The Return of Left-Oriented Parties in Eastern Germany and the Czech Republic and Their Social Policies

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This chapter focuses on two social democratic parties that increased their support in postcommunist Germany and in the Czech Republic after the early years of the transformation. The Social Democratic Party in eastern Germany and the Czech Social Democratic Party in the Czech Republic stand out among the left parties in Eastern Europe. They did not exist under communism. Nor are they reformed versions of the communist parties that ruled during the communist era, such as those that were elected in the early 1990s in Hungary, Poland, and Bulgaria. Rather, they are parties with indigenous roots in their own societies that predate the communist era. They represent an old political tradition in their respective countries that is open to the market and at the same time retains a commitment to the weaker groups in the society. Both parties are alternatives to the more conservative coalitions that took over after the end of communism, as well as to the communists.

We will discuss the background to their increasing success, the problems they faced at the beginning of their efforts to gain electoral support, and their place in the current politics of the two countries. This includes in particular their relations to the major other parties on the left, the successors of the formerly ruling communist parties, which are quite different in the two countries. The German PDS (Party of Democratic Socialism) is in the middle of a process of reform and gains increasing acceptance, while the Czech communist party remains unreconstructed.
The Return of Left-Oriented Parties in Eastern Germany

The process of privatization of industry, the closing down of enterprises, the abolishment of positions in cultural and administrative sectors, and the forced early retirement of older workers resulted in dramatic changes for most east Germans. Seventy-five percent of the labor force left their original place of work and frequently saw a devaluation of their working potential. According to one survey in 1991–1992, 22 percent of employees changed their vocation, 21 percent changed their place of work, 11 percent changed places within the workplace, 14 percent took measures to retrain, and 26 percent were unemployed at one time or another.

Furthermore, western advisors, educators, and administrative specialists of all sorts were employed in the east. It has been estimated that since unification, 20,000 civil servants from the west have been employed in the east (Welsh 1995). On the other hand, huge numbers of east Germans, especially the young and the skilled left for the western part of the country where they hoped for better work opportunities and improved physical conditions. But not only problems of employment and underemployment arose with the transformation; social provisions of all sorts were affected as well, and many social supports that once were taken for granted were no longer available in the united Germany. Some of these problems will be discussed in detail later. In 1990, many difficulties and frustrations were seen as temporary phenomena that would be resolved.
with real integration into the welfare state of the Federal Republic. They weighed more heavily as time went on.

The transformation in eastern Germany coincided with a growing concern in the Federal Republic about the problems facing its welfare system. It may be useful to give a thumbnail sketch of this social provisions system. Social security legislation in the Federal Republic includes statutory pension insurance; its contribution rate is 20.3 percent of gross wages, jointly funded by employers and employees on an equal basis and in addition a grant from the federal government of 20 percent of the total expenditures. Statutory health insurance, which is not a uniform system in Germany, is compulsory for all employees whose monthly income does not exceed a certain level and voluntary for people whose monthly income exceeds this level, with an average contribution rate of 13.4 percent shared by employers and employees. Long-term care insurance is organized by the health insurance funds and compulsory for everyone with a contribution rate of 1.7 percent. Unemployment insurance is mandatory for those working 15 or more hours per week, with a present contribution rate of 6.5 percent and shortfalls covered by the federal government. Occupational accident insurance is compulsory for employers with rates depending on employee earnings and accidental risk level; those insured include all employees, home workers, students, and those in rehabilitation. There is also a means-tested income maintenance program—Sozialhilfe, which is administered mainly by state and local governments, funded by taxation (Palik 1998).

Problems of maintaining this social welfare system have been attributed to increasing structural unemployment, the expense of unification, an aging population, and increased international competition. Reductions in supports had been initiated, including gradually raising the pension age, cutting health benefits by reducing the stay in hospitals, increasing the contributions of patients toward the cost of medicine, lengthening the intervals between health cures, cutting back on the income benefit in case of illness (from 80 to 70 percent of gross wages), toughening the criteria requiring unemployed persons to accept job offers, reducing job creation measures, and abolishing of unemployment benefit payments for advanced vocational training.

Many east Germans, already faced with enormous problems and not quite adjusted to the institutions and policies of the Federal Republic, are wary of further cutbacks. The Social Democratic Party, especially, faces a number of dilemmas about how to address these difficulties. The initial effects of these policies in eastern Germany and subsequent political developments will be discussed later in the chapter.

The situation Czech leaders faced immediately after the end of communism in 1989 in some ways paralleled the experience of East Germans in social welfare policies and the legacy of communist rule. But the context of decisionmaking about social policy and the calculations by political leaders concerning the costs of changing the social welfare system differed. The most obvious of these differences resulted from the former GDR’s incorporation into the Federal Republic of Germany.

In contrast to the German case, in which an established polity expanded and extended its institutions to the newly incorporated area, the actions of Czech and Slovak leaders were influenced by the fact that they operated in a polity in which central institutions were themselves in a state of transition. Certain aspects of transition politics, including the lack of certainty in the political system, the rudimentary nature of the party system, the instability of popular political preferences, and the lack of experience of most political leaders, were common to other postcommunist states. However, other factors, including the ethnic composition of the country, its precommunist political traditions, and its federal structure also conditioned the transition and led to developments that differed from those that occurred in other postcommunist countries.

The country’s federal structure was one of the most important of these influences. The powers of the republic governments under the Czechoslovak federation that went into effect in 1969 were very limited under communism, and there was a great deal of dissatisfaction with the way the federation worked in both the Czech Lands and Slovakia (see Leff 1988; Wolchik 1991:124–125). Nonetheless, political life continued to be organized federally after the end of communism. As a result, federal decisionmaking was conditioned by the need to take both Czech and Slovak interests into account.

Because much of Slovakia’s industrialization took place during the communist period, the Slovak economy was significantly more vulnerable to the dislocations caused by policies designed to recreate a market economy. Citizens in Slovakia felt these dislocations earlier and to a greater extent than their counterparts in the Czech Lands. Most evident in the difference in unemployment rates, which were under 3 percent for most of the early 1990s in the Czech Lands, but between 12 and 14 percent in Slovakia, the more severe impact of the shift to a market economy was also reflected in greater economic hardship for larger groups of the Slovak population.

Thus, Czech leaders who wished to change social policy had to consider the different impact that the shift to a market economy had in the Czech Lands and Slovakia. They also had to take into account differing popular perceptions in the two regions concerning such important issues as the desirability of a rapid shift to a market economy, how much the economy should be privatized, and the willingness to see the costs of this shift, such as unemployment, as necessary and acceptable. Czechs and
Slovaks also differed in terms of their conceptions of democracy and their views concerning the responsibility of the state in shielding individuals from the impact of the shift to the market. There was much greater popular support for efforts to reduce the role of the state in the Czech Lands than in Slovakia immediately after the end of the communist system. (Boguszak and Rak 1990; Centrum 1990).

There were also important differences concerning social policy within the Czech leadership in the early 1990s. These divisions and the existence within the leadership of a group, with a strong concern for social justice, put limits on the extent and speed of change in social policies in the early years after the end of communism (see Castle-Kanerová 1992; Kabele and Potůček 1995; Potůček 1992; and Orenstein 1995).

While experts in the Ministry of Labor and Social Affairs and others struggled with how to reform social policy to eliminate the distortions of the communist era and deal with new needs created by the shift to a market economy, they also debated the relevance of Czechoslovakia's interwar system of social welfare provisions (see Castle-Kanerová 1992 for a brief overview of interwar and communist era social policies). The initial approach to social policy emphasized the role of the state in aiding those groups of the population most negatively affected by the economic transition, as reflected in the government's draft program for economic reform adopted in 1990.

With the breakup of the federation at the end of 1992, Czech leaders were freed from the need to account for the situation in Slovakia. However, despite more consensus among Czechs than among Slovaks about the need for individuals to assume more responsibility for their own lives, efforts to change social policy continued to encounter elite and popular opposition. This opposition became particularly evident in the mid-1990s, when the governing center-right coalition of Václav Klaus began its first serious effort to change social policy by reducing the role of the state in numerous areas and shifting to a needs-based, rather than universal system of benefits (Orenstein 1995; Vobruba 1993; Večerník 1993; see Musil 1995; Rys 1995; and Hartl 1995 for discussions of popular attitudes toward social policy reform). Left of center parties, including the social democrats, have been the main opponents of such a shift.

**Political Developments and Left-Oriented Parties**

It is against this background that the political landscape in the former GDR and the Czech Republic must be seen. In Germany as well as in Czechoslovakia, supporters of a more conservative policy appealed to citizens to support the market economy and accept more responsibility for their own personal futures in a free society. In both countries, parties opposing the Social Democrats also tried to stigmatize them by speaking of votes for either the Social Democrats or the communists as a "return to the left" (Rueschemeyer 1998a, Wolchik 1992). Yet in both countries, the Social Democrats gained significantly. In east Germany, where they were stronger to begin with, they had at the same time to contend with a significant competition from the reconstituted communist party. In the Czech Republic, the ČSSD had much less success initially but faced weaker competition from an unreformed communist party.

**Developments in East Germany.** The Social Democratic Party, which many had expected to win the largest percentage of the vote in the unified east, received only 24.3 percent of the vote in that part of the country in the first unified federal elections in 1990. The conservative Christian Democratic Union (CDU) and its neoliberal coalition partner, the Free Democratic Party (FDP), captured together more than double that share of the vote. The reformed communists (PDS) and the Alliance 90/Greens (a combination of predominantly left-leaning environmentalists and the remnants of the civic movements of 1989) followed with 11.1 and 6.3 percent, respectively. The Republikaner, an ultraright party, accounted for 3.3 percent. The first state elections had similar results; it was only in Brandenburg, one of the eastern states surrounding the city state of Berlin, that the SPD became the strongest party and ruled, though in a coalition government.

The SPD finds itself not only in competition with the CDU, the party under whose auspices unification took place, but also increasingly with the PDS. The SPD, governing in several states in coalition with the CDU, suffers from the perception that it is a party of the west, partly responsible for the problems of restructuring in the east after unification. Its connection with the trade unions is less close and more tentative in the east than in west Germany. And both the western-sponsored union structure and the SPD were seen as unable either to stem the massive unemployment or to prevent some of the unfair labor practices that continue to take place in a number of east German enterprises.

Equally important, the eastern SPD was the only party that was not allowed some continuing independent existence during the forty years from 1949–1989, when it was forced to merge with the Communist Party. Consequently, there was no established organization on which new political activities could rely. The western SPD helped, but that further made the eastern SPD look like a party of the west. This handicap contrasts with the situation of all other major parties, including the CDU, which has in the east a large membership of approximately 80,000 that was partly inherited from its satellite predecessor.

Another consequence of being outlawed for forty years is the disruption of local and regional traditions. In the east, much of the early leadership was provided by Protestant pastors who, though connected with
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numerous alternative groups in the former GDR, soon found themselves isolated from a secular population and colleagues more experienced in actual politics. The SPD cannot easily respond to many of the problems that stem from the change of systems and from the dominance of west German concerns in national politics because the national party has its main base in the west. There are nearly 65 million people in west Germany and only somewhat over 25 million in the east. The membership in the party is approximately 100,000 members, and a tiny vote in the west and 27,000 in the east. Though the small membership is far more important in the east, it does not reflect voting patterns, which indicate

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<thead>
<tr>
<th></th>
<th>CDU/CSU</th>
<th>SPD</th>
<th>FDP</th>
<th>A90/G</th>
<th>PDS</th>
<th>EXR</th>
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<td>1990</td>
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<td>West</td>
<td>44.3</td>
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<td>East</td>
<td>41.8</td>
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<td>1994</td>
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<td>West</td>
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<td>East</td>
<td>38.5</td>
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<td>1998 a</td>
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<tr>
<td>West</td>
<td>37.1</td>
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<td>East</td>
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<td>West</td>
<td>-7.2</td>
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<tr>
<td>East</td>
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<td>1998-1994</td>
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</tr>
<tr>
<td>West</td>
<td>-5.0</td>
<td></td>
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<tr>
<td>East</td>
<td>11.2</td>
<td></td>
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</tbody>
</table>

a. In East Germany only CDU.
c. West Germany includes Berlin-West; East Germany includes Berlin-East.d. Preliminary official results.
e. Change in 1998 compared to 1990 in percentage points.
f. Change in 1998 compared to 1994 in percentage points.

the PDS and the CDU gained support (Rueschemeyer 1998b). Among the groups that supported the SPD, workers and white-collar employees represented a core constituency in both east and west, but their share among SPD voters was larger in the west. Even with the divisions in the left between the SPD and the PDS, it is interesting to note the strong appeal of both among younger east Germans aged 18–34—54.3 percent in the east compared to 44.3 percent in the west (Rueschemeyer 1998).

In 1998, the last federal election, the SPD became the strongest party nationally and formed a coalition government with the Greens. In the east, the SPD had increased its percentage in the east from 31.5 to 35.1, while the CDU vote declined dramatically from 38.5 percent to 27.3 percent. The parties of the far right increased their support in the east, but in the country as a whole did not pass the 5 percent hurdle (see Table 4.1).

The character and strength of the different parties in eastern Germany can be gauged from their relation to organized interests. Interesting research on the contact of the different parties in eastern Germany to associations and organizations on the county level gives some indication of the access they have to different constituencies as well as of their political inclinations. Not surprisingly, the left-oriented parties share a number of organizations with which they are all in contact.

Briefly, the CDU has the most frequent contact with employer associations. It also has close relations with professional (berufständische) associations. It maintains more contact with farmers' associations and the churches than the other parties, in addition to the organizations of war victims and for refugees (conservative associations that the other parties distance themselves from). The CDU has only moderate contact with youth organizations, women's associations and centers, and environmental groups, though there is some desire to strengthen these links. The CDU distances itself from the antifascist organizations, self-help and alternative projects, and associations for the unemployed, but at least some in the party expressed interest in having increased contact with the unemployed, as well as with the renters' association.

It is interesting to note that despite the powerful contacts to employers' associations, the reputation of the CDU for policy effectiveness increasingly diminished as the economic problems remained severe and as large numbers of east Germans began to lose hope that their situation would improve in the immediate future. The party has only weak links with those groups and organizations that developed to deal with problems in east Germany.

The SPD and the PDS both are socially oriented, representing among others the interests of the disadvantaged and weak. The SPD has frequent contact with welfare associations and unions, with renters' associations and unemployed workers' associations, and with women's associations, whereas the PDS has the most contact with the latter. Although there is a clear interest in the SPD in strengthening the contact with economic associations, these links are presently underdeveloped, as are those to the farmers' associations and professional associations. The SPD has less contact with the Protestant Church than the CDU and the Alliance 90/Greens, despite the fact that its early founders were active in the church. There is considerable interest in increasing links to the young and to environmental groups, and moderate in increasing contact with women's associations and art and cultural associations. Considering the small membership, the range of contacts is indeed considerable (Göthe, Kux, and Neugebauer 1996:88–98).

The PDS has close links with antifascist associations, renters' associations, unions, and welfare groups, though there is interest in increasing their contact, especially to the unions and the unemployed workers' associations. Overall in the east, there are differences within the PDS with respect to the unions. Just as the party is divided about its role in the political process, with reformers pushing for the PDS to evolve into a normal party on the political scene and more orthodox members and more western members rejecting the Federal Republic's parliamentary process, the relation to the unions is fraught with differences about accepting the compromises supported by the unions and the more moderate socialist parties. Members are divided on such issues as wage restraints and shorter hours in return for retaining jobs and maintaining advantages in the global economy.

Nearly half the county PDS organizations have contact with employer associations and are interested in increasing these as well (Göthe, Kux, and Neugebauer 1996:88–98). In its campaigns, the PDS attempted to appeal particularly to women and youth. We noted earlier that it had considerable success among young voters in the 1994 elections, even though two-thirds of the present party members are over sixty and only 10 percent are younger than forty.

As in the Czech case, Social Democrats elected to parliaments in the eastern part of Germany have had to decide whether or not to work with the growing party of reformed communists. There are deep divisions in the party on this issue due to a long history of competition between the two parties. The western leadership of the national party is extremely worried that any cooperation will offend its much larger western constituency. The CDU has used this cooperation between the parties in its campaigns to warn against support for the Social Democrats, even though the CDU itself cooperates with the PDS in many communities when things have to get done.

The SPD's national leadership took a strong position against cooperation with the PDS. This position has been challenged, however, by at
least two SPD prime ministers of eastern states and by the party chair of another, Mecklenburg-Vorpommern. They insisted on regional independence with respect to this issue. Already since 1994, a SPD-led minority government has ruled with the toleration of the PDS in one eastern state, Saxony-Anhalt. In the spring of 1998, elections in Saxony-Anhalt strengthened the SPD and weakened the CDU.

A coalition of SPD and CDU was proposed by conservatives when the Alliance 90/Greens, the former coalition partner, failed to win seats in parliament, while the far right German People's Union (DVU) achieved dramatic success (see Table 4.2). Yet this coalition option was ruled out by the SPD because the CDU insisted on treating the PDS as equally unacceptable as the DVU. The SPD formed a minority government of its own, again relying on toleration by the PDS, and thus challenged once more the official stance of the party leadership. Finally, in state elections in Mecklenburg-Vorpommern later that year, the Social Democrats formed a coalition government with the reformed communists, the first such coalition in any German state. This development actually had the approval of the now nationally victorious SPD leadership. Thus, the PDS in eastern Germany has come to play a very different role than the Czech Communist Party. It has become a potential partner and at the same time a rival to the Social Democrats in the Czech Republic.

A brief comment on the role of the unions. Before unification and the need to establish union structures in the east, the west German unions were preoccupied with their own difficulties. By 1991, the number of wage earners in Germany had decreased to 43 percent of the employed labor force, while the less easily organized salaried employees represented approximately 50 percent and civil servants, 7.4 percent. Complicating these issues at the workplace were the less established domains and boundaries of organization in the east (so that different unions competed with each other in enterprises), the reduced participation of employers in their associations and their opting out of collective bargaining arrangements, and a preference among workers for using work councils to further their interests in a specific enterprise rather than viewing the councils' work in the context of union goals regionally and nationally (Rueschemeyer 1998b).

The work councils and enterprise boards tend to work with any party that supports their programs. However, in the 1994 elections, the CDU, which had been supported most strongly by the working class in the east and by the self-employed and Christian oriented citizens in the west, lost among blue-collar workers in both east and west, but especially in the east, while the SPD picked up more blue-collar votes. Eastern blue-collar workers are increasingly voting like their western colleagues. As in the Czech Republic, education in the union with respect to the parties' stance on social policy does have an impact on the party preferences of union members (Rueschemeyer, 1998a).

**Developments in the Czech Republic.** As in eastern Germany, leaders of the Czechoslovak Social Democratic Party faced the need to rebuild the party from scratch after the end of communism. Party leaders trace the party's origins to 1878, when the Czecho-Slav section of the Austrian Social Democratic Party was established. In 1893, this body became the Czechoslovak Social Democratic Workers Party (dub 1998). Developments within the party paralleled those that occurred in other European countries. Before World War I, the party was divided over the place of Czech national issues within Austria and the role of Austria-Hungary. After the defeat of Austria in World War I, the party's main division centered around that between the more radical, left liberal and centrist, rightist tendencies. This conflict was exacerbated by the Russian Revolution. Soviet efforts to create a more radical socialist party in Czechoslovakia led to a final split between the two currents in November 1921 and the formation of the Czechoslovak Communist Party.

The Social Democratic Party did quite well electorally in the interwar period. With 30.1 percent of the vote, the party was the strongest political force in the parliamentary elections held in 1919 (Suda 1980:34). It fell to fourth place in the 1925 elections with 8.9 percent, compared to the 13.2 percent the communist party won, but regained support by the 1929 elections, when it came in second (13.1 percent) to the Agrarian Party (15.0 percent). Party leaders participated in the coalition of five parties known as the “Petka,” or group of five, that formed the basis for most government coalitions during the interwar period.

The good fortunes of the party reflected the generally progressive character of political life in the interwar period. They also were influenced by the fact that, in contrast to the situation in the other new democracies

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**TABLE 4.2 Seats in the State Parliament, Saxony-Anhalt**

<table>
<thead>
<tr>
<th>Party</th>
<th>1998</th>
<th>1994</th>
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<tbody>
<tr>
<td>SPD</td>
<td>47</td>
<td>36</td>
</tr>
<tr>
<td>CDU</td>
<td>28</td>
<td>37</td>
</tr>
<tr>
<td>Greens</td>
<td>—</td>
<td>5</td>
</tr>
<tr>
<td>PDS</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td>DVU</td>
<td>16</td>
<td>—</td>
</tr>
<tr>
<td>Participation</td>
<td>54.8%</td>
<td>71.7%</td>
</tr>
</tbody>
</table>

*Source: The Week in Germany (May 1, 1998): 1.*
created in Central and Eastern Europe in 1918, which quickly became authoritarian, democracy persisted in Czechoslovakia until outside forces ended it. This situation was favorable for the organizational development of the party, which created a network of auxiliary organizations for young people and women and became a dominant force within the trade union movement.

The Czechoslovak Social Democratic Party was suppressed along with other parties under German occupation during World War II. After the liberation of the country in 1945, the party was reestablished and competed in the 1946 elections. However, it did not benefit from some of the advantages that accrued to the Communist Party during this period of modified pluralism and came in last in the 1946 elections in which the Communist Party won 37.9 percent of the vote (Korbel 1959; Suda 1980:195-201).

After the establishment of a government clearly dominated by the communists in February 1948, the social democrats were forced to merge with the Communist Party. Right-wing leaders and activists were purged from the party or resigned, and the social democratic party, like almost all other parties in the country, was unable to operate. There was a brief attempt to resurrect the party in the context of the reform period of the late 1960s, but this, as well as other reforms, was ended by the August invasion (Skilling 1976).

Efforts to revive the Social Democratic Party began immediately after the end of communist rule in late 1989. The party held its first meeting since the 1940s on November 19, two days after the brutal police response to a peaceful demonstration that served as the catalyst for the downfall of communism. Activists who had taken part in the effort to recreate a social democratic party in 1968 and reform communists who had supported Dubček were involved in this process, as were Czech emigrés, including Jiří Hořák, who soon became chairman of the party. After the split of Civic Forum in early 1991 and the later demise of one of its successors, the Civic Democratic Movement, several prominent personalities who had been active in those movements joined the Social Democratic Party.

The social democrats fared very poorly in the 1990 elections, which many citizens viewed as a vote on the communist system. Hampered by its fledgling organization and by the general rejection of anything associated with the left at that time, the party did not pass the 5 percent threshold and was unable to seat any deputies in parliament. Civic Forum won the largest share of the vote in the Czech lands. In Slovakia, Public Against Violence was the victor. The Communist Party’s percentage vote was similar to its share in elections in the interwar period. The Czechoslovak Socialist Party, which drew on the historical traditions of the Czechoslovak National Social Party, also did not seat deputies in either the Czech or federal legislature (Obrman, 1990; see Table 4.3). The fortunes of the social democrats improved somewhat by the 1992 elections. However, despite the increase in their proportion of the vote, particularly in the Czech Lands, the social democrats fell far short of the dominant coalitions. In the Czech Lands, support for the Communist Party in coalition with other left parties in the Left Bloc remained stable at approximately 14 percent. Several Socialist Party deputies ran on the ticket of the Liberal Social Union in the Czech Lands. In Slovakia, the successor of the Communist Party, the Party of the Democratic Left, received approximately 14 percent of votes to the federal and republican parliaments (Pehe 1992).

As Table 4.3 illustrates, the social democrats achieved significantly better results in the 1996 elections, when they came in second to the Civic Democratic Alliance (ODA).

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<tbody>
<tr>
<td>Czech Social Democratic Party (ČSSD)</td>
<td>4.1</td>
<td>6.5</td>
<td>26.4</td>
<td>32.3</td>
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<tr>
<td>Civic Democratic Party (ODS)</td>
<td>—</td>
<td>29.7</td>
<td>29.6</td>
<td>27.7</td>
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<tr>
<td>Communist Party of Bohemia and Moravia (KSCM)</td>
<td>13.2</td>
<td>14.0</td>
<td>10.3</td>
<td>11.0</td>
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<td>9.0</td>
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<td>8.6</td>
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<td>Association for the Republic-Republic Party of Czechoslovakia (SPR-RŠČ)</td>
<td>1.0</td>
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<td>Pensioners for Social Guarantees (DZJ)</td>
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<td>Democratic Union (DEU)</td>
<td>—</td>
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<td>2.8</td>
<td>1.5</td>
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<tr>
<td>Green Party (SZ)</td>
<td>4.1</td>
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<td>—</td>
<td>1.1</td>
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<td>Civic Democratic Alliance (ODA)</td>
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<td>Free Democrats</td>
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<td>Moravian Silesian Movement</td>
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<td>Liberal Social Union (LSU)</td>
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<td>Civic Forum</td>
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<td>Czechoslovak Socialist Party</td>
<td>2.7</td>
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Several small parties that have not gained seats have been omitted.

Democratic Party. The social democrats won 25 seats in the newly created Senate, and party leader Miloš Zeman became speaker of Parliament.

The social democrats have appealed to those more likely to be hurt by the shift to the market. Thus, their main supporters have been found among industrial workers and those with lower skill and educational levels. The social democrats’ electoral supporters are also older and include fewer entrepreneurs than center-right parties. (Hartl 1995; Tomáš Kostelecký 1995; Kunc 1995). The party’s improved showing reflected the fact that there were losers in the economic transition in the Czech Republic. It also reflected growing popular dissatisfaction with the government’s efforts to reform the social welfare system and with corruption. The party’s leadership did a good job in capitalizing on the dissatisfaction of these groups. They also made inroads in 1996 into groups such as the police and the military that had continued to support the Communist Party after 1989 (Hartl 1996; Matějů 1997; and “Jak se proměnuje postavení politických stran?” 1998).

Analyses of the attitudes of supporters of various political parties in the Czech Republic found that supporters of the social democrats tended to be self-declared leftists on the left-right continuum; they also tended to hold values that placed them on the left side of the political spectrum. Social democrats’ supporters also tended to have higher levels of anomie and lack of trust in the current political system (See Matějů and Vlachová 1997; and Matějů and Reháková 1997 for discussions of the interaction of self-declared, left-right orientation and value-based determination of left-right orientation on voters’ choices).

In the 1998 elections, the party emerged as the most popular party, winning 32.3 percent of the vote, compared to the 27.7 percent that went to the Civic Democratic Party (rep 1998). The social democrats maintained their support among the groups that had previously supported them. They also gained support from groups that had traditionally supported the center-right, but voted for the social democrats to protest the corruption and financial scandals that occurred during the last years of the Klaus government. In the 1998 elections, the Pensioners’ Party, which campaigned on a platform of protecting the social welfare and other benefits of retirees, was a potential challenger for the votes of older voters. However, the small percentage of the vote the Pensioners’ Party gained (3.1 percent) indicates that it was not successful in pulling many older voters away from the ČSSD.

Like most other parties in the Czech Republic, the Social Democratic Party is weak organizationally. With approximately 18,000 members, the party clearly does not possess the “organizational” advantage that socialist parties that grew out of the reformed communist parties did in countries such as Poland, Hungary, and Bulgaria in the early 1990s. Although, as already noted, it was not a new party, the Social Democratic Party faced the need to reconstruct itself and rebuild itself organizationally. It also faced the need to attract and train new leaders.

The party’s success in the 1996 and 1998 elections reflected the growing disillusionment of voters with the policies and results of the center-right coalition. By 1998, the impact of growing economic difficulties of the financial and banking crises, charges of widespread corruption that led to Klaus’s resignation as prime minister in December 1997, and the divisions among the center-right parties had alienated many voters from the center-right. The social democrats’ success also reflects the impact of the leadership of Miloš Zeman, who joined the party and became chair of the Prague organization in 1992, and was elected head of the party at the 1993 party congress in Hradec Králové. A dynamic group of younger leaders in Parliament, including Petra Buzková who was then the vice-chair of the party and whom public opinion surveys have frequently identified as the most trusted politician in the country, also had a positive influence on popular perceptions of the party.

The party’s main competitor on the left has come from the various groups that grew out of the Communist Party of Bohemia and Moravia. In the early elections, the Communist Party was much stronger than the Social Democratic Party. Splits in the party reduced its strength, but it remains a significant political force. The social democrats have faced little competition from the Czechoslovak Socialist Party. Originally the Czechoslovak National Socialist Party, the party was allowed to exist as the Czechoslovak Socialist Party during the communist period. It went through a process of reform after 1989, and continues to exist, but has seated deputies in parliament only as part of larger electoral coalitions since 1990, when it was not represented in parliament.

Analysis of the results of the 1990 elections indicates that the Communist Party drew most support in those elections in regions where large numbers of voters voted for the Communist Party in the 1946 elections. In the 1992 elections, the party also did best in regions where significant portions of the population worked in heavy industry, and in Moravia, where levels of satisfaction with the government were very low (Kostelecký 1994:219). In the 1990 elections, the social democrats did the worst in Moravia, and in districts with large numbers of religious citizens. They also did poorly in districts where many people had university education, but did well in those with high levels of pollution. In the 1992 elections, the social democrats did well in regions where many voters had voted for the Communist Party in 1946. Support for the social democrats in the early elections bore less relationship to traditional indicators of the cleavage structure of society or previous political traditions than support for all other parties (Kostelecký 1994:221).
The leadership of the Social Democratic Party has consistently refused to cooperate with the Communist Party and its successors nationally, although cooperation has sometimes occurred locally. This policy reflects the fact that the Communist Party has not engaged in a thorough reform as has occurred in many other postcommunist countries. It also reflects the fact that many of the current leaders of the Social Democratic Party were former members of the Communist Party who supported the reforms of the 1968 era and either left the party or were purged after the end of those reforms. The impact of this policy regarding cooperation with the Communist Party was evident after the 1998 elections, when the social democrats continued to reject the option of forming a left coalition with it. After failing to persuade other political forces, including the Christian Democratic-Union-People’s Party, to enter into a coalition, party leader Miloš Zeman chose to form a government by entering into an agreement with his main center-right opponent, the Civic Democratic Party of Václav Klaus.

Social Policy Issues in Eastern Germany

The context in which social policy should be seen is largely the national one in both the German and Czech cases. In Germany, we find a somewhat stronger polarization of views between the major parties nationally than in the five new states. The CDU-led coalition in Bonn looks for a more drastic transformation of the German welfare state in response to the problems of increased international competition, the problems of unification, and an aging population. In conjunction, these have resulted in increased unemployment and government debt. The SPD agrees that some reconstruction of the German welfare state is necessary, but the CDU/FDP coalition wants to go much further in outright cutting of provisions. The SPD prefers to finance more provisions via general taxes rather than through wage-related taxes, and seeks to make the tax system more equitable. That would make for a more equal sharing of the burdens of unification because much of the welfare state expenditures on unemployment and training in the east are financed via wage-related taxes. Reducing wage-related taxes would also lower labor costs and, hopefully, reduce unemployment.

As prime minister of Lower Saxony (and now chancellor of the Federal Republic), Gerhard Schroeder, then the SPD’s main spokesperson on economic policy, presented proposals that included a cut in non-wage labor costs. Payroll social welfare contributions, paid half by employers and half by employees, are presently 42 percent of gross wages. With this plan, payroll contributions would be scaled back and the differences made up by increasing the subsidy the federal government provides to the pension and unemployment insurance funds. To pay for that, the SPD advocated a raise in petroleum tax and in the value-added tax, a sales tax paid on most products at each level of production. After the CDU and SPD agreed on raising the value-added tax to 16 percent (a point higher than it was), the increase went into effect in April 1998.

Because of the possibility of governing in 1998, the SPD had to deal in its policy proposals with constraints that limit its ability to answer some popular needs in the east. The SPD presents itself as a progressive party, committed to pragmatic reform and an economic system of both public and private sectors. This stance is popular with the new constituencies the party tries to attract and keep. In its campaign, the party promised to rescind cuts in long-term sick pay and retirement pensions that the Kohl government implemented with its Bundestag majority in 1997. The 1998 coalition agreement includes an overhaul in the tax system that will reduce both the bottom and top income tax rates, while eliminating tax breaks. General tax revenues will be used to help support social welfare programs, which are presently funded by payroll contributions of employers and employees.

There are many other social policy issues that are of concern to east Germans. These include employment, education, housing, and women’s integration into the labor force and related social supports, to mention only a few. It is impossible to adequately cover all of these in this chapter; some will only be briefly discussed.

Unemployment problems affect both eastern and western Germany, and the government, unions, and employers’ associations see this as a major issue, if not the major issue that has to be addressed. Unemployment in the eastern part of Germany in 1998 was 19 percent, a figure that would have been greatly increased if those who were forced to retire early, those who still work short hours, and those in retraining programs were included in the calculation. The introduction of publicly supported jobs prevented the numbers from soaring, but these positions were created only for a limited period and they had been severely cut, although some were since restored again as the 1998 federal elections approached. The SPD, the PDS, and the eastern CDU representatives had asked the CDU-led government to fight against the reductions in publicly supported work positions. The CDU east has expressed frustration with the national party and its comparative lack of attention to the eastern constituency.

The policy of the SPD focuses on the need to develop an industrial base in the east and its research potential to stimulate the domestic market, to trim indirect labor costs, to encourage the service sector and the growth of small service companies, to develop self-employment and more part-time positions, especially for the elderly or for younger people entering the workforce. This policy would allow the creation of additional places for
younger people (for different perspectives on this in the east, see Wolfgang Thierse 1995) and back other programs to create jobs for the young, as well as expand apprenticeship programs. In fact, as soon as the “red-green” coalition took office, it planned to launch a program to place 100,000 young people in jobs or vocational training. The German government is especially concerned with long-term unemployment among the young and will attempt to reduce the period of unemployment to six months or less.

While social policy issues are decided mostly at the federal level, the states, which have jurisdiction especially in education and culture, are important, too. The lack of enough apprenticeships is a source of great frustration in both the east and west. In the east, in the state of Brandenburg, where the social democrats are the strongest party and lead the government, there has been an early articulation of the problem and serious efforts to address it. Reinhard Hoepner, prime minister of Saxony-Anhalt, where the social democrats received the largest percentage of the vote in the April 1998 state election, noted in a talk at Forum Ostdeutschland that there was an apprenticeship available for every young person in the state. In 1996–1997, the PDS supported the SPD in passing a law that kept teachers in their jobs, despite fewer students, by reducing their hours and salaries.

There are various models in Berlin to address unemployment and qualifications, developed by Christine Bergmann, former SPD Senator for Work, Occupational Education, and Women in Berlin and now a member of the federal cabinet. These models are funded by the state and in part by the European Union. The hope was to gain increased funding through support for federal legislation after the federal elections.

Primary and secondary education in eastern Germany were restructured along west German lines. In practice, this meant the replacement of the GDR’s comprehensive polytechnical schools with a more differentiated selective system, capped by west German-style gymnasiums. But Brandenburg continued to emphasize comprehensive schools, while the other four states, led initially by conservative governments, instituted a two- or three-way partition of students into academic and general or vocational schools after their completion of primary school. These changes were carried out under the influence of administrators from west German partner states, some of whom remained in senior positions in the east.

With respect to housing, there is little states and communities can do about raising rents—which was done in stages—and increased privatization. The return of property to the original owners, victims of Nazism and east Germans who left the country during the communist period, is a complicated subject; the reaction to the east Germans living in west Germany now reclaiming their homes was particularly intense among many east Germans. There have been efforts to retain land use for gardens that especially apartment dwellers use, and it has been the reformed communists, who have experience and knowledge in the community, who have been most successful in conserving that land.

States, cities, and communities that are strapped for funds have to take into account the market and their constituencies. Only a few years after unification, the city of Rostock was concerned with maintaining the residential areas, where approximately 60 percent of the population lives in apartment house complexes, as integrated, nonsegregated housing—even if the most affluent eventually leave. There was, and is, some effort to sell public housing in the residential areas that would relieve the city from having to make extensive repairs. Similarly, the city seeks to sell half-finished apartment complexes in the new residential areas because the city does not have the funds to complete the project. At the time, the cooperative associations, the Genossenschaften, which own 40 percent of the complexes, opposed privatization sales. Specifically, they opposed selling a building in which many older residents live for commercial purposes, or to marking an area for commerce that residents pressured the city to use for youth clubs. In the first case, the city backed down; in the second, the young people ended up meeting in cellars (Rueschemeyer 1993).

The SPD has committed itself to defend the social rental law and build more affordable housing in the Federal Republic, involving both housing associations and private investors. Interestingly, the SPD together with the CDU campaigned for an extension of the special support for rent so that the percentage of income paid for rent was somewhat lower in the east than in the west. In this way, pressure is put on the CDU in the east to respond to the needs of its constituency.

In the large housing areas, the SPD program articulates a need to make young people feel that they belong to the community and to provide security. Housing developments in the east are less segregated than in the west but the dearth of activities for the young, combined with the difficulty of finding apprenticeships and work entry in many places, may further increase tensions. Despite the efforts of the SPD to improve living conditions and protect housing in some areas, it is important to note that, because of its low membership in some neighborhoods in the east, the party is neither active as a local party organization nor indirectly through participation of its members in other associations.

Women’s issues are an important part of the contested social policy agenda in eastern Germany. The GDR had a liberal abortion code that first became law in 1972, when it allowed abortion during the first three months of pregnancy. Over 85 percent of children between the ages of
1 and 3 were in day care centers, and nearly 90 percent of those between 3 and 6 were in kindergartens. Other supports for working parents included a guarantee of 40 days paid time off from work annually to care for sick children of 14 years or younger, and after childbirth a parental leave was granted until the child was a year old, at 75–90 percent of net pay, with a guarantee to return to the job at the same level of employment. In the last years of the GDR, this leave could also be taken by the spouse or the grandmother.

These supports were especially important for single parents, most of whom were mothers. These women had preferential access, before their married colleagues, to an apartment and to child care when they resumed their work outside the home. Naturally problems remained for many because the supports did not solve all the problems of the single parent. By the time unification occurred, about 50 percent of west German women were in the workforce, but only 3 percent of children under the age of 3 were in public day-care centers. Before unification, a mother in west Germany could take five paid days a year to care for a sick child of 8 years or younger.

The introduction of a quota system for women in public positions in the Green Party and the SPD in western Germany and in the PDS, Alliance 90/Greens, and, of course, in the SPD in the east opened up new opportunities for women in politics (Rueschemeyer 1998:89–115). In the most recent elections in 1998, about a third of the representatives elected to the federal parliament were women. The interests, if not the political activity of East German women after unification led to changes in social policies, especially with respect to abortion. West German’s penal code outlawed abortion unless the woman met certain criteria. After enormous fights, reviews, and new changes in 1995, the new regulations allowed abortion without punishment during the first three months of pregnancy, preceded by mandatory counseling. There is still fighting about the kind of consultations women are required to undertake. Again, it is in the state of Brandenburg where the SPD holds government power that the fighting has recently become particularly intense. In Brandenburg, the Catholic charity association Caritas, which moved into the east after unification, rather than providing general counsel to women considering abortion, gives advice that is essentially oriented toward not having the abortion. The association has been warned that its financial support in Brandenburg will be at risk if it continues this policy. The state responds to the expectations of its east German constituency with respect to a social policy that most east German women consider less adequate than previous policies.

Other expectations of eastern women have been addressed by western politicians, especially when they coincide with political demands made in the west. Policy initiatives of this kind include an increase in the number of days from five to ten days allowed to care for a sick family member and for single mothers to 20, and raising the age of a sick child for whom such leave is granted to 12 years. Other goals include a kindergarten place for all children by 1999 and a 24-month parental leave. These changes were made in response to agitation in eastern Germany with the loss of benefits. However, there is little attention to the need for day care centers for children under the age of 3—even in the SPD. As already mentioned, the PDS addressed some of these issues in their 1998 campaign, but their constituency is essentially in the east.

East German women have been adversely affected by unemployment (two-thirds of the long-term unemployed are women) and the closing of day care centers by enterprises. Some of the issues involving discrimination at work are handled through equal opportunity and women’s affairs offices set up in all communities with a population of 10,000 or more; however, these are not a substitute for political influence and coalition building to introduce legislation that would initiate regulations against discrimination. East German women see the parties on the left generally as potentially more supportive of them, and, in the 1994 elections, the Social Democrats and Reformed Communists together received proportionately more votes among east German women than they did among women in the west.

Social Policy Issues in the Czech Republic

Changes in social policy have occurred in several stages in the Czech Republic. Although the former Czechoslovak government moved aggressively to privatize state enterprises by voucher privatization and enact policies designed to stimulate the development of new private enterprises in the period immediately after 1989, it retained many of the social welfare provisions and social policies in place during the communist era. The end of government subsidies of basic foodstuffs and, eventually, energy, raised the cost of living dramatically in the first few years after 1989, despite government attempts to offset these increases by direct payments to citizens. The value of many social benefits, including children’s and mothers’ allowances, and payments to mothers to remain at home to care for their infant children (which were redefined as parental benefits and made available to fathers as well as mothers) decreased as the result of inflation and declining real wages (Musil 1995; Rys 1995; “Mateřská a otcovská dovolena” 1993:7; Castle-Kanerová: 1992:113). Access to certain services, such as child care, also decreased noticeably, particularly for children under the age of 3, as municipalities found themselves unable to support the services they had previously provided and the management
of privatized factories and other enterprises determined that it was unprofitable to provide child care for employees and workers.

The impact of this situation on the availability of child care is evident because the number of places in nurseries for children under 3 years old declined from 78,555 in 1989 to 17,210 in 1991 (Federální statistický úřad, Český statistický úřad, Slovenský statistický úřad 1992, 528; see also Wokhik, forthcoming; Kramer 1998; Illner 1998; “Školy nemají prostředky na svojí další existenci” 1993; ria 1993a; kva 1993; ria 1993b).

However, although the Czechoslovak government’s rhetoric promoted individual responsibility, it took a very cautious approach to changing benefits. Although poverty increased, an increase in the minimum living standard allowed groups that fell below the poverty line to receive social assistance payments (Orenstein 1995:184–85; Mareš and Rabušič 1997; Čermák 1998; Večerník 1993; see Kramer 1998). Rent control also continued and kept the cost of housing for much of the population very low, even after controls were reduced. Young people, who had to look for new housing on the market, often found the cost of apartments and houses prohibitive. The impact of the shift to market rates was compounded by the dramatic 73 percent decrease in new housing between 1990 and 1995 (Illner 1998:150; see also Orenstein 1995:182–83), but those who had housing did not face massive evictions or immediate dislocations. Similarly, those unfortunate enough to live in housing that was restored to previous owners through restitution faced pressure to find other places to live. But they were protected to some extent by laws that required new owners to find acceptable apartments for those whom they proposed to evict from their newly restituted properties.

The government also encouraged movement toward self-insurance, both in terms of health insurance and retirement (see Illner 1998; Orenstein 1995; Castle-Kanerová 1992; Kabele and Potůček 1995). However, before 1993, it took no action to reduce pensioners’ benefits. Rather, pensions were increased to account for the increased cost of living and pension benefits were extended to groups of the population previously ineligible for them, such as nonworking wives who gained social security benefits as the result of their husbands’ economic activity (Kabele and Potůček 1995:31–32; Vobruba 1993; and Večerník 1993).

After the June 1992 elections, the government adopted a more aggressive approach to social policy reform. This approach was evident in the areas of unemployment policies, social assistance, and health care (see Orenstein 1995; pech 1995a; pech 1995b). It was also evident in family and retirement policy.

In April 1993, children’s allowances for families with one child whose incomes were two or more times greater than the minimum living standard were eliminated. The basis for payment of children’s allowances also changed from the number of children in the family to the age of children in 1993 (s 1993; ika 1993; Navrátilová 1996b). In 1995, the number of families receiving children’s allowances decreased again, as such allowances were limited to those families whose incomes were no greater than 1.8 times the minimum living standard (MS 1995).

The government also enacted changes in pensions, increased six times between 1990 and 1994 to offset the increase in the cost of living (DB 1994). Pensioners were protected somewhat from the impact of the shift to a market economy. However, a survey conducted by the trade unions indicated that over half of pensioners felt that they could not make ends meet in late 1994 (“Pension reform bill” 1995). State pensions, which amounted to 51 percent of the average salary in 1995, were expected to fall to 48 percent in 2006 and to 45 percent in 2020 (“Czech Seniors” 1995). According to the provisions of a law passed by parliament in June 1995, the minimum age for retirement was to increase to 67 for women, depending on the number of children, and 62 for men. Although the increase in retirement age was to be phased in gradually through 2007, this and other reforms, such as measures that tightened conditions for receiving disabilities pensions, were very controversial and were opposed by the trade unions (Kabele and Potůček 1995:31–32; Navrátilová 1996c; em 1995a). In 1995, the government also introduced a new system of supplementary pensions that relies on individual contributions, with no required matching funds from employers, to supplement pensions (em 1995b).

These measures provoked vigorous protest from trade unions. The Czech-Moravian Chamber of Labor Unions (ČMKOS), which includes unions with a total membership of 2.8 million, called for a 15-minute national warning strike to protest against the proposed reforms in December 1994 (“Czech Unionists” 1994). Union activists also organized other demonstrations to protest the proposed changes.

In the spring of 1997, the Klaus government introduced further cuts in social spending as well as other austerity measures as part of a plan to deal with the financial problems the country experienced after the failure of several state banks. These changes became evident in family policy in September 1997 when the threshold for receiving allowances was raised (Šimoník 1997). As in the past, the state continued to support single parent families, most of which are headed by women, through the social assistance system. However, many of these families found themselves below the poverty line (See Tošovsky 1995; Čtk 1996). In early 1998, the caretaker government of Josef Tošovsky proposed steep increases in the price of energy and rent. Thus, electricity was to increase by 30 percent, gas by 27 percent, and rents by 27 percent (Adamec 1998).
In the 1998 elections, the social democrats benefited from popular dissatisfaction with the government's efforts to reform social policy. A survey conducted in April 1997 found that over two-thirds of those surveyed felt that the government was not paying enough attention to the social side of the transformation. This dissatisfaction was most noticeable among voters who sympathized with the Social Democratic Party, whereby 85 percent were negative about social policy. Among those who sympathized with the Communist Party, 93 percent were negative. However, significant proportions of citizens who identified with center-right parties also were dissatisfied. Pensioners, workers, and residents with poor living standards were particularly critical (Rendlova 1997a).

A survey conducted in February 1997 found that the social democrats' proposal to lower the age for retirement received significantly more support (47 percent) than the government's proposals for pension reform (35 percent). Many respondents (56 percent) also felt that the government should pay more attention to current living standards, even at the price of slowing the economic reform, rather than concentrating more on economic reform, which would bring a better standard of living in the future (31 percent) (Rendlova 1997b).

The social democrats' campaign in the 1998 elections reflected these perspectives. Social considerations figured large in its motto: "To give equal conditions for development and fulfillment to all people is the basis of a socially just, free and democratic society and the precondition of the future prosperity of the whole country." They were also reflected in the party's platform, which argued that the governing coalition's "one-sided emphasis on economic reform and privatization . . . and neglect of the role of the state and civil sector allowed the undeserved enrichment of some individuals and insufficient reward for the labor of others." It also criticized the government for viewing social policy as a necessary evil and social expenditures as a nonproductive drain on investment and thus of the future economic prosperity of the country ("Sociální doktrina ČSSD" 1998). Departing from what it described as "the idea of a socially and ecologically oriented market economy," the party's social program called for an increase in the role of the tripartite council (the council that brings the government, employers, and unions together) in discussing social policy reform ("Sociální" 1998:1).

The party's platform promised to eliminate the planned increase in retirement age. It also proposed increasing the average pension to at least 50 percent of the average wage and linking pensions to prices and the development of real wages. In addition, it proposed the creation of a more adequate social insurance system separate from the state budget, with individual and state contributions to be funded in part from the National Property Fund.

In social assistance, the party's program was based on the principle that appropriate living conditions must be ensured for all, including minorities and Roma children. The party proposed a gradual increase in facilities for institutional care and social assistance. It also proposed giving local governments appropriate funds to carry out their responsibilities in this area and an increase in the minimum subsistence level, as well as a large increase in the national wage from 2,650 to 4,100 crowns per month.

In family policy, the party proposed new legislation to increase care for children, ease adoption, and improve conditions for maternal care of children. These included measures to assist families with handicapped children and single parents. The party's program also noted the need to limit the negative impact of pornography, rape, and the use of violence on children. One of the most notable aspects of the party's policies in this area is the proposal to return to a universal rather than needs-based system of children allowances. The program also envisioned a return to pronatalist policies to deal with the declining birthrate, including helping young families obtain housing and increased public services for children and families to allow mothers to combine their roles as mothers with their economic activities.

In the area of unemployment, the party emphasized the need for policies designed to ensure full employment and called for an increase in the role of the Office of Labor, with special attention to regions with increasing unemployment. It also proposed the creation of a wage scale in the private sector to protect workers without unions and measures to reduce the gap between management and employees.

Housing received the most attention in the social section of the party's platform. The party called for measures to resolve the housing crisis, including those that would reduce legal uncertainty concerning ownership and rights, steps to end speculation in housing, and measures to deal with the particular housing needs of the elderly and young people. It also called for tax breaks to increase new housing starts; an increase in the state role, especially at the local level, in making housing policy; the creation of funds for new housing in local budgets; as well as for steps to ensure housing for the weaker segments of society. One of the most controversial proposals was for a review of the 1994 law on privatization of housing, which the party's platform described as a particular threat to the elderly. The social democrats also pledged to enact legal measures to prevent speculation in housing and support housing cooperatives, as well as a slowdown of the proposed deregulation of rent and services connected with housing, such as energy and water ("Sociální" 1998; see also "Program bytové politiky" 1998).

In health reform, the party proposed to remedy problems with the 1990 reform in this sector. The party's platform stated that noncommercial
health insurance would remain the basis of health care and pledged to optimize health care facilities and improve the financial cooperation of hospitals and clinics. It also called for closer regulation of the price of medicines, health care materials, and prosthetic devices, and for measures to address the insufficient wages of doctors and other health care personnel. It also proposed a merger of health and hospital insurance and an increase in the role of state organs in the organization and financing of health services.

The party also proposed changes in family policy. It called for a new concept of family policy and a new family law. In addition to restoring children’s allowances to all families with children, it promised to devote special attention to single parent families and those with children with special needs. It also called for measures to address child care facilities and after school programs for children.

In education, the party emphasized the need for education to be accessible to all and for improvements to increase the quality of education at all levels. In addition to calling for the establishment of a national council for education, party leaders emphasized the need to increase teachers’ salaries.

Since a social democratic government was just formed in July 1998, it is still too early to know what the party’s leaders will do to enact these promises now that they are the governing party. The need to secure the agreement of leaders of the Civic Democratic Party for any major policy changes, as the agreement with that party requires, will clearly limit how much the social democrats can enact the changes they promised in the campaign. Soon after becoming premier, Miloš Zeman noted that he expected his government to have much difficulty in enacting its program in social policy (TAM 1998). It is too early to judge the overall impact of the social democrats on social policy reform, but party leaders already have taken numerous steps.

The social democratic government proposed measures in August to deal with the crisis in the pension system, which ran a deficit in 1997. Pensions accounted for most state social spending, which in turn accounted for 40 percent of the budget in 1997, and were expected to amount to 43 percent in 1998 and 46 percent in 1999 (“Pension System Getting Dearer” 1998). In September, Deputy Premier and Minister of Labor and Social Affairs Vladimír Špidla proposed a 2.4 percent increase in pension insurance payments, 1.8 percent of which was to come from employers and 0.6 percent from employees (rtj 1998). Špidla also called for additional steps to separate the pension fund from the state budget and for measures to increase the responsibility of individuals for making voluntary contributions to pension insurance and for establishing company pension funds (VV 1998; vr 1998). The government also announced plans to index pensions twice in 1999 to maintain their real value. In October, Špidla threatened to cut pension payments by 540 crowns monthly if his proposed increase in payments was not approved by parliament (VV 1998).

The government also proposed an increase in sick pay benefits (PVR 1998) and a 17 percent increase in wages in the public sector after an agreement with public sector unions in September 1998 (RJC 1998). In November 1998, the government announced that it would ratify the European social charter, which the Czechoslovak government signed in 1992, but did not bring to a vote. The charter would require that minimum wages be increased from the current average of 2,650 crowns to between 4,500 and 5,000 crowns each month (TAM 1998).

Prime Minister Zeman provoked protest from labor groups in late September 1998, when he suggested that public works be used as a substitute for unemployment benefits in light of the expected increase in the number of unemployed to 500,000 in 1999 (VV 1998). The government announced a “National Plan for the Battle against Unemployment” that requested an additional two billion crowns for active employment policies. These were to include requalification programs and plans to assure employment for young people who have finished their educations.

Deputy Premier and Labor and Social Affairs Minister Špidla also pledged to take steps to eliminate the discrimination against women, older people, and Roma that results from unfair practices in job advertisements and at labor offices (VV 1998). The government announced its intention to propose a law to ensure that employees will receive their unpaid wages if companies go bankrupt (VV 1998). In early September, the government proposed a 17 percent wage increase in the public sector to counteract the 13 percent drop in real wages in this sector (TAM 1998).

Public opinion polls conducted in October 1998 indicated that approximately half of the population approved of the way the government was functioning, while the other half disagreed. Eighty percent of ČSSD supporters approved of the government, as did 51 percent of supporters of the Communist Party, and 49 percent of supporters of the Christian Democratic Union-Czech People’s Party. Many Czechs (53 percent) also expected greater social justice from the social democrats than from the Klaus government. Citizens with elementary education and older people were particularly optimistic, although unemployed respondents did not expect greater social justice. Ninety-two percent of ČSSD supporters and 75 percent of Communist Party supporters approved of the government’s social policy; 83 percent of the Civic Democratic Party, 76 percent of the Freedom Union’s supporters, and 64 percent of the Christian Democrats disapproved (PK 1998).
This division of opinion has been reflected among the elite. Parliament’s rejection of the government’s first budget proposal, which proposed a 27 billion crown deficit, and of the proposed 2.4 percent increase in pension insurance contributions in October, illustrate the difficulties Zeman and his colleagues will have in getting their proposed changes enacted into law (Pitrova 1998).

Conclusion

In both Germany and the Czech Republic, social democratic leaders have articulated and defended a conception of social policy that has differed from that of their center-right opponents. During the early transition years, leaders of both parties criticized the governing coalition’s approach to social policies and argued that the state should continue to provide for citizens in need and play a larger role in buffering the costs of the transition to a market economy. Hurt by the initial overall rejection of the left and the need to reestablish themselves as political organizations after the communist period, the social democrats fared poorly in elections in the early 1990s. This effect was more pronounced in the Czech Republic than in east Germany. The fortunes of both parties improved in the mid-1990s, and by 1998, both were the victors in parliamentary elections.

The successor organizations of the former ruling communist parties developed differently in the two countries. The Communist Party in the Czech Republic remained unreconstructed and had only limited voter appeal. The PDS took significant steps toward democratic reform, even though it did not sever all personal and ideological ties to the past. It soon succeeded in doubling its vote as it articulated specifically east German concerns in competition with the other parties, whose main organizational and constituency strength lies in West Germany. Now it is a partner in the government of two east German states.

Factors specific to each country’s political situation contributed to the victories of the social democrats. However, in both cases, the social democrats were able to use growing popular dissatisfaction with the social policies of the center-right government to increase their support. The electoral programs of the two parties called for important changes in social policy as well as for paying greater attention to the social impact of the transition.

Since forming governments, social democratic leaders in both Germany and the Czech Republic have attempted to translate several aspects of their electoral programs’ provisions concerning social policy into practice. As they have done so, they have encountered both political and economic obstacles. In the Czech Republic, the ability of the social democrats to push their agenda aggressively is limited both by the need to adhere to the agreement they signed with their main opposition, Vaclav Klaus’s Civic Democratic Party, and by the serious economic problems evident in the recent downturn in the Czech economy. The impact that the social democrats’ victories will have on the social policies of Germany and the Czech Republic is an open question. Yet, it is clear that the presence of these parties, and the support they have received from a large portion of the electorates in both countries, has been an important counterweight to efforts to reduce the role of the state in providing for individuals’ welfare in these countries.

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Notes

*We are very grateful to Dietrich Rueschemeyer for comments on an earlier draft of this chapter and to Igor Prochazka for his research assistance.
2. Insurance programs are generally administered through semiprivate organizations representing, for example, occupational and territorial constituencies.
3. DM 6,300 in West Germany and DM 5,200 in East Germany.
4. For a more extensive discussion of the relationship between the PDS and other parties, see Thomas Baylis, “Political Adaptation in Postcommunism: The

5. The SPD noted the responsibility of employers in this latter area, proposed increased relief for those who take on apprenticeships and a subsidy for those who take on school graduates.
9. Efforts to stabilize and improve housing in the large apartment house complexes have general political support according to Bernd Hunger, architect and urban planner in Berlin (interview 1998), though particular business interests, as mentioned above, may be heavily contested by residents. With unemployment, the residential areas generally have even more increased importance to many people than in the past and are more extensively occupied during the day.