

Presidential election in Poland: shock therapy now from the left

by Elisabeth Hellenbroich

On Nov. 19, Alexander Kwasniewski, the chairman of the Social Democratic Party in Poland (SDRP) and fraction leader of the mainly left-wing alliance SLD, was elected President of Poland, with 51.4% of the vote. Lech Walesa, the President and legendary labor leader, received only 48.6% of the votes in this run-off election.

The result of the election has internal political consequences in Poland, as well as the effect of sending a signal abroad. Political observers expect the coming elections for the Russian Duma (the lower house of the Russian Parliament) to show a considerable loss of votes for the so-called reformers, and a significant gain for the communists, nationalists, and followers of Gen. Aleksandr Lebed.

Similar to the situations in Lithuania, Hungary, and Bulgaria, where the former communists have also celebrated comebacks, the election in Poland was a "logical" reaction to the reform policy followed by President Walesa, a policy imposed at the beginning of the 1990s by speculator George Soros, Harvard "economist" Jeffrey Sachs, and the International Monetary Fund (IMF). That austerity/free market policy has caused catastrophic upheavals in the economic and social structures of every eastern European country where it has been imposed.

President-elect Kwasniewski received the most votes from those social classes who were embittered at the government's economic policy, protested Walesa's reform policy, and set their hopes on the new President to make changes. These expectations were especially prevalent in the north-eastern districts, in Lower Silesia, and in central Poland, where, in rural areas, the unemployment rate is as high as 40%. Kwasniewski also got many votes from young voters; over 1 million of those under 24 are unemployed.

The 41-year-old Kwasniewski is a careerist who was a member of the Communist Party (KP), and from 1988 to 1989 was Minister for Youth and Sports in the Rakowski government. Since 1990, he has been chairman of the SDRP; since 1991, a member of the Sejm (the Polish Parliament); and since 1993, chairman of the Constitutional Commission of the National Congress. Whatever the voters may hope, he stands for the continuation of the neo-liberal reform of the IMF with only minor modifications.

From the standpoint of cultural policy, he stands for a "paradigm shift" in the direction of "post-modern" left liber-

alism—and that in a country with traditional Christian values. It was Kwasniewski who, as Minister for Youth, started a new culture in Poland, and with that image his Presidential campaign was oriented.

The international markets reacted calmly to the election, and within financial circles it is expected that Kwasniewski will go on with the IMF/World Bank reform policy, under a left-liberal camouflage.

International reactions

While the Italian press commented that Kwasniewski would be seen as a person who would try to keep things calm from the markets' standpoint, the *Wall Street Journal* wrote, quoting a Barings Securities Ltd. analyst in London: "Mr. Kwasniewski will sooner shy away from the idea of trade liberalization with the EU [European Union] than was the case under Walesa." A French diplomat commented in the daily *Le Figaro*: "The heirs of Lenin are now sleeping under the cover of social liberalism," and Kwasniewski's adviser for public works, Jacques Séguéla (who also advised former French President François Mitterrand), mused that "Mr. Kwasniewski is the most capitalistic, liberal, and modernist politician I have ever met in Poland."

And while the Bonn correspondent of *Le Figaro* wrote that this election is also a warning to German Chancellor Helmut Kohl and must be seen together with the success of the post-communist PRD party in East Berlin, the British *Guardian* opined that in the light of the results of economic shock therapy, no eastern European regime has any choice but to seek the lesser of two evils: "If the ex-communists would govern with more sensitivity than the Thatcher ideologues, all the better." "The economic measures, which Kwasniewski will take, will disappoint many voters too, but these measures are as necessary today as yesterday," stated the Spanish daily *El País*.

The architect of shock therapy, Harvard economist Jeffrey Sachs, voiced enthusiasm in an interview in the National Public Radio program Market Place, broadcast on public radio stations throughout the United States. "After five years of reform policy Poland's economy is undergoing a boom—they will continue to make market reforms." No investor in Poland need fear, because "Kwasniewski will make a very favorable impression in the coming weeks. He knows what

the foreign investors are looking for. . . . I am cautiously optimistic. Poland has struck out on a dynamic path, and it will go further on this path," Sachs said.

A painful 'upswing'

EIR spoke to a London-based figure who has been, over the past several years, a senior adviser to the "reform" groupings in various Polish governments, and who now holds a senior advisory post with the Polish Central Bank. This source had been one of the few individuals accompanying global-speculator George Soros to Poland during the mid-1980s, before the fall of the communist system. He had worked with Soros, to bring "shock therapy" lunatic Jeffrey Sachs into Poland, in the post-1989 period.

In the discussion on Nov. 21, he gave some revealing indications about what "the recovery" (as he called it), has meant for large numbers of Poles. He said that there has been a "very deep shift" from the former concentration in mining and heavy industry, toward "services and consumerism." This individual asserted that "during the recovery, the so-called heavy industrial sectors—power, electricity, steel—have remained stagnant or in some cases declined, while those areas of manufacturing most strictly linked to consumption—chemicals, printing, paper production, textiles, even food processing—have risen."

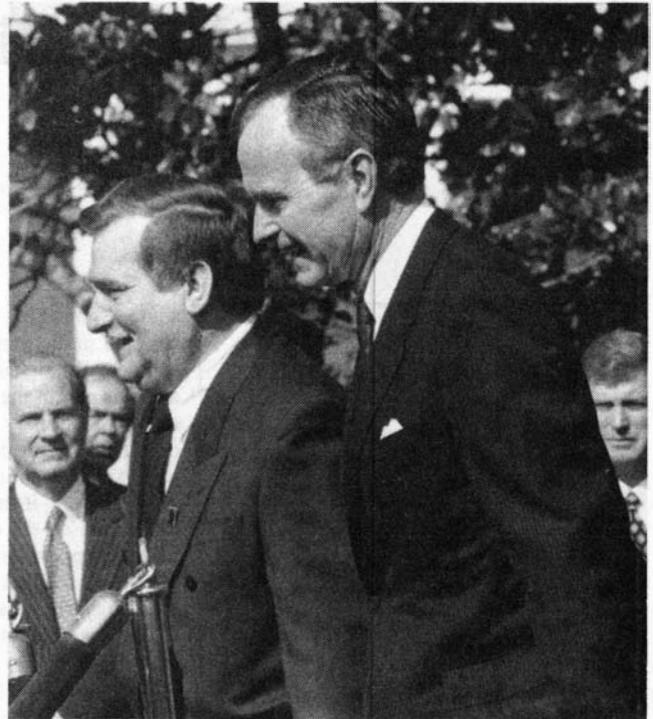
He noted: "The effect on the population has been very hard. In the last five years, the consumption level, overall, has increased by 20%. But this is, in reality, very unequal. For the top 5%, there has been an increase of 100%, so that affects the overall average. In other words, a small percentage has become fabulously wealthy. But significant sectors of society, especially in agriculture, show very considerable decreases in consumption over five years, down some 30-40%. It is the hostility of this section of the electorate to Solidarity, which explains, in large part, why Walesa was defeated. The agricultural labor force is 20% of the overall labor force, and one-third of all Poles live in the countryside. Also, in the small cities, there is significant unemployment."

He insisted, however, that "the situation in Russia is worse than that in Poland."

Like Hungary?

Too late did President Walesa try to distance himself somewhat from the IMF policies; too late, also, did the Roman Catholic Church begin to mobilize behind Walesa as an alternative to Kwasniewski, whom Warsaw Archbishop Cardinal Jozef Glemp, on the day he cast his vote, called a "neo-pagan" candidate.

The election was a protest vote against the dominant reform policy, but at the same time it involved the real hopes for a genuine change of many Poles who have been economically and socially shunted aside. To the extent that Kwasniewski embarks on a political course like the Social Democrat Gyula Horn, who was elected in Hungary in 1994 with



Polish President Lech Walesa (left) was defeated in the recent elections because he embraced the free market policies pushed by George Bush (right) and Margaret Thatcher.

an overwhelming majority as the candidate of the left, in Poland a new social ferment against the reform policy will break out among broad layers against the government.

Prime Minister Gyula Horn's IMF-ordered austerity policy, which led to plummeting of aid for children, massive cuts in the social safety net, and the lowering of real wages, in the service of Finance Minister Barkos's line of "ending the welfare state," has led to an enormous loss of respect for the Horn government. On Nov. 11, some 25,000 employees of the health care sector demonstrated in front of the Parliament building in Budapest, who have to get by on a monthly income of about \$200. School teachers are also out demonstrating in the tens of thousands, demanding a 25% salary hike.

This scenario could certainly repeat itself in Poland, if there is no real economic policy change. The question that remains open is what role the Solidarity movement is going to play in this. Badly divided, it was the real loser in the election. Some factions, for example parts of the Jacek Kuron faction and followers of Jan Olszewski, voted in the second round for Kwasniewski. The other losers are the center-right camp and the Catholic circles, who relied on anti-communist rhetoric without any economic program or vision of the future. For these circles, the elections could lead to a healthy shock and force them to bring into the debate a financial and economic policy based on physical economy, which would include a policy of infrastructural and industrial buildup for Poland.