

Slovakia: Mass poverty, corruption on the eve of parliamentary elections

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The political crisis in Slovakia has intensified just a few days before Saturday's general election. The right-wing government of Iveta Radicová collapsed in October of last year, when the opposition Social Democrats made their support for the European Financial Stability Facility (EFSF) dependent on fresh elections.

It is not the first time that early elections have taken place in this small country lying between Austria, the Czech Republic, Poland and Hungary. Hardly any of the governments in Bratislava have served out a full term. A rich, privileged elite is organised in a variety of small, right-wing, nationalist parties—including the Social Democrats. Although they agree on all fundamental questions, there are regular, violent disputes over who should benefit most from the exploitation of the country.

Two decades after the restoration of capitalism and the subsequent partition of Czechoslovakia, the great majority of the nearly 6 million Slovaks live in extreme poverty. At 14 percent, Slovakia has one of the highest unemployment rates in Europe. The average income is just €800 gross per month.

Under conditions where none of the parties dare address social problems, political debate concentrates on the themes of intrigue and corruption. The current election campaign is dominated by a huge corruption scandal implicating virtually all the government and opposition parties.

These revelations give an insight into the mafia-like state structures that have developed since the restoration of capitalism, cynically waving the banner

of democracy and freedom.

In 2005 and 2006, in an operation codenamed "Gorilla," the Slovak secret service (SIS) wiretapped an apartment in the capital, Bratislava, collecting detailed material on corruption involving leading political and business figures. The wiretap transcripts emerged in December. They confirm that cliques from leading business and political circles have dictated all major policy decisions in order to further their personal enrichment.

The apartment was a meeting place for one of Slovakia's most notorious finance sharks and co-owner of the financial group Penta, Jaroslav Hascák, with senior politicians and state officials, including the former economics minister, Jirko Kunz. These clandestine meetings point to years of corruption in the privatisation of state companies and the awarding of public contracts.

The minutes of the wiretap include details of the bribery of political parties, parliamentarians and government members. The bribes involve millions of dollars passing hands.

The private equity firm Penta was mentioned in a despatch of the US Embassy in Bratislava in 2005, recently released by WikiLeaks. The company allegedly paid US\$67,000 in bribes to parliamentarians.

The former prime minister and chairman of the SDKU (Slovak Democratic and Christian Union), Mikulas Dzurinda, who now once again holds a ministerial post, is deeply implicated in the so-called Gorilla affair. In office, Dzurinda pushed through

massive social cuts. Unemployment benefits and social assistance were more than halved, and safety regulations and job protection virtually wiped out. The pension reform led to significant cuts in pensions.

The health system has been handed over to commercial interests, so that much of the population lacks the funds for regular care and can only obtain treatment in emergencies.

The introduction of a 19 percent flat tax undermined the state budget, which was partially offset by spending cuts and a regressive sales tax increase.

Following the release of the Gorilla transcripts, demonstrations took place across the country. In Bratislava, about 6,000 people took part in the demonstration, while hundreds participated in other cities. In the central Slovak town of Zvolen, 2,000 marched. The Vienna *Standard* commented: “The discontent of the masses is directed against the country’s entire political elite.”

This, however, has not prevented the official parties from seeking to portray themselves as champions against corruption, regardless of their own involvement. Suddenly, every politician is demanding tougher penalties and laws against corruption and seeks to exploit widespread public anger to win votes.

Popular anger is deep rooted, however. Living conditions have worsened significantly in the years since the outbreak of the global economic crisis. In July 2010, a four-party coalition came to power under the leadership of the conservative SDKÚ-DS, although the party had trailed in the election to the social-democratic Smer-SD led by Robert Fico. The government coalition collapsed in October, when Radicová failed to win a vote of confidence tied to the EFSF rescue plan.

It was the neo-liberal coalition partner SaS (Freedom and Solidarity) that spoke out most strongly against funding Greece, depriving the coalition, which included the Most-Hid party and the Christian Democrats, of a majority. The vote was the final blow to the coalition, which from the start was characterised by vicious infighting and acrimony.

In particular, the SaS, which represents a narrow layer of entrepreneurs and super-rich in the country, criticised Radicová for not going far enough with her austerity measures. The government only implemented three of the six planned “reforms”. A pension reform, changes in tax law and massive layoffs in the public sector still remain to be implemented.

Given the disastrous poll numbers for the conservative and neo-liberal parties, EU officials are now hoping that the right-wing social democrats of the Smer-SD and Robert Fico will gain influence and form a government dedicated to more “reforms”—i.e., massive social cuts.

As the largest party, Smer-SD can now count on 35 to 40 percent of the vote. For their part, all of the parties involved in the present government will struggle to achieve the 5 percent hurdle necessary for representation in the Slovakian parliament. Some newly established parties could be decisive for the outcome and the shape of the new government. According to polls, the newly formed group “99 Percent” could win almost 7 percent of the vote, and the “Party of Ordinary People,” an SaS offshoot, 9 percent.

Fico, who had strongly supported the EFSF legislation, is pursuing a policy just as right wing as that of the current government. Fico made it clear he sides with Germany and France and supports their call for brutal austerity measures in euro zone countries. As was the case with the country’s introduction of the euro in 2009, which involved massive cuts, Fico once again plans to respond to the European debt crisis with another austerity programme.



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