Hungary: Socialist Party establishes right-wing militias

Markus Salzmann
14 July 2009

The massive defeat of the governing Hungarian Socialist Party (MSZP) in the European elections in June has resulted in a further dramatic turn to the right by this successor organisation to the former Stalinist party. The MSZP is introducing so-called “village guards” throughout the countryside. These will be armed and carry out police functions. They will be introduced later in larger towns and cities.

“Citizens militias” have existed in Hungary for the last two years. The so-called “Hungarian Guard,” a paramilitary wing of the ultra-right Jobbik party, has brought fear and alarm in districts inhabited by Roma and immigrants. Over a dozen murders, including that of a four-year-old, have been laid at their door.

The arguments advanced by non-party Prime Minister Gordon Bajnai in support of the “village guards” sound just like those of the right wing. “Order must prevail in Hungary—all development and crisis management depend upon it,” Bajnai told a class of “security people” being trained as police assistants in Miskolc.

Bajnai’s presence in Miskolc is especially significant, since it is a district with a high percentage of Roma inhabitants. Unemployment, poverty and crime are also particularly high in the district. A year ago, the town’s police chief caused headlines when he delivered a racist tirade blaming Roma for increased criminality and social decline. He was suspended, but only for one day. Following protests by right-wing politicians and police officers, he was returned to office and the government awarded him additional funds of €7.4 million.

Those being trained as “police assistants” include down-at-heel young people, who have grown up without education, work or any prospect for the future. The first 100 of those trained in Miskolc have been armed and despatched to surrounding police stations. The German-language newspaper *Pester Lloyd* characterised these forces, who have also been deployed in other locations, in the following manner: “Of rude appearance (thick-necked and wearing gold chains), they make a show of being defenders of order, in other places, former People’s Army officers in martial uniforms parade about; elsewhere pompous gossips—in the manner of Nazi *Blockwarts* [block wardens, also informers]—spend their time patrolling.”

By establishing so-called citizens militias, the MSZP is reacting to the recent electoral successes of Jobbik and their own increasingly worse polling results. In opinion polls, the MSZP has fallen below 10 percent for the first time. This places the MSZP, which has governed Hungary for the last two years, on a par with the neo-fascist Jobbik.

However, it would be wrong to see the MSZP’s rightward shift merely as a tactical reaction with regard to the upcoming parliamentary elections. It is more the case that ruling circles in Hungary are preparing for violent confrontations with the working class. The Roma, who under Nazi occupation were the victims of persecution and mass murder, today serve as convenient scapegoats.

The Roma are the largest minority in Hungary. Officially, they are said to represent 2 percent of the population, but unofficial estimates put it at between 4 and 10 percent. Although they have lived in Hungary for 500 years, and most live in fixed abodes, they experience serious discrimination. They suffer the worst from the economic consequences of the restoration of capitalism, and are amongst the poorest layers in the country. Their life expectancy is about 10 years lower than the average. Only a third of all Roma children go to school, compared to 90 percent of other children. As a result, youth unemployment amongst

Roma is considerable.

In response to the economic crisis gripping the country, the government has stepped up its attacks on the whole working class. After implementing considerable wage cuts in the public service, since July 1 new tax rates have also applied. Value Added Tax (sales tax) has increased from 20 to 25 percent, further driving up the already skyrocketing cost of basic commodities and energy. A new property tax is hitting families who have financed the purchase of their homes with loans denominated in foreign currencies, and with the devaluation of the national currency, the forint, they now face bankruptcy.

A recently agreed income tax reform is bringing Hungary closer to a "flat tax," which has long existed in neighbouring Slovakia and Romania. This so-called reform lightens the tax burden on those with higher incomes at the expense of those on middle and lower incomes and the unemployed, who must now pay considerably higher taxes.

Bajnai and the ruling MSZP are determined to continue on this course, and step up the attacks, since the financial crisis is creating ever deeper holes in the budget, worsening the situation of the Hungarian economy.

"After the measures taken by the government in its first 75 days in office have already broken several taboos, we now face several key decisions in the next six to nine months," Bajnai said in an interview with the *HVG* business magazine. "Costs in local and national budgets, and in the area of public transport, must be cut in the region of 100 billion forints [€370 million]." The pressure to push through these measures comes from the Western European elite. The European Union and the employers are demanding further austerity measures at the cost of working people.

Since the wave of privatisations in the 1990s, German and Austrian businesses have been the biggest investors in the Hungarian market; investing some €7.7 billion in the country. The economic crisis has resulted in a drying up of such investment. According to the Hungarian Investment and Trade Promotion Agency, in 2009 there was no direct investment at all from Austria. In 2008, some €900 million had come from Hungary's western neighbours, making up nearly a quarter of all direct investment.

The country's financial sector is also closely integrated internationally. German and Austrian banks are amongst the largest financial institutions in the country. One of the core problems facing the finance sector is the devaluation of the forint, which is plunging those with loans denominated in foreign currencies into spiralling debt. In the meantime, the cost of such loans has risen by 20 percent. According to the Hungarian banking oversight body, some 20,000 debtors have sought help up to the present, either negotiating the re-denomination of their loans into forints or agreeing a deferment.

The American Chamber of Commerce in Hungary is also calling on the government to take further steps to raise the country's competivity. The first measures contained "many positive things," but much more is necessary, the US business group said in a statement.