WLTH	0.80*	—
MERIT PRTY	0.59*	—
UNMERIT WLTH	—	0.82*
UNMERIT PRTY	—	0.71*

*) the coefficient is statistically significant ($\alpha = 0.05$)

@) fixed coefficient

Goodness of fit statistics: $N = 840$ (420 + 420); $\chi^2 = 55.63$ ($df = 35$; $\chi^2/df = 1.59$; $p = 0.015$); $RMR = 0.038$; $GFI = 0.99$

Table 7. The causes of inequalities in a structural model
Common metric standardised solution*BETA matrix*

	1991				1995			
	MERIT	UNMERIT	SATIS	POLOR	MERIT	UNMERIT	SATIS	POLOR
MERIT	—	—	—	—	—	—	—	—
UNMERIT	—	—	—	0.03	—	—	—	-0.11*
SATIS	0.15*	-0.23*	—	—	0.17*	-0.31*	—	—
POLOR	—	—	0.40*	—	—	—	0.38*	—

Both models were calculated with the freed parameter Ψ_{12} (-0.17* in 1991, -0.21* in 1995)

GAMMA Matrix

	1991		1995	
	ISEI	SUBST	ISEI	SUBST
MERIT	-0.05	0.25*	0.07	0.14*
UNMERIT	-0.02	-0.12*	-0.10*	-0.19*
SATIS	0.10*	—	0.17*	—
POLOR	-0.04	0.04	0.03	0.14*

*) the coefficient is statistically significant ($\alpha = 0.05$)

Goodness of fit statistics: $N = 948$ (384 + 564); $\chi^2 = 6.48$ ($df = 4$; $\chi^2/df = 1.62$; $p = 0.17$); $RMR = 0.018$; $GFI = 1.00$.

Appendix 1 (List of Questions)

The causes of poverty

"In your opinion, which factors are most often responsible for poverty in the Czech Republic today?" Responses to the following items were measured on a scale of 1 to 5 (1 = very often, 5 = never)¹¹

NO ABIL	insufficient abilities or talents
BLUCK	bad luck
MORAL	lack of ethics or alcoholism
NO EFFR	insufficient efforts of the individual poor
DISKR	prejudice and discrimination towards certain groups in Czechoslovakia/the Czech Republic
NO OPPR	lack of equal opportunities
P SYST	poorly functioning economic system

The causes of wealth

"How often are the following factors responsible for how people become rich in the Czech Republic today?" Responses to the following items were measured on a scale of 1 to 5 (1 = very often, 5 = never).

ABIL	abilities or talent
LUCK	luck
UNFR	dishonesty
HARD	hard work
CNEX	good personal contacts and connections
OPPR	better opportunities given at birth
R SYST	an economic system which allows the rich to accumulate wealth dishonestly

Subjective status (SUBST)

"In Czechoslovakia/the Czech Republic, some people occupy high social positions while others occupy lower ones. In your own case, where would you place yourself on this scale?" (1 = lowest, 10 = highest).

Satisfaction with the political system (SATIS)

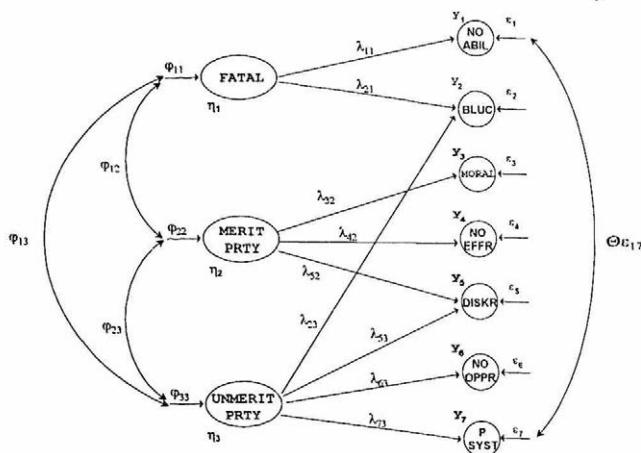
"How would you rate your satisfaction with the political system in Czechoslovakia/the Czech Republic? (1 = completely dissatisfied, 7 = completely satisfied).

Political orientation (POLOR)

"Often in reference to politics, people use the terms 'left' and 'right'. Here we are using a scale with different political positions from left to right. Mark where you would place yourself on this scale." (1 = left, 10 = right).

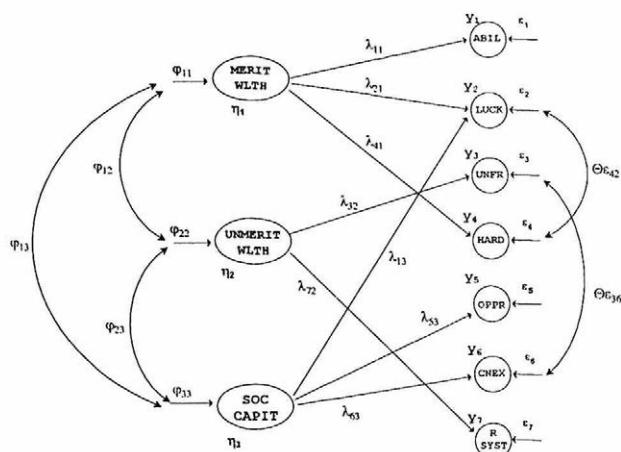
¹¹) Before each individual analysis, the values of these variables were multiplied by the number (-1), in order for us to maintain its relevance of orientation, that is, so that the higher score would express a stronger agreement. We also recoded the variables relating to the causes of wealth.

Diagram 1. Confirmatory factor analysis: the causes of poverty



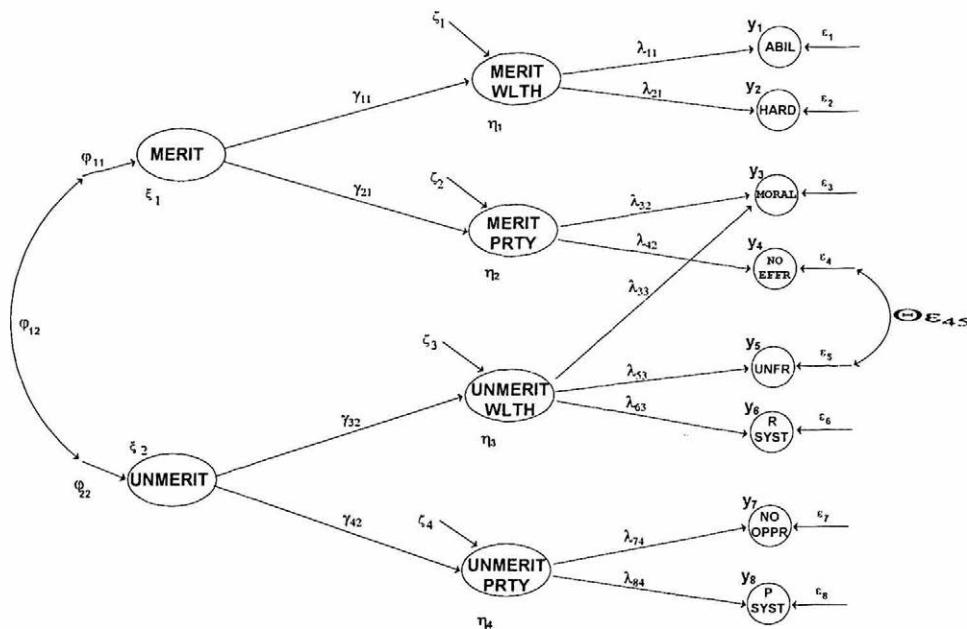
Explanation of the variables. FATAL = the factor of the fatalistic causes of poverty, MERIT PRTY = the factor of merited poverty, UNMERIT PRTY = the factor of unmerited, systemic poverty. See Appendix 1 for the other variables.

Diagram 2. Confirmatory factor analysis: the causes of wealth



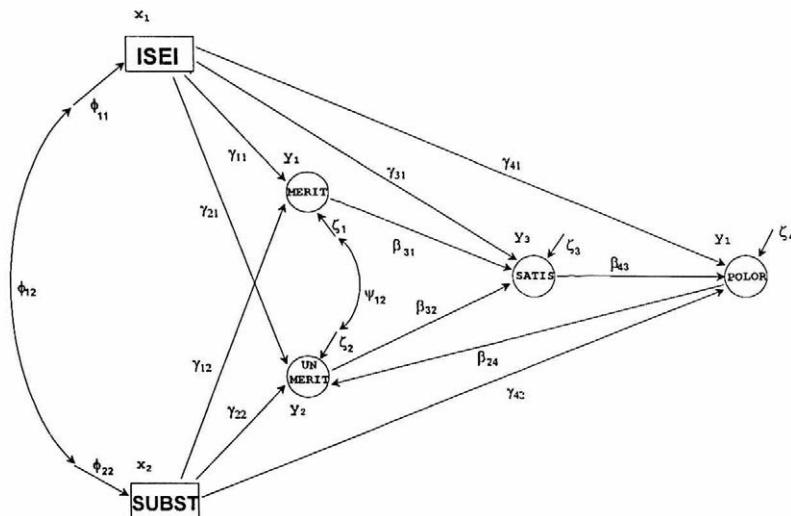
Explanation of the variables: MERIT WLTH = merited wealth; UNMERIT WLTH = unmerited wealth; SOC CAPIT = wealth coming from social capital. See Appendix 1 for the other variables.

Diagram 3. Second order factor analysis



Explanation of the variables: MERIT = factor of merited inequalities, UNMERIT = factor of unmerited inequalities. See Diagram 1, 2 and Appendix 1 for the other variables.

Diagram 4. The incorporation of the causes of poverty and wealth in a structural model



Explanation of the variables: ISEI = international measure of socio-economic status, SUBST = subjective status, MERIT = factor of merited inequalities, UNMERIT = factor of unmerited inequalities. See Appendix 1 for the other variables.

