



Weekly Briefing

Slovakia political briefing:
The challenges of Slovakia's new technocratic PM and cabinet
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The challenges of Slovakia's new technocratic PM and cabinet

Summary

Slovakia's President Zuzana Čaputová swore in on May 15 a government of technocrats to lead the country to snap elections in September amid a political crisis. Ľudovít Ódor, the former deputy governor of the central bank and a respected economist, will head the 15-member Cabinet. Career diplomat Miroslav Wlachovský becomes the foreign minister, with Martin Sklenár, a former senior defense ministry official, as the defense minister.

PM Ódor, who comes from Slovakia's Hungarian minority, is not affiliated with any political party. No member of his government will run in the forthcoming election. The new cabinet will not work miracles for sure, but we can expect them to ensure the proper functioning of the state, what brings some challenges.

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Introduction

Slovakia had been without a proper government since December 15, when the coalition government led by Heger lost a vote of no confidence called by the opposition, following months of political issues marred by high energy costs.

Slovakia's President Zuzana Čaputová initially asked Prime Minister Eduard Heger to lead the caretaker government until early elections, but after four members gradually left their posts, Heger offered his resignation. Therefore, Slovakia has sworn in a government of technocrats to lead the country to September's snap election amid a burgeoning political crisis. Ľudovít Ódor, an economist and former deputy governor of the central bank, will head the 15-member cabinet as the country's interim prime minister.

President Čaputová expects the cabinet to help people struggling with inflation, prepare a budget for 2024 and take steps to ensure budget sustainability. According to her the country is facing an epidemic of populism, lies which become the truth for some people after being

repeated hundreds of times. It will be another challenge of the new government to handle this new situation in Slovakia. The president also expects the new cabinet to maintain staunch support for Ukraine. Under Heger, Slovakia has given Kyiv's forces 13 MiG-29 fighter jets and S-300 air defense systems.

Slovakia's new technocratic PM government

Slovakia is set for its third government in as many years after Eduard Heger stepped down as prime minister. Even though the new interim technocratic government started its work, most eyes are rather fixed on the coming election in September.

The general election will come at a crucial time for Slovakia, the region and Europe. Slovakia under the last three coalition governments headed by Heger's OĽaNO party have been strongly pro-Western and a major ally of Ukraine as it resists Russian aggression. But with Robert Fico's Smer-SD party leading in the polls, there is a real prospect of the pro-Russian nationalist-populist former prime minister returning to power.

Opposition parties called for a snap election, but the governing parties resisted and delayed the vote to September 30. President Zuzana Čaputová allowed Heger to limp on with a minority cabinet. However, having failed to win a vote of confidence in parliament, that cabinet remained precarious. Hence, a corruption scandal around the agriculture minister that flared up late last week swiftly engulfed it, and Heger fell on his sword.

Čaputová has been quick to name a temporary technocratic replacement. After half a year of waiting in the wings, Ľudovít Ódor finally get his chance to govern Slovakia, when his caretaker government was appointed on May 15. The deputy governor of the central bank had been lined up in the background, ready for such a collapse, since the start of the year. The economist is little known by the public, but has long served in public institutions. His pro-European democratic credentials fit well with Čaputová's own outlook.

The list of experts for the new technocratic caretaker cabinet was suggested by Ľudovít Ódor. There was some debate about the identity of the new ministers even before they were officially announced, but it looks like the official list of ministers was accepted quite easily.

The official list of new ministers

Deputy PM for Recovery and Resilience Plan and EU funds: General Director of the Recovery Plan Department at the Government Office Lívia Vašáková

Economy minister: SEPS (Slovak Electricity Transmission System) CEO Peter Dovhun

Finance minister: central bank's Chief Economist Michal Horváth

Transport minister: ex-Orange Slovakia CEO Pavol Lančarič

Agriculture minister: State Veterinary and Food Administration Director Jozef Bireš

Investment minister: Head of the Innovation, Strategic Investment and Analyses Department at the Investment Ministry Peter Balík

Interior minister: ex-interior, justice and defense minister Ivan Šimko

Defense minister: General Director of the Defense Policy Department at the Defense Ministry Martin Sklenár

Justice minister: former public defender of rights, ex-MP and former judge Jana Dubovcová

Foreign minister: ex-ambassador to the UK and Denmark Miroslav Wlachovský

Labor minister: State Secretary at the Labor Ministry Soňa Gaborčáková

Environment minister: European Environment Agency official Milan Chrenko

Education minister: leadership and project management lecturer and coach Daniel Bútora

Culture minister: culture manager and former Slovak National Theatre director Silvia Hroncová

Health minister: pathologist and State Secretary at the Health Ministry Michal Palkovič

For President Čaputová, it was crucial to form a technocratic government that would calm a divided and tired society, and lead the country to a fair parliamentary election. However, the president also expects Ódor's cabinet to continue helping vulnerable groups affected by high inflation and the cost-of-living crisis: annual food price growth stood at 26.1 per cent in April, only slightly down from its peak of 29 per cent hit five months ago.

On top of that, she wants the new government to implement and meet further milestones in the post-COVID recovery plan, prepare next year's budget, and consolidate the public finances. Slovakia's debt reached 57.8 per cent of GDP in 2022. The deficit is estimated to reach 6.3 per cent this year, particularly due to the measures cushioning the impacts of the energy crisis. Ódor's cabinet is expected to come up with ideas for the next government on how to bring these key figures down.

Even so, most observers predict that Ódor's cabinet, despite being made up of both liberals and conservatives, will not win a confidence vote in the house in mid-June, when it is due to submit its program for a vote.

The government needs 76 MPs to vote for the program. Yet only one party, Freedom and Solidarity (SaS), has said its MPs will back the government of experts after the party is said to have persuaded the president to replace two initially mooted ministerial candidates with other experts favored by SaS. Other parties have openly refused or conditioned their support on the quality of the program, although they previously called on the president to appoint just such a technocratic government.

Regardless, until that confidence vote takes place, the government has full constitutional powers. If it loses the vote, the government's competences will be curtailed, in the same vein as Heger's caretaker cabinet. Even then, the government will have staff-related competences, can issue directives, or withdraw bills put forward by former ministers if MPs try to amend them in a second reading.

The government will most likely not have an opportunity to put forward bills, as parliament holds its final session before the September 30 elections in the second half of June.

On May 18, just a day before MPs wrapped up their pre-final session before the summer, Ódor attended his first Question Hour in parliament. He warned MPs against the adoption of bills that have no financial cover, as they could increase the already very high deficit by about 1 billion euros and then require tougher consolidation measures later on.

Moreover, unpopular measures taken by Ódor's government in the coming months could impact on the president, observers point out. During the ongoing election campaign, political parties are expected to avoid taking any responsibility for the state of the country and instead blame the president and her government. Čaputová, who remains the country's most popular politician, is yet to announce whether she will run for re-election next year.

Conclusion

Slovak President Zuzana Čaputová has appointed the country's first technocratic government, to be led by former central bank deputy governor Ľudovít Ódor as Prime Minister. The new government enters office following the resignation of now ex-Caretaker PM Eduard Heger, with a constitutionally limited mandate until the country's new government is formed following snap elections this coming September.

Although a technocratic/expert government in nature, the new cabinet has outlined several policy priorities for the next few months. These include adopting the country's budget for 2024, cutting the budget deficit, organizing the snap elections, continuing to support Ukraine as Russia's war continues, tackling disinformation and hybrid threats, successfully implementing Slovakia's national recovery plan to access post-pandemic EU recovery funds, and improving the utilization of EU funds spent in the country.

With only four months and two plenary sessions to go until the snap elections, expectations for significant policy and regulatory changes may be low, however parliamentary

parties will likely aim to prove themselves active to attract more votes. At the same time – despite no firm alliances in parliament – occasional alliances could result in unexpected legislative initiatives, which is why businesses are advised to monitor parliamentary business in the next four months.

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