

## The tiger is limping



Slovakia's unemployment rate reached 12.9% in January 2010 due to the negative impacts of both the global financial crisis and the Government's ineffective policy responses. While the country has performed well in terms of some of the Millennium Development Goals (MDGs), there are still some disparities and pending issues, including gender equality and development assistance. At the same time, the Slovak social and political climate is mired in corruption, bribery and cronyism, and the ruling coalition continues to govern through the "tyranny of the majority," oppressing the political opposition, controlling the media and exciting xenophobia, intolerance and discrimination against minorities.

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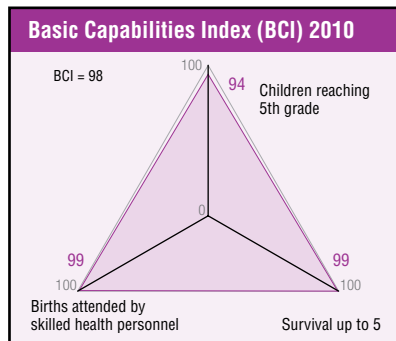
As portrayed by an article in the *Financial Times* in July 2009, "Slovakia's reign as Central Europe's leading tiger economy is over, as exports have plunged, unemployment has increased and the deficit has grown, forcing the country back into the role it thought it had left behind – one of Central Europe's laggards."<sup>1</sup>

The country's unemployment rate was 9.9% in August 2008 but jumped to 12.9% in January 2010 due to the negative impacts of both the global financial crisis and ineffective policies and measures by the Government. The number of registered unemployed persons at the beginning of this year was 346,379, an increase of more than 100,000 in comparison with January 2009.<sup>2</sup> Moreover, the labour market is still battling long-term joblessness, which has been a problem since the early 1990s.

The State budget deficit was low in previous years (1.9% of GDP in 2007 and 2.2% of GDP in 2008) but the Ministry of Finance has stated that it is expected to reach 5.5% of GDP in 2010.

The global financial crisis has highlighted the Slovak economy's dependence on the car industry. Like the governments of some other EU countries, the Government introduced "car-scrapping bonuses" (which reward trading in old cars for new ones) in March and April 2009 in order to revive the local car industry and rejuvenate Slovakia's fleet of passenger cars. More than EUR 55 million was allocated to this project, subsidizing the purchase of 44,200 new cars. During the first half of 2009 sales increased by 18.4% compared to the same period in 2008. However according to some experts the project has had only a small impact on the local car industry<sup>3</sup> (and nearly 5,000 bonuses were not used).

Since the Slovak economy depends on international trade, the country's economy will revive only

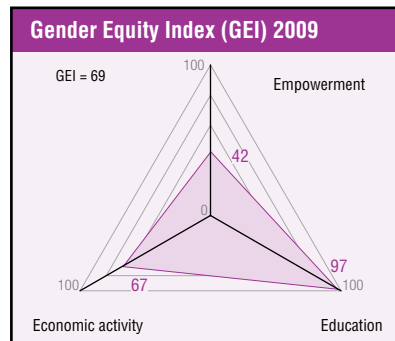


when Western Europe, and particularly Germany, starts to grow again.<sup>4</sup>

### MDGs: disparities and pending issues

Slovakia is a member of the EU and the Organisation for Economic Co-operation and Development (OECD), and in terms of the MDGs it ranks on some indicators among highly developed nations. The maternal mortality (6 per 100,000 births) and under-five mortality (8 per 1,000) rates are very low,<sup>5</sup> the country has a low incidence of HIV/AIDS (110 cases according to AIDSGame)<sup>6</sup> and basic education is compulsory up to 10 years. However three goals still remain to be achieved: to promote gender equity and empower women (Goal 3); to ensure environmental sustainability (Goal 7); and to develop a Global Partnership for Development (Goal 8).

Concerning Goal 3, the Constitution prohibits all forms of gender discrimination. There are 29 women in the 150-seat Parliament<sup>7</sup>, 36 in the 70-seat Supreme Court and 2 in the 16-member Cabinet. Approximately 20% of mayors are women, although all the eight chairs of the superior territorial units are men. Rape victims have access to shelters and counselling offered by various NGOs and government-funded programs. Prostitution – on which reliable data are lacking – is legal, although operating a brothel, knowingly spreading sexually



transmitted diseases and trafficking in women are prohibited.<sup>8</sup>

However, domestic violence against women is a major problem. It is legally prohibited but recent studies show that one out of five women in the country has suffered some form of domestic violence (although more reliable data are needed on this topic). Another problem is inequality in the workplace: women's salaries and wages are generally 25% lower than those of their male colleagues.

As for the Goal 7, at the beginning of 2010 the Government approved the closing of the Ministry of Environment as a measure to save financial resources. Several experts criticized this decision because of its lack of planning and the potential danger it poses in terms of lack of environmental protection. Currently there is evidence (e.g., repeated floods in the countryside, planned as well as incidental reduction of forests, and groundwater loss and pollution) pointing to problems in the near future.

Regarding Goal 8, the Government approved the Medium-Term Strategy for Official Development Assistance 2009-2013 on 4 March 2009.<sup>9</sup> The new Programme countries are Afghanistan, Kenya and Serbia while the Project countries are Albania, Belarus, Bosnia and Herzegovina, Montenegro, Ethiopia, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Mongolia, Sudan, Tajikistan, Ukraine,

1 Jan Cienski, "A victim of its own success," *Financial Times*, 28 July 2009. Available from: <media.ft.com/cms/d4c1042-7b80-11de-9772-00144feabdc0.pdf>.

2 Zuzana Viličková, "Slovak unemployment rate grows to 12.89 percent in January," *The Slovak Spectator*, 18 February 2010.

3 Jana Liptáková, "Car-scrapping bonus boosts car sales in Slovakia," *The Slovak Spectator*, 13 July 2009. Available from: <www.iness.sk/modules.php?name=News&file=article&sid=2300> (accessed on 12 March 2010).

4 Jan Cienski, *op. cit.*

5 UNICEF, "At a glance: Slovakia." Available from: <www.unicef.org/infobycountry/slovakia\_statistics.html>; UNICEF, *The State of the World's Children 2009: Maternal and Newborn Health*, New York, 2.

6 See: <www.aidsgame.com/statistics.aspx?statistics=HIV%20COUNT%20BY%20COUNTRY>.

7 This report was completed on 15 March, i.e. a few months before the 2010 parliamentary elections.

8 U.S. Department of State: Bureau of Democracy, Human Rights, and Labor, "2009 Human Rights Report: Slovakia," in *2009 Country Reports on Human Rights Practices*. Available from: <www.state.gov/g/drl/rls/hrrpt/2009/eur/136057.htm> (accessed on 13 March 2010).

9 Slovak Aid, "Medium-Term Strategy for Official Development Assistance of the Slovak Republic for the years 2009-2013." Available from: <www.slovakaid.mfa.sk/en/index.php/article/articleview/102/1/2>.

Uzbekistan and Vietnam. The document provides a more precise definition of this assistance as contributing to reducing poverty and starvation in developing countries through goal-directed and efficiently provided development and humanitarian aid.

The Slovak Aid Project Committee approved 26 projects during its meeting on 25 August 2009: four each for Kenya and Serbia, three each for Afghanistan, Sudan and Ukraine, two each for Georgia, Mongolia and Vietnam, and one each for Belarus, Kyrgyzstan and Moldova. The entire budget dedicated to all those projects is EUR 4.33 million, a decline from the number in the plan approved by the Government in May 2009.<sup>10</sup>

### Corruption, bribery and cronyism

The corruption perception index (CPI) had been slowly but surely improving since 2000. However suspicions about the connection of the current governmental structures with corruption and cronyism became more widespread in 2009 and Slovakia fell from 52 to 56 among countries ranked in this index.<sup>11</sup> Prime Minister Róbert Fico, as well as Minister of the Interior Robert Kaliňák, reacted by saying that the director of Transparency International Slovensko, Emília Beblavá, was the wife of an opposition party member (also a state deputy at the Ministry of Labour, Social Affairs and Family during the previous Government) and therefore these results are not trustworthy.

For its part, Transparency International Slovakia has given five reasons for the drop: two out of three ruling coalition parties are led by politicians who are unable to explain their property and financial status; public procurement contracts (both at local and national level) are usually concluded in a non-transparent way; there are insufficient autonomous control mechanisms; there is polarization within the judicial system; and political attacks (especially from the highest representatives of the ruling coalition) have been made against social activists and journalists, followed by hindered access to information.<sup>12</sup>

Also, since 2009 there has been a wave of corruption scandals.<sup>13</sup> For instance, there was the “bulletin board” scandal, a call for applications linked to a contract of more than EUR 100 million that was announced only on a bulletin board inside the Ministry for Construction and Regional Development in an area not normally accessible to the public. Later, there was a scandal involving the Ministry of

Environment linked to the sale of carbon dioxide emission allocations to an unknown foreign firm, established only months before the public tender and whose registered address was a lock-up garage.<sup>14</sup> And there was also the case of some unexplained financing of the opposition party, the Slovak Democratic and Christian Union (SDKÚ), which led to the resignation of the opposition leader and former Prime Minister Mikuláš Dzurinda.<sup>15</sup>

There have also been doubts about the independence of the judicial system after last year’s publication of an open letter, signed by 15 judges, warning about what they called abuse of disciplinary proceedings against certain judges who had criticized the former Minister of Justice and present Chairman of the Supreme Court, Štefan Harabin.<sup>16</sup> In addition, 105 judges had earlier signed the so-called “Five Sentences” petition to initiate a serious debate about the state of the country’s judiciary.

All these events have caused great debate among Slovak citizens and the media, while the ruling coalition continues to govern the country under the same “tyranny of the majority” that it practiced during 2007 and 2008<sup>17</sup> as a way to oppress political opposition and dissent with the involvement of the state-owned media.<sup>18</sup>

### Authoritarianism, discrimination and xenophobia

One of the most respected Slovak thinktanks, Inštitút pre Verejné Otázky (Institute for Public Affairs) has stated that the quality of Slovak democracy declined from 2.9 points (average rank in 2008) to 3.3 points (average rank in 2009); an optimal rank is 1.0 point, with the worst situation ranking at 5.0 points. The most deterioration was detected in the sphere of media independence and democratic institutions.<sup>19</sup>

The Press Act, adopted in 2008 and intended to curb media freedom, caused a big controversy. Condemned both by Reporters Without Borders and the Organisation for Security and Co-operation in Europe (OSCE), this law flouts the separation of powers, with Article 6 giving the Government direct control over the media on a number of sensitive issues. An automatic right of reply to anyone believing, rightly

or wrongly, that somebody has defamed or insulted him/her and heavy fines for failing to publish replies has already limited the freedom of the press. Since this instrument has been used by many high-ranking politicians in recent months, it is considered to be a serious obstacle to investigative journalism.<sup>20</sup>

Discrimination against minorities is another worrying trend. According to the last census (2001) there are approximately 90,000 Roma in Slovakia, although experts have estimated the actual numbers at between 350,000 and 500,000. The 2009 *Human Rights Report* by the U.S. Department of State notes that widespread discrimination against Roma is found in employment, education, health services, housing and loan practices. Many of their settlements lack a formal infrastructure, access to drinking water and proper sewage systems<sup>21</sup>. Roma children are disproportionately enrolled in “special” schools for children with mental disabilities, despite diagnostic scores that are often within the average range of intellectual capacity. Although child prostitution is prohibited, it remains a problem in Roma settlements living under the worst conditions.

Concurrently xenophobic violence by skinhead and neo-Nazi groups persists against Roma, members of other minorities and foreigners. These actions are indirectly supported by some high-level politicians. Ján Slota, co-founder and President of the Slovak National Party – a member of the ruling coalition – repeatedly attacks Roma<sup>22</sup> as well as gays and lesbians (he calls them “sick and outrageous”); more recently he referred to students protesting against an amendment of the School System Act as “shitheads.”

Similarly, diverse ultra-nationalist groups and associations (e.g., Slovenská pospolitost’ [Slovak Togetherness]) organized several rallies, gatherings and marches in 2009 throughout the country (particularly in the East where most of the Roma population live) in order to spread their intolerant messages, attacking various ethnic, religious and sexual minorities. However the nationalistic atmosphere is promoted mainly by the ruling coalition – for example, by passing in the Parliament a controversial amendment to the State Language Act (which led to an intervention by the OSCE High Commissioner on National Minorities). The Government also approved an amendment of the School System Act; among other modifications, it introduces the compulsory weekly playing of the national Slovak anthem in all State educational establishments. ■

10 Slovak Aid, “National Program for Slovak Official Development Assistance for 2009.” Available from: <[www.slovakaid.mfa.sk/en/index.php/article/articleview/103/1/1](http://www.slovakaid.mfa.sk/en/index.php/article/articleview/103/1/1)>.

11 Transparency International, “CPI 2009 Table,” in *Corruption Perceptions Index 2009*. Available from: <[www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009/cpi\\_2009\\_table](http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table)> (accessed on 13 March 2010).

12 Transparency International Slovensko, “Index vnímania korupcie 2009: Rekordný pád Slovenska v najcitovanejšom svetovom rebríčku o korupcii.” Available from: <[transparency.sk/vystupy/rebricky/](http://transparency.sk/vystupy/rebricky/)> (accessed on 13 March 2010).

13 Beata Balogová, “A year of crisis and scandal,” *The Slovak Spectator*, 21 December 2009. Available from: <[www.spectator.sme.sk/articles/view/37477/1/a\\_year\\_of\\_crisis\\_and\\_sandal.html](http://www.spectator.sme.sk/articles/view/37477/1/a_year_of_crisis_and_sandal.html)>.

14 *Ibid.*

15 Beata Balogová, “Old scandal spells new trouble for SDKÚ,” *The Slovak Spectator*, 1 February 2010. Available from: <[www.spectator.sme.sk/articles/view/37774/2/old\\_sandal\\_spells\\_new\\_trouble\\_for\\_sdku.html](http://www.spectator.sme.sk/articles/view/37774/2/old_sandal_spells_new_trouble_for_sdku.html)>.

16 Beata Balogová, “Harabin cries foul,” *The Slovak Spectator*, 12 April 2010. Available from: <[www.spectator.sme.sk/articles/view/38493/2/harabin\\_cries\\_foul.html](http://www.spectator.sme.sk/articles/view/38493/2/harabin_cries_foul.html)>.

17 Daniel Klimovský, “Slovakia: More development aid, though discrimination remains,” *Social Watch Report 2008*, 182–3; and “Slovakia: Revising the plans,” *Social Watch Report 2009*, 148–49.

18 Miroslav Kollár, “Volebná kampaň: Nástup nových médií,” in G. Mesežnikov, O. Gyárfašová and M. Kollár eds., *Slovensko volí: Európske a prezidentské voľby 2009* (Bratislava: Inštitút pre verejné otázky, 2009), 195–206.

19 Inštitút pre verejné otázky, “IVO Barometer: Kvalita demokracie v štvrtom štvrtroku 2009: mierny pokles na 3,4.” Available at: <[www.ivo.sk/5897/sk/aktuality/ivo-barometer-kvalita-demokracie-v-stvrtom-stvrtroku-2009-mierny-pokles-na-3-4](http://www.ivo.sk/5897/sk/aktuality/ivo-barometer-kvalita-demokracie-v-stvrtom-stvrtroku-2009-mierny-pokles-na-3-4)> (accessed on 10 March 2010).

20 Reporters Without Borders, “World Report 2009 – Slovakia, 1 May 2009.” Available at: <[www.unhcr.org/refworld/docid/49fea99a3d.html](http://www.unhcr.org/refworld/docid/49fea99a3d.html)> (accessed on 5 July 2009).

21 Tomáš Želinský, “Porovnanie alternatívnych prístupov k odhadu individuálneho blahobytu domácností ohrozených rizikom chudoby,” *Ekonomický časopis*, vol. 58, no. 3, 251–270.

22 Roma Press Agency, “Slovak MP Ján Slota insulted Roma people on the International day of the Romas,” Press Release, 8 April 2010. Available at: <[www.mecem.sk/rpa/?id=press&lang=english&show=18714](http://www.mecem.sk/rpa/?id=press&lang=english&show=18714)>.