

## 2. The State of Human Development

### 2.1 POLITICAL CONTEXT OF HUMAN DEVELOPMENT

The last National Report concluded in its analysis of the political situation that "Slovakia needs a social consensus of the relevant political stakeholders with respect to reforms that are necessary". No significant step forward can be expected in the treatment of acute social problems or a successful catching up with what has been missed in the process of the Euro-Atlantic integration unless the relevant stakeholders agree upon the basic parameters of the foreign policy orientation, of the constitutional framework and economic directions. Without such a consensus, it will be difficult to prevent further marginalization of the country and to generate resources for a development of the quality of life.<sup>4</sup>

Looking at the situation after a lapse of two years, it may be stated that the unavoidable consensus could have been achieved during the second half of the existence of the broad ruling coalition, despite a demanding agenda and intricate methods of coalition negotiations.<sup>5</sup> Since the very beginning, the coalition had been burdened by problems of fragmentation both within and between political parties. Compared with the preceding term, a positive shift was achieved in foreign policy orientation. As a result, Slovakia successfully caught up with its Central European neighbors in the Euro-Atlantic integration.

#### 2.1.1 Democratization and Its Attitude-related Dimension

Data on the social and political climate have confirmed something that the media started referring to (following the Czech model) as "dull moods." According to surveys undertaken in 2001, a majority of the public (66 percent) evaluated the government as unsuccessful, considered successful by only 8 percent.<sup>6</sup> A comparison of public opinions on the outcomes of the government policies points to a pronounced discrepancy between the achievements of the government and public perception. In addition, foreign observers have repeatedly pointed out that the subjective perceptions of the country's situation is substantially more pessimistic than the real reasons that may justify them.

Principally, the balance of the government's achievements is more positive than negative. The strengths include Slovakia's membership to OECD; stabilization of the economy, ongoing restructuring and privatization of banks, improvement of investment rating, partial privatization of politically motivated cases by the preceding government. Experts and the public agree on the country's foreign policy outlook. The following have been stated as the most significant achievements: Slovakia has succeeded in catching up with its neighbors in the number of chapters completed with respect to EU integration, and the country is among the leading candidates for further NATO enlargement. On the domestic scene, constitutional amendments also represent success since they were a precondition for progress in integration processes. These amendments also introduced the institution of ombudsman; as a matter of fact, implemented public administration reform also represents an important step towards decentralization of state power. Reforms that represent a precondition for a more efficient spending of public funds could not be pushed through: in particular, reforms of the pension system, health care and education could not be launched.

Based on the surveys of attitudes and value orientation, it may be stated that "democratic political culture is slow in becoming anchored in the Slovak society, although a positive trend may be traced from the long-term prospective".<sup>7</sup> It is important to point out attitudes on issues that are at the center of the so-called new policies that characterize the post-modern stage of developed western countries indicate a prevalence of liberal orientation over the traditionally conservative one. This disturbs one of the stereotypes characterizing Slovakia as a conservative, Catholic country, while providing evidence for a pronounced shift towards Europeanization.

According to the authors of a report on political opinions and values of people in Slovakia<sup>8</sup>, paternalism has been represented by 63 percent and egalitarianism by 55.8 percent in Slovakia. This dimension of attitudes may be assessed as being the toughest problem for Slovakia by comparing with other countries. For example, data on the proportions of the etatistic attitude, measured as a low readiness of individuals to assume responsibility for one's own fate suggest that only 14 percent of Slovakia's population are willing to assume such responsibility, whereas the corresponding figures for the

<sup>4</sup> Source: National Human Development Report Slovak Republic 2000, p. 16.

<sup>5</sup> Coalition formed by SDK, SDL, SMK, SOP (1998 – 2002). For abbreviations see p. iv.

<sup>6</sup> Survey conducted by MVK within 9-15 October 2001.

<sup>7</sup> Source: Gyarfášová – Krivý – Velšic (2001).

<sup>8</sup> Ditto.

Czech Republic and Slovenia are 23 percent and 24 percent respectively; on the other hand, Hungary and Croatia show even lower proportions (12 percent and 11 percent, respectively). The countries mentioned show a similar distribution concerning negative assessment of preceding authoritarian establishments; the highest figures were established for the Czech Republic (33 percent) and Poland (29 percent), whereas they were only 13 percent for Slovakia, and even less for Hungary (10 percent). In addition, Slovakia shows the smallest support for "private ownership" (23 percent), the corresponding figures for Slovenia, Hungary, Poland and the Czech Republic being 49 percent, 40 percent, 31 percent, and 38 percent, respectively (for comparison, these figures are as high as 74 percent and 61 percent for the US and Germany, respectively). With respect to this attitude, it may be assumed that the historical reasons for such weak support of private ownership in Slovakia have been strengthened by experiences with the consequences of the privatization and the so-called "domestic layer of entrepreneurs".

The distribution of democratic attitudes is as follows: those who prefer dictatorship over democracy, so-called "hard anti-democrats" have the strongest representation in Slovakia – 15 percent, and the lowest in Poland – 10 percent, with Hungary, the Czech Republic, Spain and Italy (1985 data) are in between with 12 percent, 13 percent, 10, and 13 percent respectively. "Convinced democrats" preferring democracy and believing in its ability to resolve problems of the country are represented by 46 percent in Slovakia, and by 47 percent, 47 percent, 48 percent, 74 percent in the Czech Republic and Hungary, Poland, and Austria, respectively. "Worried democrats" subscribe to democratic values but doubt about the ability of democracy to resolve problems. Slovakia and the Czech Republic have the same representations of this layer – 18 percent, there are represented in 14 percent and 25 percent in Poland and Hungary, respectively. It is interesting to compare the diffuse support of democracy in CEE region with that identified within a comparable period of time in other post-authoritarian countries. Data for the Czech Republic, Slovakia and Poland are similar to those identified for Spain in 1989. Comparing with the fragility of the support of democracy as a form of government in Russia or Brazil, the process of democratic attitudes becoming anchored in the Visegrad 4 countries is considered remarkably progressive.<sup>9</sup>

Overall, it may be concluded with respect of the support of democratic establishment that despite some differences, there are no more reasons to mark Slovakia as deviant within the eastern-central European group of countries in transition, as has been suggested by developments after the 1994 elections. At present, Slovakia is at the same level as the Czech Republic, Hungary, and Poland as far as the proportions of so-called „convinced democrats“ as well as „worried democrats“ are concerned.

One basic finding of empirical surveys of attitudes and values of Slovakia's population suggests that the cultural and political splitting line is represented by "political liberalism versus authoritarianism". Taken together with the identified ethnic splitting, this allows characterizing the Slovak society as rather heterogeneous. According to sociological analyses, this manifests itself as a strong participation of the "anti-Communist liberals and conservatives" block (together 42 percent) and anti-liberal nationalists and communists (together 32 percent).<sup>10</sup>

### **2.1.2 What is the Real Impact of People's Attitudes upon the Country's Politics?**

It is key to the politics of the country which of the segments of the society that principally shows a normal differentiation of attitudes, participates in the elections and partisans of which prefer to stay home. The urban-rural split of cultural and political orientations and links to political parties create parameters for decision-making by political élites. In other words, it depends on which of the rivaling political élites are able to more efficiently mobilize supporters. If the disgusted voters from large cities remain home on election day, they would leave the decision on the further orientation of the country and thus on their own fate to those who rather naturally, by the time and the contents of their socialization statistically belong to mostly the losers of the post-November 1989 change: the older generation, pensioners, people with lower education level, Roma, population of smaller villages?

Citizens taking up the role of voters are not at all powerless. Even to the contrary, at the time of elections, they get the opportunity to decisively influence development in the country. It is up to them whether the future coalition will be comprised of numerous small parties or based on the experience of the broad coalition (1998-2002); they will support parties that have a chance to win a larger share in parliament. The government coalition of 1998-2002 has been blamed for failures that resulted not only from its broad range but also from weak internal cohesion and insufficient crystallization of their programs.

Despite the important role to be played by the decision of the electorate, it may be assumed that it will be negotiations of party leaders that will decide whether the political shift after the 2002 elections

<sup>9</sup> Source: Fuchs – Klingemann (2000).

<sup>10</sup> Source: Gyarfášová – Krivý – Velšic (2001).

will mean a shift from cultural and political split typical of Slovakia in the 1990s (political liberalism versus authoritarianism borderline) towards a socio-economic left-right division..

### **2.1.3 From Broad Left-Right Coalition Towards a Coalition of Parties with Similar Policies**

The political necessity to establish a broad left-right coalition that made a significant contribution towards political and economic stabilization of Slovakia brought in at the same time also a rather complicated situation with respect to the need to regulate and to implement reforms of the public health, education and the whole social security system, in particular of the launching of the pension reform and public service reform. Without them, the systemic change in Slovakia cannot be considered as completed. It was in these issues that discrepancies between the parties of the right center – SDKÚ, SMK, KDH – and the leftist parties SDĽ and SOP came to the foreground. Especially, it was difficult to achieve a uniform approach at the parliamentary coalition level that not only jeopardized the fulfillment of the Government Program but also stability of the government.

In connection with the need to implement the reforms mentioned, the requirement of the formation of a functional coalition of clearly reform-oriented parties therefore arises with a particular edge. One of the findings of a comparative survey of preconditions for democratic governance in CEEs was whether parties that are close to each other from their policy aspect are able to create stable coalitions.<sup>11</sup> The quality of democratic governance, however, gets jeopardized if the parties – and in the case of Slovakia this concerns the right centrist parties – lack this ability.

Despite the pre-election uncertainties and domestic and foreign political leaders calling the 2002 elections as the most critical for the Slovak Republic, it was evident from the academic bird's-eye view, even prior to the elections, that they will be about efficiency of democracy rather than about its survival.<sup>12</sup> Today, it may be stated that these most recent free elections were no more critical in the same sense than all the preceding ones. It currently (October 2002) may be stated with a much higher certainty than a year ago that the political conditions have been established for the "continuity of change" that, after the 1998 elections, meant bringing Slovakia back to the path of a stable democratic development. The outcome of the 2002 elections enabled a continuity of the rule of reform forces from the preceding wide coalition, marginalization and elimination of the extreme nationalist forces from the parliament, and thus arriving at a wide consensus of the relevant political élites.

When comparing the formulated hypotheses, assumptions or fears voiced towards the end of 2001 with what actually happened, it may be stated that the leaders of the right-wing center had not failed and showed the potential to negotiate and to make compromises to arrive at a consensus. The experiences from the acting within a wide coalition led them to a consensual style of politics.

### **2.1.4 Outcome of the 2002 Parliamentary Elections and Their Consequences**

Compared to the preceding elections, the elections that took place on September 20th and 21st, 2002 were characterized by lower participation (70.1 percent) and a high drop of the vote (18.2 percent) that became redistributed to the more successful parties. As compared to the neighboring countries, even this participation that has been historically the lowest one in Slovakia, was still significantly higher than that in the Czech Republic (58 percent), Poland (46 percent), and almost identical with that in Hungary. A total of twenty-five political entities took part in the elections, seven of them getting to the parliament: HZDS, SDKÚ, SMER, SMK, KDH, ANO and KSS. SDĽ, SOP, SNS and PSNS (that during the preceding term had their independent caucuses), and DS, SZS and SDSS (whose representatives were elected members of the National Council of the Slovak Republic in 1998, on the list of candidates of SDK) lost their representation in parliament. HZDS won the most votes; compared to the preceding election, this party witnessed a pronounced drop of its electorate, from the initial 1,148,625 votes in 1992 to 560,691 in 2002. This confirms the expected trend of the gradual weakening of this originally large party.

The combination of the participation in the election and the high percentages of the flopped vote means that as little as 56.6 percent of the total numbers of eligible voters became reflected in the mandates.<sup>13</sup> A comparison with the preceding four elections since 1990 suggests that, even if the parliamentary representation is at the lowest level, the fact that several small parties dropped out significantly reduces the considerable fragmentation of the party structure of the Slovak parliament, thus creating more favorable conditions for the government coalition. And this even in the face of the fact that this new coalition of the four center right-wing parties (SDKÚ, SMK, KDH, ANO) only enjoys the support

<sup>11</sup> Source: Kitchelt (1999).

<sup>12</sup> Source: Szomolányi (2002).

<sup>13</sup> Source: Krivý (2002).

of 78 mandates, which corresponds to the support by 29.4 percent of the adult electors. The opposition parties (HZDS, SMER and KSS) enjoy the overall support of 27.17 percent of the vote, which was enough for 72 mandates.

The coalition that was set up represents an even more programmatically homogenous and pro-reform oriented composition than assumed by the pre-election analyses. The fact that a majority government could be established from as few as four parties of the center right wing without the programmatically amorphous SMER has been a result of the (hardly foreseeable) coincidence of several circumstances that could have been forecasted, such as the failure of the center left wing and national parties (SDĽ, SDA, SOP, SNS, PSNS), the shares of the lost votes however were difficult to forecast. It should at the same time be stressed that the failure of the aforementioned parties is mainly the consequence of intra-party relationships that became the reason for splitting of the original parent parties.

The outcome of the elections has not indicated any pronounced shift of the population's attitudes. The initially significant differences in the participation between rural areas and big cities was reduced. SDKÚ is most pronouncedly an "urban" party; it won 7-8 percent of the vote in smaller municipalities, as many as 33 percent in large cities. HZDS remains the strongest opposition party, with its strongest support still coming from municipalities with a population of up to 5,000 inhabitants.<sup>14</sup> This shifts Slovakia from the post-Communist formula of election behaviors of insufficiently modernized countries towards a standard socio-economic model of election behavior and/or a model of political participation that assumes growing participation with growing education and income levels.

The KSS party's success was unanticipated. The yield of 6.3 percent of the vote does not constitute any dramatic change in the attitudes of the population, in particular if taking into account the fact that for the first time it was the national parties that did not get to the parliament. KSS gained a portion of the votes of the original electorate of SDĽ, SOP and HZDS, especially in the Eastern Slovakian districts with high unemployment rates. The correlation with high unemployment rates was also typical of the success communists had in the Czech Republic. When leaving this most pressing socio-economic problem of Slovakia unresolved, KSS support may grow; this time not because of any nostalgia but as a manifestation of radicalism in the affected regions. Paradoxically, however, the success of KSS is part of a more general shift at the level of the party contest from "national issues" towards socio-economic topics, which per se can be considered as a rather positive shift. It allows attention to be focused on the treatment of structural problems in the society that represent a precondition for improvement in the quality of life.

The failure of the two national parties, the original SNS and the spin-off PSNS suggests that the "Hungarian card" no more appeals to the electorate. After four years of participation in the first Dzurinda's government (1998-2002), SMK, a stable element of the coalition government, also acquired electors of Slovak nationality. This contributed to SMK's success in these elections (11.16 percent), which means that this party ranks second, after SDKÚ, as far as the strength of the government coalition parties is concerned. The dominance of the ethnic principle in the case of the election-related decision-making by the Hungarian minority contributed to draining of a non-negligible portion of socio-economically frustrated electors from the expected subscription to what today are opposition parties.

### **2.1.5 Government, Parliament, and Relationship between Coalition and Opposition**

The Program Declaration of the second Dzurinda coalition government (comprised of SDKÚ, SMK, KDH and ANO) suggests continuity of policy. The new government intends to aggressively pursue reforms for which there was no political will in the preceding coalition with the leftist entities SDĽ and SOP. Postponing reforms in the area of pension and social system, public health and education sector was the price paid for maintaining the stability of the previous coalition government. The most significant tasks faced by the second Dzurinda's government include reduction of unemployment and corruption, improvement of law enforcement, improvement of conditions of life of the Roma. The European Commission critically pointed out these problems.

The course and the results of the first post-election session of the parliament indicate a significant shift from confrontation to consensual style. This is evidenced by the fact that parliament leaders were also elected by a significant vote of opposition MPs. The opposition gained one position of the Vice-chairman (HZDS) in the parliament's presidium (out of four). Proportionate distribution was consistently followed with respect to filling chair positions of various commissions (9:8 for the coalition vs. opposition).

During the first Dzurinda's government, the coalition at the parliamentary level represented a much less stable element despite the initial constitutional majority (93 MPs). The current parliamentary coalition of 78 MPs, although quantitatively weaker, makes the functioning of the government coalition

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<sup>14</sup> Ditto.

likely since there are no election coalitions and various blocks of small parties in the parliament. A more clear-cut program profile and the previous governing and cooperation experiences are a good prerequisite for the stability of the caucuses of SDKÚ, SMK and KDH. ANO is a new party without any preceding parliamentary experiences, and its stability will thus be proved by the parliament.

Whereas the government coalition is comprised of right-centrist parties with related programs, even if with different proportions of economic liberalism and social conservatism, the three opposition parties represent a rather heterogeneous blend, from the extreme left of the KSS to the amorphous SMER intending to take the left-centrist position and the people's party HZDS. The actual orientation of HZDS will be suggested by the voting on laws that are necessary for the reforms pursued by the government. Statements by HZDS representatives have so far suggested HZDS has learnt lessons from the preceding period, and, therefore, will be a more constructive opposition.

### **2.1.6 The Risk of Great Expectations**

In Slovakia, there is widespread belief that the government is responsible for the economic standard of individuals. The political culture changes slowly, but the ideas on what the government can be expected to do can be changed to make them more realistic. This applies in the face of the growing proportions of people with personal experiences with the private sector. This would require less populist media that would point to the limits of government action as well as to the significance and roles of additional stakeholders with respect to the success of reforms. This specifically concerns a variety of interest groupings and clients. Experience from the preceding election term points to the risks of big and non-realistic expectations. They may result in frustrations. It is the unmet expectations rather than worsening economic conditions as such that usually represent the source of extremism, as suggested by the history of many European countries. That is why it is both up to the government and the media to avoid excessive public expectations. Room still exists for experts to educate and cultivate the public.

The scheduled cuts in the budget, increased energy and transport prices, payments for hospital stays and medicine will non-negligibly impact upon the budgets of households. Consequently, the implementation of necessary reforms may also prompt protests on the part of trade unionists who probably will seek support in the opposition. With its ambitions to represent the left wing, SMER will likely replace the former ally of the Trade Unions, SDL. Hesitating with reforms, even if facing the risk of social protest, might have even more severe implications for political stability.

In addition, the changing perception of Slovakia by foreign investors represents an important indicator of ongoing political stabilization; as a result, the currency has become over-valued compared to the real status of the economy. The Slovak currency is no more perceived as being connected with political risk as it used to be during the time of the pre-election uncertainty.<sup>15</sup>

Trust in the Slovak currency will further rise due to the expected invitation to the NATO. Slovakia may be invited at the November NATO Summit to join the Alliance, and to gain full-fledged membership within several months. After joining the OECD, this will represent another foreign-political manifestation of significant strengthening of Slovakia's political stability and also a precondition for EU accession.

### **2.1.7 Slovakia and the EU**

Slovakia started negotiations with the EU two years later than its neighboring countries and hardly anybody expected it to catch up with them after the switch of the governing elite. The completion of the long-term process of approaching the EU at the December 2002 Copenhagen Summit was generally perceived as a clear success for Slovak foreign policy.

The evaluation report by the European Commission from October 2002 states that Slovakia meets the political and economic criteria of EU membership. The report also lists a number of shortcomings; it views corruption as "seriously worrying", points to the complex position of the Roma minority, and expresses concern about the professional impartiality and political independence of the judicial system. These problems are also among the priorities of the presented government Program Declaration.

The Dzurinda's first government managed to eliminate doubts about the political stability of Slovakia, and this resulted in rather specific technical issues of the accession process to replace the question of "whether and when" Slovakia will join the EU. The stated absence of a wide discussion on the EU at both the level of the political élites and the public is a natural consequence of the previous problems that Slovakia had first to manage. Slovakia's population favors joining the EU much stronger (77.3 percent in October 2002) than is the case in the Czech Republic or Poland. Evidently, strong support reflects the desirable target rather than thorough information on the specific implications of membership.

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<sup>15</sup> Source: Brondošová (2002).

The outcome of the 2002 elections and the confirmation of the integration-related willingness opened up room for European integration, becoming the topics of the political and public discussions.

External pressure and requirements on the part of Brussels make Slovakia develop more expediently; during the first stage, however, this process of modernization intensifies the divergence between the relatively developed centers and less developed regions. This also appears to be the source of socio-political strains. EU accession however will offer growing opportunities of drawing sources from structural funds to develop historically marginalized regions. And that is why Slovakia has to speed up the completion of state and public administration reform as well as fiscal decentralization. Combined with the capacities of the domestic stakeholders, the external pressure on efficient use of EU resources to eliminate inter-regional differences pushes the society in the direction of the civilization standard.

Slovakia faces a series of events within which the outcome of the first one will show how successful the country will be with respect to the subsequent events: 2002 parliamentary elections, the November 2002 NATO Summit in Prague, EU enlargement. At the time of the 2002 parliamentary elections, Slovakia was a country different from that it was before the 1998 elections. The realistic view, however, suggests that the elections were similarly critical as were the previous ones. However, voters decided not about the mere survival of democracy, rather about its efficiency, and about Slovakia's integration into Euro-Atlantic structures.

### 2.1.8 Political Context of Health Care

An unfavorable heritage of the former regime is a generally (especially with regards to the political parties) valid belief that the public sector is solely a political issue to be decided upon only based on the political interests of the given party leaving out a serious economic analysis. This does not hold in reality. The public sector also has its economic laws and equations, including provision of health care services.

A straightforward preference of politics to economics is a dominant sign of all up to date governments' approaches to the health care reform issue. It took more than five years for the idea of the disproportion of the sources and required health care services to appear. This idea is still not respected. Expectations now lie with the functioning of the new cabinet.

It is impossible to make any progress without getting rid of the politicization of the reform, without respecting basic economic rules and rules of health care economy as they are well known in the developed world, without using methods of economic and social analysis, economics and management of health care. In the area of health care services provision both market and state fail as there is significant social element incorporated. Consequently, there are no straightforward solutions. There is a dominant need to react to the changing external and internal conditions.

Health care is expected to be at the same time effective, high quality, and generally accessible for all. These three objectives are not consistent; moreover, they become antagonistic from a certain phase. Therefore, all decisions on the economic aspects of health care are very demanding, and there are no optimal solutions available.

Quality and consistency of all up to date reform materials and reform steps are a clear evidence of the fact that there is no real health/health care policy in the SR. Government program declarations may be characterized as political proclamations (in their essence repeating themselves regardless the authors), in many aspects unable to materialize.<sup>16</sup>

As a rule, preparation of reform documents is entrusted to a group solely or practically exclusively represented by doctors. However, it is generally known that successful health care reform is in contradiction with the short-term individual interests of doctors.<sup>17</sup>

The Health Care Minister is the least stable position in the Slovak government. The problem rests in the fact that each new minister begins anew. This is a rather expensive and perspective lacking approach.

The capacity of the Ministry in creating an effective and consistent health policy is a problem in and of itself. Not even developed countries where the central sphere is better equipped intellectually and materially, delegate the creation of health care policy solely to the center. Participation of the opposition, interest groups, civic sector and academic population is a rule.

<sup>16</sup> Source: Radičová – Woleková – Nemeč (1999), Pažitný – Zajac (2001).

<sup>17</sup> This concerns particularly hospital doctors whose volunteerism must be according to insufficiency of resources (respected by even the highly developed economies) regulated.