

Protest against austerity measures in Slovenia

By Markus Salzmann
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On November 17, around 30,000 people protested in the Slovenian capital Ljubljana against the austerity policies of the centre-right government of Prime Minister Janez Jansa. Workers, civil servants, pensioners, students and artists demanded an end to the draconian austerity measures introduced by successive governments in recent months and years.

Participants gathered with banners at the city centre and demanded: "Social Security, new jobs and against state repression." Members of the Occupy movement chanted: "We will not pay for your crisis". A large banner with the text "Enough!" was unfurled at the historic castle which stands on a hill overlooking the city,

The right-wing government led by Prime Minister Jansa is planning further cuts in pensions, social benefits and salaries of public employees in order to reduce the federal deficit from its current level of 4.2 percent to three percent. In addition, the government plans to extend the retirement age and significantly restrict employment protection.

Since 2008 the Jansa government and the preceding social democratic government have introduced drastic cuts lowering living standards dramatically. In July, the salaries of public employees were cut by three percent along with the slashing of other allowances.

A few years ago politicians and economists singled out Slovenia as a role model for the European Union. Now it is regarded as the most likely new candidate for a European bailout. As in other European countries the economic crisis has been used to organize a major redistribution of social wealth from the working layers of the population to a wealthy elite.

Slovenian banks, most of them state-owned, are sitting on a mountain of bad loans totalling 6.4 billion euros. According to the Central Bank in Ljubljana, 18 percent of corporate loans were at risk of default at the end of 2011. The collapse of the two country's largest

banks was only prevented by multiple injections of public finance.

Slovenia is now mired in recession. Its economy contracted in the second quarter of this year by 3.2 percent. According to the International Monetary Fund (IMF) the government deficit will increase to 52 percent of GDP by the end of the year. In 2008, this rate stood at 22 percent. The rating agency Moody's recently downgraded the country and interest payments on the country's ten-year government bonds are approaching the critical 7 percent mark.

The consequences for the population are devastating. Unemployment has doubled since the 2008 economic crisis and now stands at 12 percent. Youth unemployment stands at 17.7 percent. Despite the fact that the prices for many basic commodities have risen considerably average salaries fell in August by 2.4 percent and in September by 3.8 percent compared to one year earlier.

In October the Slovenian parliament voted to establish a state holding company to promote the privatization of the country's remaining public enterprises. It is assumed that the planned privatisations will lead to thousands of additional redundancies. The Jansa government also plans to establish a bad bank, where the country's troubled banks can deposit their bad loans at public expense.

Plans have been announced to hold referenda opposing the setting up of both the state holding company and the bad bank. In mid-November, parliamentary speaker Gregor Virant gave the green light for a campaign to collect signatures for a referendum against the establishment of a bad bank. Starting on November 19, 40,000 signatures must be collected within 35 days to ensure that the referendum takes place. It could then take place in January next year.

The right-wing government coalition wants to

prevent such referenda in future. The coalition currently holds 48 of the 90 parliamentary seats and hopes to achieve in future elections the two-thirds majority necessary to pass a constitutional amendment. All-party talks towards obtaining such majority have been taken place for several months.

The current presidential elections are also dominated by the crisis. In the first ballot the former prime minister and social democrat Borut Pahor won 40 percent of the vote and leads non-party incumbent Danilo Türk who received 36 percent. Milan Zver, who is backed by the Jansa government, received just 24 percent.

Pahor and Türk, who will both take part in the second ballot in December, are both advocates of radical austerity measures. Pahor was forced to resign as prime minister last year because his government collapsed following its inability to implement its desired reform program. Since then Pahor is regarded as politically damaged goods and has little support even in his own party.

The situation is somewhat different for Türk, who can rely on support from Zoran Jankovic, the mayor of Ljubljana and leader of the party "Positive Slovenia". Jankovic's party won the most votes in its first showing in the parliamentary elections held last year but could not form a government. Victory for Türk in the presidential election would in turn be provide a political boost to Jankovic who is waiting in the wings to replace the Jansa government.

Against a background of popular protests, Türk is advocating collaboration with the unions in order to enforce further cuts with the unions and has called for pension and labour market reforms to be introduced "in harmony" with the unions.

The trade union organizations are backing Türk in the presidential election and also fully support the planned austerity measures. The protest on Saturday was prepared by three trade unions together with pensioner and student organizations in order to allow demonstrators to let off steam and thereby prevent independent protests which could genuinely challenge the government.

In the course of the last twenty years the Slovenian trade unions have been faithful servants to the ruling elite. In recent years they have supported the savings programs introduced by large companies such as

Telekom Slovenije, the household appliance manufacturer Gorenje and the Petrol energy company—all at the expense of the workforce.

This is why more and more workers are turning their backs on the unions. The largest trade union confederation ZSSS, which emerged in 1990 from the former official communist trade union originally had a total of 400,000 members. Today there are only a little over 200,000 left in the organisation.

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