

◀ COALITION CRISIS IN SLOVAKIA

Analysis & implications of the turmoil surrounding the Slovak Government's COVID-19 pandemic response

9 March 2021

Slovakia's ruling multi-party coalition has been plunged into a full-scale political crisis after Prime Minister Igor Matovič singlehandedly moved to acquire the Russian-made Sputnik V COVID-19 vaccine. The controversial purchase of the Russian vaccine, which follows a steady decline in the Government's approval ratings over recent months, has intensified existing tensions between the ruling parties, with some among the coalition now demanding a government reshuffle and the opposition calling for snap parliamentary elections.

With pressure mounting against the Government, below we take a detailed look at Slovakia's current political crisis and how we expect it to play out.

COVID-19 BACKGROUND

On 1 March, Igor Matovič, the Prime Minister of Slovakia's centre-right ruling coalition government, announced that he had concluded an agreement with Russia to purchase the Sputnik V vaccine, making Slovakia only the second EU member state to do so, after Hungary¹. Under the agreement, which the PM argued was necessary to curtail the COVID-19 pandemic, Slovakia received 200,000 vaccine doses, with another 800,000 expected to follow in March and April and an additional 1 million during May and June.

The PM had first discussed purchasing the Russian vaccine on 16 February, however the centre-right junior coalition partner For the People (Za ľuďi) vetoed the deal. Regardless, Matovič decided to move forward with the purchase secretly, excluding – and outraging – most of his coalition partners. The result is a political crisis that has profoundly impacted the four ruling coalition parties. Shortly after the deal was announced, For the People and another junior coalition member, the libertarian Freedom and Solidarity (SaS), essentially threatened to withdraw from the coalition unless Matovič, who heads the senior member of the coalition, the centre-right populist Ordinary People (OL'ANO) party, reshuffles the composition of the Cabinet.

The fourth coalition member, the fellow populist We Are Family (Sme Rodina), initially criticized but later accepted the vaccine purchase, but has remained critical of how the coalition is functioning and invited the parties to negotiate a more stable path forward. A number of MPs from the coalition have argued that Slovakia should not use vaccines not yet approved from the European Medicines Agency (EMA), while several figures within the ranks of the ruling parties have denounced the Russian vaccine as a geopolitical tool against the West.

¹ A growing list of non-EU countries have agreed to purchase Sputnik V, including Algeria, Angola, Argentina, Armenia, Bahrain, Belarus, Bolivia, Brazil, Egypt, Gabon, Ghana, Guatemala, Guyana, Honduras, India, Iran, Lebanon, Macedonia, Mexico, Montenegro, Nicaragua, Pakistan, Paraguay, San Marino, Serbia, Tunisia, United Arab Emirates, Venezuela (source: Russian Direct Investment Fund).

COMPOSITION OF THE NATIONAL COUNCIL (PARLIAMENT)

Party	Number of MPs	Share of MPs (%)	Affiliation
Ordinary People and Independent Personalities – OL'aNO (centre-right, populist, anti-corruption)	53	35.3 %	Government
We Are Family – Sme Rodina (right-wing, populist)	17	11.3 %	Government
Freedom and Solidarity – SaS (pro-business, libertarian)	13	8.7%	Government
For the People – Za ľudi (centre-right, pro-European)	9	6%	Government
Direction – Social Democracy – Smer-SD (centre-left, populist-nationalist)	26	17.4%	Opposition
Voice – Social Democracy – HLAS-SD (centre-left, populist-nationalist, former Smer-SD members)	11	7.3%	Opposition
People's Party – Our Slovakia – L'SNS (far-right, extremist)	9	6%	Opposition
Alliance for Slovakia – KDŽP (national conservative, Christian democratic)	3	2%	Opposition
Independents	9	6%	Opposition
Total	150	100	

In the days following the vaccine announcement, the coalition crisis deteriorated after one For the People MP, Tomáš Valášek, left the coalition, while Economy Minister and Deputy Prime Minister Richard Sulík, who heads the SaS party and appears to have long-standing personal disputes with Matovič, offered his conditional resignation if the PM also resigns. Matovič has so far resisted calls to step down and has in turn criticized Sulík for destabilizing the coalition, adding that the purchased supply of Sputnik V will remain in the country. However, Slovakia's contract for a total two million Sputnik V doses now hangs in the balance.

Simultaneously, the opposition – led by the populist-nationalist Voice – Social Democracy (HLAS-SD) party of former Prime Minister Peter Pellegrini – intensified its calls for snap parliamentary elections, while the liberal Progressive Slovakia, the country's largest non-parliamentary party, also called on Matovič to step aside and restructure the Cabinet. Slovak President Zuzana Čaputová, a key ally to Progressive Slovakia, also expressed concerns over the Government's crisis management efforts.

LOOKING BEYOND THE VACCINE

While much of the criticism was directed at the purchase of non-EU vaccines from Russia, the subject is something of a red herring; the real reason behind the current political turmoil is the Government's overall response to the pandemic, which has come under intense scrutiny not just from the opposition but also from

members of the coalition. Slovakia received international praise for its fast and effective response during the first wave of the pandemic last year and for conducting a nationwide coronavirus testing program last autumn. However, critics argue the Government's inconsistent approach towards lockdown restrictions and Matovič's personal interference in the healthcare response have contributed to the major deterioration of the COVID-19 situation in the last three months: as of mid-February, Slovakia, a country of 5.5 million, recorded around 100 deaths per day, the highest per capita figure in the world at the time. In February, the pandemic situation has pushed the Government to ask for advanced EU vaccine shipments and aid from foreign health workers.

Matovič has also faced mounting criticism for what opponents see as a confrontational and irresponsible leadership style. In early February, he praised the EU's joint vaccine procurement efforts and denounced EU countries drifting away from the joint EU response. However, a week later on 16 February, he shifted towards advocating for a Russian vaccine deal. Further, there is intense disagreement among the coalition over how to distribute some 5.8 billion EUR under the European Union's Next Generation EU program, the bloc's coronavirus recovery fund.

Frustration at the Government's response can be seen in its deteriorating approval ratings: despite winning 25% of the popular vote in the February 2020 elections, recent polls show the ruling OĽaNO party now lags in third place, with only 10-11% support. Opposition party HLAS-SD has emerged as a significant threat to OĽaNO under Pellegrini's leadership, at around 23%, while the SaS party is currently second in the polls.

Discontent within the coalition has been exacerbated by ongoing disagreements over how to successfully combat the pandemic and its economic consequences. Some within the coalition believe responsibility for the failure lies with the Matovič-supported Health Minister Marek Krajčí, who admitted that tougher lockdown restrictions introduced at the beginning of 2021 were imposed too late. The PM continues to support the disputed Health Minister.

While Matovič prioritized a nationwide approach to the pandemic, the Sulík-headed SaS favoured targeted regional measures. Later this month, the Government is due to decide over introducing a so-called hard lockdown with tougher restrictions on movement and businesses. The SaS and Sme Rodina parties already indicated that they would vote against the measure if raised during coalition talks.

POTENTIAL SCENARIOS AS THE CRISIS UNFOLDS

As discontent over Matovič's role as Prime Minister continues to grow, we expect the cross-party conflict to escalate further, despite the clear need for a consensus and a national response to the pandemic. Below we outline a number of scenarios we see as possible at the time of writing:

- › **A government restructuring would be the fastest way out of the current turmoil, however, it is dependent on the PM.** If political pressure from the minor coalition members, the opposition, non-parliamentary parties and President Čaputová persists, Matovič might agree to a Government reshuffle which – if agreed on – could take shape in two ways:
 - › The baseline scenario assumes that Matovič will remain in the position of Prime Minister and the Government reshuffle will be implemented on a lower political level. This could mean the replacement of only a handful of the 16 Ministers, including Health Minister Krajčí who could be replaced by a member of SaS (the party already expressed interest in taking over the Health Ministry).
 - › In the case of further escalating disputes and threats of coalition withdrawal, Matovič could even step down as Prime Minister (he publicly flirted with the idea in November after a smaller-scale coalition dispute). His resignation would mean a realignment among the four coalition partners as the power struggle for key government positions would intensify and lead to a larger level of restructuring.

The resignation of the PM would ultimately result in a strengthened political position for the SaS party. Under this scenario, likely candidates for PM could include, but are not limited to, OĽaNO-

appointed Government members such as Deputy PM and Finance Minister Eduard Heger, Defence Minister Jaroslav Naď, Deputy Parliament Speaker Gábor Grendel and – less likely – SaS-affiliated politicians such as Sulík. President Čaputová also stressed that OL'aNO, the largest parliamentary formation, should nominate a PM if Matovič resigns.

- › **Matovič to remain as Prime Minister with a minority government.** Currently, the four-party coalition holds a comfortable constitutional majority in Slovakia's unicameral National Council, controlling 92 of the total 150 seats. If there is no agreement on a government reshuffle with SaS and For the People, the two parties could leave the coalition. If only one of these two parties left the coalition, the remaining three ruling parties would still be able to maintain a parliamentary majority.
- › In such a scenario, the remaining OL'aNO and Sme Rodina parties, which jointly hold 70 seats, would need six additional members to govern. Considering recent political changes on the opposition side (such as an increase in the number of independent MPs), this seems likely. The fate of any minority government, however, would be determined by the success of the vaccination program and efforts to combat the third wave of the virus. To this end, EMA approval of Sputnik V (it is currently under rolling review) would be a timely piece of good news for Matovič. [Recent polls show](#) that Sputnik V is the second most trusted vaccine after the EMA-approved Pfizer/BioNTech jab – with 53% approval.
- › **Snap parliamentary elections remain unlikely – at least for now.** As minor coalition members call for a government reshuffle, the leading opposition HLAS-SD party continues to push for snap parliamentary elections. However, such a move would require a vote of no confidence in the National Council and the subsequent failure of an attempt to form a government. Despite leading public opinion polls, HLAS-SD controls only 11 seats in parliament and would need support from a large share of coalition MPs to force a no confidence vote. Although dissatisfaction with the current structure of the Matovič Government remains high, none of the ruling parties favour holding snap elections as it would most likely result in a Government led by Peter Pellegrini's HLAS-SD.

CONCLUDING THOUGHTS

The upcoming period will prove crucial for the survival of the Matovič Government and could result in a higher level of tension between the member parties of the ruling coalition as debates on how the Government should be restructured will intensify. With the Pellegrini-led opposition leading in the polls, coalition partners will not risk a snap election. Instead, a government reshuffle and possible appointment of a new, unelected Prime Minister seems more likely. If Matovič continues to resist calls for a reshuffle, however, a politically weakened minority government will lead to ongoing political fragmentation and instability.

#

If you would like to discuss the subject of this paper further, please contact: Executive Partner Chris Dobson at chris.dobson@kesarev.com.

About Kesarev

Kesarev is the leading independent public affairs and government relations consultancy in CEE, Ukraine, Russia, the post-Soviet area, Turkey and Israel, covering 25 countries and specializing in government and corporate affairs, risk management and corporate reputation services. Since 2014, Kesarev consultants have been ranked by The Best Lawyers in the areas of Government Relations, Government and Regulatory Practice, including the "Best Lawyer of the Year" award. Kesarev partners were recognized among the Top-20 communications managers by the TOP-COMM rating in 2020 and 2019 and within the Top 1000 Managers of Russia rating in 2017, 2015 and 2014.

www.kesarev.com