

## Social Policy: An Issue for Today and the Future

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**Abstract:** Welfare provision and social policy in a broad sense represent an important, though neglected, issue of postcommunist transformation. The author points to the fact that social policy is an intersection of theoretical, cultural-historical, ideological, pragmatic and political issues. Clear political formulation of the principles of postcommunist social policy is a challenge to express openly the main goals of the transformation.

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### I. An issue not forgotten by chance

Recent discussions on family allowances showed clearly the low level of orientation of the specialist and lay public in problems of social policy. Somewhat belatedly, a significant portion of citizens in our republic are raising questions that could, and perhaps should, have been raised before. The fact that they were not is, in certain areas of our social rebirth, understandable, although not one of the following three potential agents of change, for objective and subjective reasons, was capable of doing so:

1. There has been no fundamental technical discussion on questions of social policy for roughly forty years.
2. State bureaucratic executive directorates in this area are rooted in the habits of the old regime; their motivation for changing routine methods is not reinforced through clear and understandable social and political demands; and their activity is not under sufficiently strong public control.
3. During the first years of the transformation, political elites and government political leaders, were, in their attempts to question social policy more deeply, discouraged by the stigmatism of leftism – the threat of being labelled socialists – that these problems seemed to carry. The behavioural mechanism of personal influence and the power of individual politicians compelled them to accept – without a great deal of analysis – pragmatic, short-term solutions in this area.

While in the first years of the transformation, the possible agents of change to the general character of social policy in our country were paralyzed, the public itself created no observable pressure on our political scene. The past totalitarian system managed to make the citizen totally dependent on the state, factually, as well as in attitudes, habits, and expectations. In other words, it is possible to say that for citizens, the old system of social guarantees seemed basically good, even given the absence of real equality. Political debates on that issue led them to believe that that system was, moreover, the only one possible. It was natural for citizens to expect that the new regime would continue in the “tried and true” principles of the old practice. This did actually happen and is still happening, due to

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the mutual agreement between the potential actors of these changes, namely state administration.

After the first five year period of the transformation, it would be appropriate to raise several thus far neglected questions about social policy in our country and treat them as important political issues for the future – as a series of weighty problems, whose manner of solution will help decide the future face of our society and the methods by which, predominantly, citizens will live out their social existence.

## **II. Intersection of theoretical issues**

From various references to social policy in the press, it might appear that the basis of a solution is clear and that the complications arise mainly from the concrete forms and methods of social policy application. In reality, social policy constitutes an intersection or a tangle of the most important political and economic dilemmas of societal development at a general theoretical level. Let us briefly recall four of them:

1. Problems of social security, social assurance, social policy in the broad sense, closely depend, in classical discussion, on the antithetical character of equality and efficiency. Social equality was one of the central proclaimed goals of the socialist system and was connected with vast redistribution from productive social groups and a general levelling of society. At the price of vast redistribution and a paralyzation of meritocratic principles, it proved possible to raise both the standard of living and cultural levels of many backward regions and marginalized social groups. We wish to emphasize that slogans of social security and a just social policy formed a very important part of the socialist system and provided it with a certain political legitimacy. The ennobling conception of social prosperity, security for all, collectivistic overcoming of egoism, mutual understanding, and all-encompassing solidarity predominated over categories of individual merit, achievement, ability and personal responsibility. It was a mix of resignation on the part of the population, comfortable laziness on the part of the state bureaucracy, and calculated manipulation from the side of the socialist nomenklatura. Against this, the classical liberal approach emphasizes the need to place effectiveness and competence at the centre of attention in order to attain the desirable results. This may not arise other than on the basis of freedom of the individual and his or her assumption of full personal responsibility for their actions.
2. Problems of social policy depend largely on how society understands relations between the individual and the state. The role of the state in the transformation process is ambivalent and, at base, contradictory: the past regime was marked by the excessive patriarchal influence of the state, which penetrated almost every area of social life. One of the fundamental goals of the transformation consequently must be the limitation of this all-permeating and all-controlling influence. In other words, it is necessary to weaken the role of the state. On the other hand, it would be a mere illusion to predict that it is possible for the transformational rebirth to succeed in a situation of weakened state capacity and executive authority. It seems that the population is not sufficiently conscious of the fragility of the whole situation in which paternalistic expectations are accompanied by the growing power of state bureaucracy. At the same time, liberal ideology, through a reduction of restrictive measures on bureaucracy, de facto broadens its sphere of operation.

3. Social policy also depends on a further pressing theoretical problem: the interpretation of social change from the optic of cultural theory or the theory of rational choice, otherwise stated, the conflict between values and utility. Advocates of the theory of rational choice stress the importance of maximum utility and a decision-making process that leads to maximum benefit and profit at minimum loss. They would therefore understand the transformation as a radical change in the context of a structured interaction of various forces and social actors with rational goals and interests. The tempo and forms of these changes will be limited only by the capacity and efficiency of these actors. Advocates of cultural theory, on the other hand, refer to the fact that such notions as social security, social assurance, social justice and the like represent special human values which are rooted in historic tradition. In other words, they are bound to the complex of national culture. Such conceptions, therefore, must not necessarily be rational in the broad sense of the word. If they are conceived as values, they are relatively long-term, stable through time, strong enough to withstand intense changes. From this perspective, the transformation process is, to a significant extent, predetermined and restricted by those limits, not least in the short-term time horizon. In the cultural perspective, therefore, the transformation alone cannot signify a basic dividing line, but rather a gradual path of searching for or rediscovering a social cultural equilibrium. We should not forget that the social policy of the developed European democratic states is a specific cultural expression formed by and through history. Understanding the cultural-historical basis of underlying values of social policy is very important and a question we will return to later in this text.
4. It has been said many times that the process of creation of a democratic political system and the creation of a market economy are not simply and necessarily interconnected and mutually contingent. To equate democracy with the market economy is only possible when we think of advanced Western countries. This unity does not hold in many countries of the world and, due to certain circumstances, does not have to apply in postcommunist region either. The achievement of democracy and the establishment of a market economy can present two contradictory goals. Disintegration of the system of social guarantees could, under certain circumstances, represent a risk for the building of a democratic system, as well as for the development of a market economy. Advocates of radical changes have a tendency to call for a strong authority, which would help to speed up those changes. Similarly, however, they cling to the past system of protection. Opponents of the transformation quite understandably insist on the past securities and demand an authoritative role for the father-state, with its strict, but just, protection of its children. In this connection, it is clear that progress toward a new economic order can also be accomplished anti-democratically, through authoritarian tendencies, fed from various sources, often, however, packaged in "social security" slogans.

### **III. Cultural-historical issues**

The manner in which questions of social policy are presented is a result of both the general social experiences both of the preceding generation and intercultural exchange. Social policy forms and measures differ according to concrete historical contexts, this as a result of interest conflicts between social and political forces in individual countries. All modern Western countries created systems of social policy gradually, in continuous steps, over a long-term evolution. It is important to realize that the concrete forms and measures

of social policy are not accidental, that, in their own way, they express the dominant values and norms of each society, to the extent that they are considered correct and just, that the relations of the citizen and the state are perceived as natural, self-evident and indisputably right.

Precisely due to its malleable character, social policy escapes elementary explanation and interpretation. It follows that the very conception of social policy is mutable and uncertain. In a narrow sense, social policy represents a system of state measures and benefits and the rules for their calculation. It can, moreover, be limited to the solution of particular problems of only a few social strata. In its broadest sense, social policy includes the whole field of social relations - both state and non-state, formal and informal organizations - raising not only questions of material necessity and need, but also questions as to the development of "human potential", interpersonal relations, as well as the organizational forms of societal life.

In the general consciousness and in much of the media, the social security system of the past socialist society was and is, furthermore, thought to be extensive and broad-minded. The past regime provided security, first and foremost in the sphere of production and, more especially, in the area of employment. It did, however, create complete uncertainty for citizens in the sphere of consumption, which was the most striking expression of the scarcity economy. The system of overgrown protectionism, without concrete targeting toward the neediest groups, was in reality not very effective, causing an enormous waste of resources.

At the beginning of the transformation of the post-communist countries some authors expected the complete collapse of the social policy system, known as the welfare gap. This was the notion that the past social policy system would cease to exist in the new conditions while, at the same time, there would not be sufficient will, strength or funds to substitute the old system with a new one. The actual development of events showed, quite surprisingly for many, that neither prediction was correct: the previous system of social organization basically survived. Its capacity to react to new problems - for instance unemployment - proved relatively resilient and did not lead to an accumulation of social tension. Worries concerning a dramatic loss of feeling of social security proved to be unsubstantiated.

We can ask ourselves how this surprising development came about. There may be a whole array of explanations: those in power would likely espouse the interpretation that, in contrast to neighbouring countries, the political elite in this country was exceptionally competent and foresightful. Undoubtedly there is some truth to this. In searching for paths of future development, however, it might be worth thinking about both the specific temporality of systemic changes in our society and our prewar historical legacy.

In the first place, it is necessary to remember that in the minds of the people, our post-November 1989 development was closely linked with the commonly-shared cultural, political, and social idea of the prosperous first republic. For a significant part of our citizens, the new regime was rather a nostalgic return to an already almost irretrievable past. The image of the highly regarded past of prewar Czechoslovakia constituted an integrative value link, which, in the data, also demonstrably distinguished citizens of the Czech Republic from citizens of the Slovak Republic as from citizens of other post-communist countries. This newly-reinvented historical continuity is not merely antiquarianism. It

represents an important cementing value and normative factor in the establishment of the new regime, giving it broader dimensions and meaning.

The course of development in the Czech Republic, however, should not be explained solely with reference to the legacy of Masaryk's first republic. It is also the specific course of our modern history: the deeply experienced decline after the Russian occupation of 1968, the hopelessness of isolated attempts to revitalize social and political life in the 1970s and 1980s, the lateness and moreover the suddenness of the fall of the communist regime. All these historically unique circumstances led to markedly emotional support for the new regime and general trust in the newly reborn political elites. It is a situation distinctly dissimilar to neighbouring countries where, as a result of already long-standing attempts at liberalization of the communist regimes, a gradual dulling of public support, a particularization of elite interests and a general corrosion of the transformation process attended.

We make this somewhat extensive excursion so that we can again arrive at the binding nature of historical, cultural and tradition-conditioned values at the normative base of social policy. The notion of a spiritual return to the tradition of prewar Czechoslovakia was also an expected reinstallation of the ethos of a past society. It is a little emphasized fact that prewar Czechoslovakia constituted, in the world context, a very early attempt at a social state. The practical realization of social policy in the first republic was a compromise and a practical, passable, political solution, the same as in all of Europe at that time. Spiritual sources and the reception that those ideas had in that period were, however, important. The links to the work of the first president are evident, although the works of other contemporary predecessors of social thought and economics were distinctive and inspiring in the European context. Several foreign observers of this time remember that after the war, Czechoslovak inspiration provided one of the building blocks of French family policy and the spiritual sources of the Swedish postwar social miracle. It would not be an ungrounded prediction that part of the mass support for the new (pro-Masaryk) regime was connected with a latent expectation of an enlightened, just social order in modern form. Despite the fact that no one worked on the inventory of these ideas, it is worthwhile considering those legacies of the past which cradle our present. If we take the legacy of our past seriously, with necessary humility, we must conclude that the space for casual solutions and uninformed social policy measures is significantly limited.

#### **IV. Ideological issues**

Scholars sometimes postulate that the 18th and 19th centuries were characterized by success in the fight for political and economic rights, while the 20th century is marked by success in the field of social rights. Often enough it has also been emphasized that somehow, in essence, this flows from the "leftness" of these successes. Even though there is partial truth to this contention, it is necessary to remember that the modern system of social policy arose in the context of wartime events, from a specific configuration of political forces. The very fathers of modern social policy such as Bismarck in the last century or Beveridge in the 20th century were far removed from socialism.

In popular consciousness, social policy is, however, anchored as a social-democratic achievement and as a result of putting socialist ideals into effect. In our post-November development, it is regarded in this somewhat simplified form. Habits and stereotypes in this sphere demanded compromises. It was a necessary "social tax"; in

other terminology, the transformation had its "social costs". All actors on our new political scene conformed with the somehow comfortable "residual" role of social policy. The right, with cheerless silence, conceded the left its traditional issue; and the left understandably did not protest against the prolongation of the socialist system, coming up with what were merely cosmetic changes. Furthermore, the state bureaucracy was satisfied that in this area it could quite simply resume old habits and stereotypes. In time, the question of social policy disappeared from ideological debate. Classical liberal slogans touched on social policy only partially, practical suggestions cleared the ideological field and a primarily pragmatic policy was founded. At the ideological level, the basic directions and goals of societal tendencies were created in a kind of vacuum, where various historical elements of different incompatible systems were incidentally mixed. The result was a disorder that persists to this day.

It would not be excessively skeptical to state that in the area of social policy it is difficult to find something new or revolutionary. The main conceptions were gradually defined over the last century and tested in practice in many countries. There are, in essence, three models:

1. The liberal model – sometimes also known as residual – is characterized by a small degree of state responsibility and provides services to a limited circle of recipients from the lowest tiers, maximizing individual responsibility. In the modern states, this system functions in the United States, and partly in Great Britain.
2. The corporatist model – also known as conservative – is one in which, through the medium of the state and a developed network of insurance and other institutions, a fairly wide variety of services are guaranteed, although in essence social and status differences are maintained. This model derives from the Bismarckian tradition, domesticated not only in the German-speaking countries, but also in France and Holland.
3. The social-democratic model is marked by massive redistribution and strong central state power. The state or the respective region carries tremendous responsibility for a very broad group of living situations and basically provides a full spectrum of social services. Entitlement is not a result of an insurance scheme, but arises completely from citizenry or membership in a society. The system is domesticated above all in Scandinavia, although in recent years it has passed through economizing reforms.

These established models have their own internal logic and are based on distinct value assumptions. Even though their concrete form in individual Western countries is a result of historical individual processes, we do not often encounter a situation in which the elements of these models are arbitrarily mixed, perhaps only to an extent determined by inevitable political compromises. It is not possible to simply transplant a certain model into our environment. Similarly, it is unacceptable to chaotically select various elements of different models. If different elements of the four models are confused, a sense of the goals of social policy measures disappears, to the extent that there is no societal consensus about what is socially beneficial and desirable.

We therefore advocate a certain degree of "ideological purity" in the conception of social policy in our republic. It is not, in our opinion, a luxury or a superfluity, but a structural necessity. After decades of extremely indistinct social regulation contours in the past regime, it is, in our opinion, necessary to provide a transparent and clear variant of future social changes. Unlike the situation in the West, where the system of social policy was achieved legitimately through gradual, very small steps, in our country – where,

social policy categories were handled only as useful ideological constructs – there is now a challenge to introduce a more consistent system. Long-prepared national insurance ceased to be insurance in the true sense of the word in the fifties, even though (either as an intentional lie or from inertia) it retained its name. In official interpretation of the past regime, social services did not claim a specific part of taxes from citizens' concrete allocations; instead, it was pretended that the citizen received all social emoluments from the state for "free". It would certainly be possible to come up with a whole set of examples of concept-juggling, starting with, of course, solidarity, targeting, and participation. Today, we should be mindful as to whether we are paying insurance or social taxes, whether "hard-sell" advertised administrative principles are incorporated into the system we are constructing or not. The credibility of the new regime is at stake, because the average man on the street tends to perceive the social system – the various topics of social policy – from his common daily perspective.

#### **V. Pragmatic issues**

We have already stated that concrete social policy was often the result of political calculations, compromises, transient pressures – in short, an expression of a pragmatic policy of small steps. Those steps were guided, above all, by the wartime and post-war experience. Despite those pragmatic and temporarily utilitarian steps, we can observe in the Western countries a certain level of adherence to the initial principles. Even though, for example, Beveridge was unable to create a system of flat-rate benefits and equal contributions which would establish a proper framework for individual additional insurance, the British system has a liberal character.

We can also find fortuity and pragmatic solutions in our socialist past. The social policy of the past regime had no unifying principles. It was, in fact, an intertwining of elements eclectically arising from the concrete situation. It would certainly be possible to find a whole series of examples of fortuity and purely pragmatic solutions in our social policy. These, however, should not serve as a politically acceptable argument for a current approach. It was quite understandable that in the stormy period immediately following the fall of communism it was necessary to maintain functions, including social functions. Given the dearth of better ideas, it was surely the best solution to continue the hitherto existing practice and gradually incorporate those elements acutely in demand at the time.

It took until September 1990 to publish the first outlines of the transformation in the social area. Already at the time of its creation, this "program" document was perceived by specialists as a pragmatic work. Five years have lapsed since then, however, with still no programmatic document on social policy that would meet more challenging intellectual criteria. Indeed, a pertinent question is – Are not five years a sufficient warm-up period? We should question whether from the start, the inconspicuous inconsistency of words and actions has not progressively become a self-evident routine of daily practice.

One of the most deceptive errors encountered in the recent past is that social policy falls into the specialist domain, reduced to a set of technical solutions, to a game of indicators, coefficients, weights and other exact measures. Given the current interpretation, it follows that attempts to limit social policy to a collection of technical measures lack sense. The generally uncontested acceptance of the "technological" variant is obviously an attempt to reduce the historical complexity of social policy which is deeply rooted in cultural tradition and dominant values. In our postcommunist situation, it is, moreover,

produced by the fortuity of the past approach, the absence of public debate on the given issue, and from the relatively limited knowledge of other approaches. The technical perspective is founded on several unstated assumptions, which do not harmonize well with the democratic character of the new society:

1. It is derived from the dominant role of the state and state centralism.
2. It is founded on a narrow conception of social policy as state monetary benefits, which is only a small part of the whole issue.
3. It necessarily gravitates to the most easily applicable and not the most effective solutions.
4. It allows no space for public discussion and initiative, for constitutive and control functions from the structures of civic society.

#### **VI. Political issues**

We do not wish to underestimate the technical side of the solution of many problems of social policy. In the last instance, there must, of course, be competent state officials capable of realistically calculating the impact of different variants of social policy measures and translating accepted solutions into everyday life practice. We would like to reiterate that decisions about the future shape of our social policy are primarily political decisions.

The role of a state bureaucrat is to find out a feasible technical solution to a complex political problem articulated by political elites. Political orders in this area cannot be created anonymously. Therefore it is necessary that appointed and elected actors carry full political responsibility. They should carry this political responsibility, in the true sense of the word, when social policy becomes a real issue within broad public, expert, and lay discussion. Only through open conflicts of opinion is it possible to weigh specific political arguments.

It is hardly necessary to conceal leftist content in rightist rhetoric. Such confusion merely expresses the uncertainty of the right wing and leads to the pulverization of democratic culture in our society. In the quest for transparency of political attitudes, we should, however, be conscious of the complicated contextual nature of the issues of social policy. The welfare state of the Scandinavian type may, for example, be appraised from a purely right-wing position: the state constructs a vast public sector, thus indirectly supporting the effectiveness of the private sector. In so doing, it employs the relaxed or even "idle" part of the work force, thus increasing the quality of the competitive battle for a place on the labor market in the private sector, and thereby strengthening its effectiveness. Paid absence from work economizes on medical bills, social benefits stimulate demand, and so on. Only in concrete political contest is it possible to defend these arguments not only as abstractions, but as workable practical solutions. For this purpose, it is, of course, necessary to systematically analyze a great deal of social information.

Social policy is a political issue, even if we understand it in the narrow sense as merely a collection of state money benefits. If we conceive of it more broadly – as a system of institutional structures and an organization of social relations – its political character becomes even more evident. From this point of view, we can identify the existing contrast between high (government, "television") politics and low (communal, local, citizen) politics. For the future health of our political system it is necessary that this tension between high politics and low politics diminishes, that both spheres are connected



through ordinary political careers – from the local, through the regional, to the larger state positions. What issues should local politics grow on other than on social policy issues, mastering social relations in the community, delivering services to other people and organizations? Generally, for a local politician, this is the natural environment for cultivating his/her political skills. When confronted by resource limitations, he/she must actively seek solutions in the industry of individual initiatives, local societies, formal and informal organizations and institutions. This is that vital stimulus for the grassroots creation of civil society.

A necessary condition for the achievement of this goal is that local politicians carry direct responsibility. This means that the strength of their position comes from their local activity, and not from their ability to secure financial resources and cultivate connections with faraway government bureaucrats. In this context, decentralization of state administration and the creation of self-governing territorial units makes urgent sense. In a decentralized system, the citizen is able to control his local representative, how he manages the money, whether he fulfills the particular tasks with which he is entrusted. The strengthening of the responsibility of local and regional politics would, finally, be helped by a majoritarian voting system, which would also enliven the circulation of local political elites.

## **VII. Issues for the future**

The social policy which we have transposed without too many significant changes from the previous regime, reminds one of a coat that has been patched over and over. Some patches are quite new and of high quality material. The whole does not offend anyone and does not arouse amusement, as long as we do not pretend that this is a brand new coat from a prestigious salon. Observations from the past few years demonstrate that in normal circumstances, this coat is basically sufficient. Furthermore, the data shows that social tensions are not accumulating here, that we are not laying the foundations for the creation of radical social and political movements. There is still mass support for the current regime and its representatives. In this situation, when there is no internal pressure for further social measures, it is worthwhile to think of the future profile and face of our social policy. We believe that after exhausting the great transformational issues, more detailed issues will come to the centre of attention, issues mutually interconnected and knitted, whose solution will be very difficult as both the input and output of social change. Social policy will be among these issues, as it is in advanced Western countries.

We should understand this situation as an invitation and chart out a clearer position on the goals and meaning of the transformation of our society. There are a number of question marks over recent developments which are not secondary issues. The actual conception of social policy above all, remains unclarified. That conception was conventionally incorporated in three “pillars”: social insurance, state support, and social aid. The practicability of these “pillars” is not self-evident. Individual “pillars” are debated in parliament in steps. The problem, however, is that lawmakers do not have at their disposal a general conception or framework of social reform as a whole. It is, in our opinion, a fundamental deficiency. We believe, moreover, that it is not possible to break through the blind alley of the past regime with an accumulation of short-term pragmatic solutions, but that it is necessary to formulate and critically assess the meaning of those changes in a broader political and socio-historical perspective.

The pragmatic steps of the government for the formulation of further social policy measures are understandable. At any rate, in the long run, the system of state social bene-

fits should be conceived of not only the expenditure side of the state budget. Basic social policy reform must create a stable framework for the functioning of the social and economic system for the next several decades – we cannot therefore overlook the revenue side of the budget, laying down appropriate rules of the game, stimulating people's creativity and initiative. In other words, we should ask what level tax burden would cause a tendency to hide the increasingly higher part of production in the gray and black sectors of the economy at the expense of legal (taxed) activities. Only taxed activities may be the source of income to welfare provisions. The tax system not only constitutes a key political topic, but is one of the most significant instruments of a state's social policy.

Perhaps an even greater question mark is the unclarified role of the state in the new system of social relations. The high level of statism in our society is a legacy of the past, fixed in the expectations and attitudes of the public; it is the natural stereotype of the state bureaucracy, and is equally an important element of the effectiveness of the governing elite. It is not at all clear what role large corporations, insurance companies and funds will play in this system or what tasks will be transferred to the institutions of civil society. The development of non-state structures of social policy is not a question of simple self-evolution – state power holds decisive political and economic influence in this area. In this sense, it is possible only to raise question as to how effectively municipalities can administrate social services and provide social aid, so that it will finally be possible to resolve the problem of decentralization of state administration and the creation of lower self-government territorial units. Up to now, state officials have paid scarce attention to stimulating the activity of non-profit organizations, churches, communities, to "civil society" in the broad sense of the word. The state – somewhat paradoxically – is the only sufficiently powerful actor in the postcommunist transformation capable of enhancing the development of the institutions of "civil society". We are firmly convinced that only through a diversity of state and regional institutions, various corporations and organizations of civic society is it possible to achieve plurality in social measures and services and various types of social policies, which would better express the living necessities of various citizen groups and which would positively overcome the uniformity of the previous system.

One of the fundamental goals of social changes after November 1989 was to renew the distorted meritocratic principles of society and the deformed type of social structure of socialist society based on a massive system of state redistribution. Important positive changes in this direction were already in place. A free space for enterprise opened and new groups arose in relation to this enterprise. These groups are now defined by a growing differentiation of living conditions and life-styles set in motion by variations in individual abilities. As a result of the government's circumspect policy, it was possible to prevent a free fall of the poorest levels of society and their expulsion to the margins of society. A large question mark, however, remains with the development dynamic of the middle classes that really constitute the basis of support for the new society. The assumption that the middle classes do not usually challenge the government, that only seldom they endorse radical political policy and resort to open conflict, proved false and counter-productive. On the contrary, a transforming society-in-the-making should attribute its middle class an active, constitutive role. The danger, therefore, lies elsewhere. The excessive rigidity of central state power and the one-sidedness of social democratic measures aimed at the lower classes, together with the high tax burden of more favourably situated classes narrows the life chances of the middle strata. As long as a certain level of activity

of the middle class is resigned to or concealed in the gray and black sector of the economy, it not only weakens political support for the new regime, but paralyzes the revenue potential of the state.

From all these perspectives, social policy appears an important instrument of social change. In a situation where we are escaping from a blind alley in history, it is not sufficient that we inconsistently implement various historically-created social policy measures from the most developed Western societies. In our conditions, social policy must not be oriented toward the past, toward ex post facto solutions of social tension and conflict, but must be directed above all to the future, for it is one of the few instruments that will influence the character of future social relations in our society.

We emphasize that the resolution of these questions is only to be found at the political level. It will depend on the responsibility and substance of individual political subjects to formulate their own vision of long-term solutions and to offer them on the market of political ideas. In social policy, the availability of money is not the only thing that matters. It also depends on a useful, meaningful efficiency which is acceptable to people. These shaping and, at first glance, imperceptible characteristics help form - in the long term - the dignity of human social existence and give society a friendly or a sullen face.

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