Hungary's toxic sludge disaster and the case for socialism

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The six-foot-high tidal wave of caustic sludge that buried several Hungarian villages last week and swept away houses, cars and bridges claimed nine lives. Scores more are suffering chemical burns as a result of the reservoir failure in Ajka. An area covering 40 square kilometres has been contaminated and streams and rivers polluted, destroying plant and animal life.

Further cracks have appeared in the reservoir walls, leading Hungary's environment minister, Zoltan Illes, to warn of the "eventual collapse" of the entire structure and the "inevitable" release of the remaining sludge. According to Hungarian Aluminium (MAL), which owns the reservoir, only two percent of the sludge escaped in the spill—leaving the vast bulk of the toxin still at risk of pouring out.

The disaster has been called various things—a "natural catastrophe," according to the self-serving statement of MAL, a result of "human error," in the words of Fidesz Party Prime Minister Viktor Orbán. Others have called it the legacy of Hungary's pre-1990 Stalinist regime—overlooking the passage of two decades since then.

The underlying causes of this terrible event are the free market capitalist policies pursued in Hungary following the collapse of Stalinism. Back in 1990, Hungary was hailed by financiers and economists as the most aggressive proponent of unrestrained market capitalism of all the countries of the former Soviet bloc. One commentator enthused that in Hungary, state property was privatised "on a scale seen nowhere else."

US resident Peter Zwack, who had returned to reclaim his family distillery business and went on to become ambassador to Washington and Industrial Association chairman, painted a frank picture of developments in Hungary at the time, saying, "The form of capitalism now hatching in Hungary is one that has not been practiced in the West for years. The get-rich rage is degenerating into a veritable gold fever and pushing aside business ethics and social sensibilities."

By the time the aluminium industry was up for grabs in 1995, some 536 large enterprises had been liquidated, 620 privatised and 924 partially privatised. Unemployment rose rapidly alongside a huge transfer of social wealth to a numerically small elite, amongst whom were to be found many former Stalinist bureaucrats and technocrats.

One of these figures was the former prime minister and leader of the newly established social democratic MSZP party, Ferenc Gyurcsány. A functionary in the Young Communists Organisation and, by 1988, president of its universities and colleges section, Gyurcsány acquired much of his huge personal fortune from the privatisation of the aluminium industry. Today he is one of the richest men in Hungary, as is his close business associate and one of the three owners of Hungarian Aluminium, Árpád Bakonyi.

It was Bakonyi's son, Zoltán, the managing director of the company, who told reporters, "We observed every regulation to the letter." There was "no need to fear" the caustic sludge, he added, as it was "in no way dangerous or harmful." He compared it to paint that could be easily washed off. He offered a paltry $450 per person in emergency aid for only the three worst affected villages.

This was met with cries of "insult" by homeless residents, who said they had complained for years about the "time bomb" on their doorstep. Their concerns were backed up by Gergely Simon of the environmental group Clean Air Action, who said, "We have been warning the government for ten years of the dangers from millions of tonnes of this mud that are stored around the country."

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Similar storage facilities exist at plants in Almásfüzitõ in northern Hungary and on the Austrian border in Mosonmagyaróvár. Companies have considered it uneconomical to process the waste and continued to pump it into lagoons regardless.

World Wildlife Fund-Hungary said an aerial photograph in June--more than three months before the disaster—showed the reservoir wall at Ajka already cracked and leaking. “This points to neglect and a failure of regulation as a prime contributing factor to this disaster,” said World Wildlife Fund head Gábor Figeczky. The reservoir was recently inspected by regulators, who revealed that the company was certified under a 2006 European Union environmental law which was supposed to enforce “best practice.”

Both the company and the Hungarian government were well aware of the problems with sludge storage. Time and again cracks have appeared and spills have occurred because of poorly constructed and badly maintained reservoir walls.

The Fidesz government has done everything in its power to prevent people coming to the conclusion that the system itself is responsible for the disaster. It has appointed national disaster chief György Bakondi “to prepare the resumption of operations at the site so as to safeguard jobs, to determine liability, launch the compensation process and make sure no further accident occurs.”

Zoltán Bakonyi was arrested and held for 72 hours while the government passed a law taking control of Hungarian Aluminium.

None of this implies an amnesty for the former Stalinist regime. In the most immediate sense, it paved the way for the current disaster. Workers at the plant have told Al Jazeera Television that against their warnings the toxic waste reservoir was built not of concrete, but rather of coal and wood-chip waste from a nearby power plant.

This is only one example of how the abuses of a corrupt bureaucratic apparatus did so much to discredit socialism by associating it with the East European and Soviet Stalinist regimes.

It is out of the petty-bourgeois, pro-capitalist opposition to Stalinism that the rightist Fidesz first emerged. The same milieu subsequently provided the fetid environment for the development of Fidesz’s fascistic ally, Jobbik, a decade later.

It was the crimes of Stalinism that enabled “reformers” such as Fidesz to claim that the free market was the solution to all the ills afflicting the Hungarian people—a lie that has ended in an economic, political, social and now environmental catastrophe.

There has been one round after another of privatisations benefiting the ruling elite and austerity measures impoverishing the working people. Orbán’s right-wing administration, elected this year as a result of popular hostility to the “reforms” dictated by the International Monetary Fund and implemented by the former social democratic government, has introduced yet another austerity package, involving cuts in taxes for employers and the wealthy and cuts in jobs, wages, redundancy payments and pensions for everyone else. Even this is insufficient for Hungarian and European business leaders, who are demanding massive structural reforms in the public sector.

The prevention of disasters such as the Ajka spill is inextricably bound up with a political challenge to the grip of the corporate and financial aristocracy over economic and social life. The implementation of a rational plan for the clean and safe operation of industrial processes is impossible so long as these corporations are subordinated to the drive for profit and individual wealth accumulation. It requires the planned development of the world’s productive resources in the interests of the broad mass of society.

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