

Polish elections—Democratic Party of the Left announces plans for further attacks on social gains

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National elections in Poland planned for September 23 take place against the backdrop of a divided government, a huge balance of payments deficit, problems arising from the country's planned entry into the European Union and the catastrophic consequences of recent widespread flooding.

After four years in government the conservative Election Campaign—Solidarity (AWS) and Poland's Prime Minister Jerzy Buzek have lost so much support that it is extremely questionable whether the AWS will receive enough votes to re-enter the Polish parliament (the Seim).

The Freedom Union (UW) of Bronislaw Geremek, which had formed a coalition with the AWS up until June of last year, is also reckoned to have little chance of receiving the minimum 5 percent of the vote necessary for entering parliament. According to opinion polls the most likely candidate to form the next government is the Democratic Party of the Left (SLD) led by Leszek Miller. The SLD is the successor party to Poland's Stalinist party (United Polish Worker's Party—PVAP), which ruled the country up until 1989.

A total of 98 various parties, alliances and election committees are taking part in the election, but only four are expected to be able to take up seats in parliament.

The probable party to place second after the SLD is the Citizens Platform (PO), which was first founded in January of this year by Andrzej Olechowski from rebel members of the AWS and the Freedom Union. Former foreign minister Olechowski is regarded as a finance and banking expert and worked for the World Bank in Washington from 1985 to 1987. He then worked for two years from 1989 as deputy president of the Polish central bank. The main demands of his Citizens Platform are tax cuts for the employers and more flexible labour legislation.

It is also thought that the party led by sacked Justice Minister Lech Kaczynsky, Law and Justice (PiS), has a good chance of entering parliament. The party's programme gives priority to a tightening up of criminal law, the introduction of the death penalty and the protection of Polish national interests in Europe. According to the party's programme: "We support Poland's application for entry into the EU, but our interests must be vigorously defended and the national state retained."

The Country Party (PSL), which emerged from a former Stalinist block party, is strong in the country regions of East Poland. Here many small farmers are fearful of the consequences of EU membership. In response to these fears the PSL articulates pronounced nationalist sentiments, emphasising the necessity to defend Polish

interests against Europe.

In the run-up to the elections the existing government has literally broken apart. A total of five ministers have either quit or were sacked from the government within the space of a few weeks.

Two weeks ago Prime Minister Buzek sacked his finance minister, Jaroslav Bauc. As an "independent economic expert" not affiliated to any particular party, Bauc was brought into the government just a year ago following the breakdown of the coalition with the UW. A month ago he warned of the impending collapse of Poland's public finance system. For the coming year he predicted a budget deficit of 88 billion zloty (47 billion deutsche marks), a rate of inflation of over 10 percent, the growth of unemployment from the official level of 16 percent to 25 percent and a drastic fall in the value of the zloty. This prognosis has been confirmed by Bauc's predecessor in office, Leszek Balcerowicz, the current head of the national bank.

Bauc proposed a catalogue of drastic recovery measures, including the raising of indirect taxes, e.g., value added tax on basic goods—a measure which would lead to higher prices for many basic commodities. He also called for the freezing of plans to reform pensions and wage increases that have already been agreed upon.

The cabinet expressed its complete surprise and rejected the proposals as "politically impossible" and "unrealistic". Buzek fired his minister on the grounds that he had announced the deficit far too late.

In fact, with regard to the budget the writing had been on the wall for a considerable period of time. The German *Frankfurter Allgemeine Zeitung*, reported that the real extent of the crisis had been deliberately covered up: "Expenditures were transferred into 'secondary budgets' through various tricks or transferred from one year to another, in the knowledge that one day the debts would be have to paid off..."

A further source of instability in the budget are proceeds from the privatisation of state owned factories. Up until now only a fraction (15-20 percent) of this year's anticipated total of 18 billion zloty has found its way into the state treasury.

Most recently the Polish economy and financial system were adversely affected by international financial instability and the crisis in Argentina. According to the August 30 edition of the finance paper *Börsen-Zeitung*: "The difficulties of Polish state finances did not first appear with the sacking of the finance minister, Jaroslav Bauc. The erosion of the strong zloty on the markets had already taken place over the past months, above all with the debility of the Polish currency during the Argentinean crisis."

The crisis is further exacerbated by the ubiquitous corruption of

those in power. The minister for communications, Tomasz Szysko, was forced out of office after he was accused of profiting from the allocation of UMTS licenses. In addition, former deputy defence minister Romuald Szeremetiev was accused of financing his luxury villa with bribery money from deals made by the Polish armaments industry.

Lech Kaczynski was removed from his post as justice minister following disputes with the intelligence services. Kaczynski, belonging to the extreme right wing of Polish politics, was renowned as a “man of law and order” who had proclaimed his readiness to tackle crime and corruption. In protest at the sacking of Kaczynski, Culture Minister Michal Ujazdowski, also a member of the PiS, handed in his resignation.

Torn apart by disputes, the Buzek government is also thoroughly discredited in the eyes of the broad masses. Due to its programme of drastic cuts in social welfare, the AWS has been widely hated for some time. There has also been growing criticism of the government in past weeks due to its failure in managing the disaster which emerged from widespread flooding.

In July and August of this year devastating rainfall led to the river Weichsel and neighbouring rivers overflowing their banks and covering large areas of southwest Poland with water. The floods claimed 15 victims, and around 15,000 people were forced to evacuate their homes, losing everything they owned.

Many Poles recalled the devastating floods of 1997 when torrential rain then caused the river Oder to flood its banks. In the course of his election campaign at the time, Buzek promised generous financial support and the introduction of a new law governing catastrophes. Although experts had been warning of the danger of the Weichsel overflowing its banks for some time, such warnings have been largely ignored by the government.

This time round the government promised 200-300 million zloty (160 million DM) in assistance to the affected areas. This amount, however, is literally a drop in the ocean. In the two main affected regions, Malopolska and Swietokrzyskie, damages are estimated to total 600 million zloty.

The probable winner in the election and future governing party, the SLD under Leszek Miller, already formed a government in the period from 1993 to 1997, at that time in a coalition with the Country Party (PSL). During its period in office the government was subject to continuous changes of personnel with one after the other assuming the post of prime minister—Valdemar Pavlak (PSL), Józef Oleksy (SLD) and finally Włodzimierz Cimoszewicz (SLD).

The programme of the SLD consists of close collaboration with social-democratic governments in western Europe and the implementation of privatisation and cuts in social welfare, which have already led to the impoverishment of broad layers of the Polish population.

The social consequences of previous “reforms” of the health system and the privatisation and closure of much of Poland’s antiquated steel and coal industry as well as agriculture have led to massive protests, forcing the AWS government to make temporary compromises. The European Union, however, is insisting on such measures as a prerequisite for Poland’s admission into the EU.

The SLD therefore faces the task of trying to implement those measures which its predecessor was unable to impose. In an interview in a recent edition of *Der Spiegel*, SLD candidate Miller spoke of the necessity of changes in the laws governing taxation and labour relations, support for small and middle sized industry and the revival

of eastern markets. In these respects his proposals resemble the revival plan proposed by Jaroslav Bauc.

The SLD emerged from Poland’s former governing Stalinist party and its affiliated trade union alliance, OPZZ. Leszek Miller occupied various posts in the previous SLD government, including that of interior minister.

Prior to 1989 he rose up through the ranks of the PVAP, taking up post after post—first as party secretary, then central committee member and finally member of the Political Committee in 1989.

In his election speeches he fulsomely promises to lead Poland out of its current crisis and instigate a new check on public finances. Miller promises to boost the economy, help the farmers, combat unemployment and improve education, including the introduction of school meals and special courses in computer technology.

However, prior to the election and following the announcement of the dire state of the budget, very different noises are now being made. Representatives of the SLD, looked upon as potential future ministers, now speak of lean times ahead, this following seven years of successful growth averaging up to 7 percent annually.

Krzysztof Janik, the leader of the SLD election campaign, announced: “We have to prepare the people for the biggest shock of the decade—admission to the EU.” He also expressed his concern that the SLD victory could be so overwhelming that the party would then face an opposition divided into 10 different fractions. His response: “We cannot lead the country into the EU on our own!”

As a precautionary measure, therefore, a deal has been struck with other parties for an Alliance for Europe, in which government and opposition will work together after the election. In view of threatening social unrest, preparations are being made for a collaboration between all the parties in the “national interest”.

In answer to criticisms of the SLD and his own role in the party and its Stalinist predecessor Leszek Miller continually emphasises the significance of his party’s membership in the social-democratic Socialist International and his close relations with British Prime Minister Tony Blair, the British Labour Party, Lionel Jospin and the French socialists, as well as German Chancellor Gerhard Schröder and the German social democrats.



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