

Large demonstration in Poland against government austerity policies

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23 September 2013

On September 14, 150,000 people demonstrated in the Polish capital Warsaw against the government of President Donald Tusk and its austerity policies. Despite varying estimations of the number of participants, it was, according to all Polish commentators, the largest trade union demonstration since 1989.

A few hundred demonstrators had camped before the parliament on the previous day. Participants came from several cities to Warsaw. Numerous banners and signs demanded the resignation of the Tusk government. They picketed the labour, economy and health ministries, among others. Parts of Warsaw city centre were blocked for hours due to the demonstration, and public transport was partially suspended.

The protest was provoked by an increase in the pension age to 67. Previously it had been 60 for women and 65 for men. In addition, anger is growing over rising layoffs. Economic growth fell last year from 4.5 percent to 1.9 percent and the unemployment rate stands currently at 13 percent. Experts anticipate that it will rise to 14 percent by the end of the year.

The protests were also directed against the expansion of precarious working conditions. The demonstrators also demanded an increase in the minimum wage, which currently stands at €400 (US\$540) per month.

Pension reform and alterations to labour regulations are part of the austerity programme that the liberal-conservative government has enacted. In contrast to other European and Eastern European countries, Poland remained relatively unaffected by the global economic crisis in the first years after 2008. Now the effects are clearly visible.

The US credit rating agency Fitch recently reduced Poland's credit rating outlook from "positive" to "stable." Fitch justified its decision due to the fiscal

policies of the Eastern European state. The Tusk government has increased its target for the 2014 budget deficit.

Under the Polish constitution, state debt cannot surpass 60 percent of GDP. According to government sources, it stood at 52.7 percent last year. Confronted with an increasingly grim economic outlook, the government adopted radical austerity measures.

Last year they began a health care reform that constitutes an attack on the Polish health care system. Municipalities were forced to privatise hospitals that were losing money. In this way, clinics were opened up to the market and the conditions were also created for inferior working conditions. In addition, higher charges for patients were introduced for medicine and medical treatment.

After a rapid increase in state debt, the government announced plans to nationalise all government bonds in the possession of private pension providers. In this way state debt would be reduced. Through the reduction of the level of debt, the possibility would open up for Poland to take on new debt, explained finance minister Jacek Rostowski.

Since 1999, employees have had to pay in to the state pension fund as well as into a private pension. The state pension fund has been on the verge of bankruptcy ever since. In 2010 alone, it required 39 billion zloty (€9.2 billion) of support in order to prevent its collapse. Observers have for some time identified a connection between increasing state debt and the privatisation of the state pension fund.

Private pension funds currently hold total wealth equivalent to one fifth of the Polish economy. The largest firms active in the pensions market include international concerns ING, Aviva, Axa, Generalli and Allianz. They are also the main investors on the Polish

stock market.

It is questionable whether the Tusk government will actually touch the government bonds of the private pension firms. Often these proposals merely serve to encourage populist and nationalist sentiments, as with the symbolic tax on banks in Hungary.

The deep gulf between the demonstrators, and the parties and trade unions that placed themselves at the head of the protests, was more than apparent at the demonstration against government austerity.

The protest was called by the Solidarity (Solidanos) trade union and the Polish trade union confederation OPZZ. Groups close to the conservative and nationalist opposition Party of Law and Justice (PiS) also joined in.

The chairman of the social democratic SLD, Leszek Miller, told the press he was in complete solidarity with the demands of the trade unions. The ultra-right party Self Defence (Samobrona) also took part in the protest. In addition, several groups of radical right-wing and ultra-Catholic forces also intervened in the final rally.

The ex-Stalinist OPZZ union confederation announced further protests across the country. In fact, the OPZZ has a long tradition of betraying the workers and acting in the interests of the bourgeois parties. Like the right-wing Solidarity union, the OPZZ has lost almost its entire membership over the past 20 years. Today in Poland only around 5 percent of the workforce is organised in a trade union. Widespread calls on the demonstration for a general strike were opposed by the unions, which are determined to prevent a genuine mobilisation of workers and young people which could challenge Poland's capitalist system.

The few banners brought by Solidarity representatives were marked by extreme nationalism. For example, on some of them there was the slogan "traitor Tusk," which was a clear appeal to the forces of the extreme right. According to reports, Solidarity forces targeted left-wing and anarchist participants when they started to chant slogans.

The Citizens Platform (PO) of President Tusk has suffered huge losses in support due to its austerity policies. For the first time, the PO has fallen behind the largest opposition party PiS in opinion polls. According to a poll published by the Polish TVN broadcaster, the conservative right-wing party of Jarislaw Kaczynski

currently has a majority. A candidate of Kaczynski's party was recently able to win a by-election for the senate in southeast Poland.

Another important vote is due in mid October, when a referendum over the dismissal of Warsaw mayor Hanna Gronkiewicz-Waltz takes place. Gronkiewicz-Waltz is on the executive committee of Tusk's PO, and Warsaw is the largest and most important city in the country. A defeat for PO in the capital would be a heavy blow for Tusk and his government.

Tusk's governing coalition presently controls just 232 of the 460 representatives in parliament. If the coalition continues to crumble, elections could be required prior to the regular date of 2015. "If the majority fails, then we will face early elections," PO executive committee member Andrzej Bernat commented.



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