Romania: General strike intensifies political crisis

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Last Monday, about 800,000 public service employees took part in a one-day general strike in Romania. Numerous offices, administrative departments and schools closed for the day. Hospitals restricted services to emergency cases. On Wednesday, some 15,000 workers and public servants took to the streets of Bucharest to protest, bringing traffic in the national capital to a standstill for hours.

Another token strike is to be held on October 23, and an indefinite general strike has been called for October 28. The unions have indicated that they will ask their members to boycott the presidential election on November 22.

Since last Wednesday, state employees have been picketing outside the headquarters of the Social Democratic Party (PSD) and the Liberal Democratic Party (PD-L). Both parties have proposed a comprehensive austerity programme, involving severe cuts in wages, as well as increased taxation and savage cuts to health and education services.

The government headed by Prime Minister Emil Boc prepared these measures in close cooperation with the European Union and its international financial backers. The International Monetary Fund (IMF) has demanded harsh austerity policies, ever since it offered Romania several credit injections amounting to almost $20 billion in order to rescue the Balkan state from bankruptcy.

The government's latest attacks are directed against, among others, workers in the Romanian state railway company (CFR). Some 10,300 of the company's approximately 78,000 workers are to be sacked this year. The press announced on Monday that the government has already worked out the necessary legal framework. The CFR has been deep in debt for years and, without state financial support, will very soon go bankrupt.

The CFR is already in a deplorable condition. Lack of staff and dilapidated facilities were, for example, the cause of a train derailment in mid-September in the vicinity of Craiva, in which it was a wonder that no lives were lost. Transport Minister Radu Berceanu (PD-L) incensed railway workers when he indirectly blamed them for the accident. He declared that "someone who knew how to cause an accident" sabotaged the railway tracks.

The Mediafax agency recently published a CFR document about investments of 3.96 billion Romanian Leu (€936 million) that would be required to transform Romania's railway system into an acceptable condition. According to the report, 5,148 kilometres of rail tracks—about a quarter of the whole network—would have to be completely replaced. Some 1,054 kilometres of this are considered dangerous. The railway company would need 1.14 billion Leu for the restoration. The elimination of dangerous stretches and routes requiring speed limits would entail another 50 million Leu. As well as this, 1.6 billion would be needed to increase train speeds to European standards.

However, the government refuses to provide even the 250 million Leu necessary for regular maintenance work. Tens of thousands of railway workers have been fighting for months to have their wages paid. In the summer, every tenth worker was forced to take a three-month unpaid holiday.

Nor are railworkers the only occupational group receiving no pay for their work. Judges struck nationwide in July, demanding settlement of their overdue salaries and a 50 percent pay rise.

Major clashes are also threatening to break out in the education sector. The FSLI teachers' trade union is carrying out a strike ballot until the end of this month on the question of whether another general strike should take place on November 16. Simion Hançescu, vice-president of the trade union federation, has already called for all teachers and pupils not to attend school on November 16.

Final disintegration of governing coalition

Unable to withstand the persistent pressure from the population, the governing PSD/PD-L coalition has finally fallen apart. Last week, all nine social democratic ministers withdrew from the cabinet, just a few weeks before the presidential election. Their purported reason for this was the dismissal from the cabinet of the PSD interior minister, Dan Nica.

Prime Minister Emil Boc, who is also leader of the liberal democrats, had demanded the sacking of the social democratic interior minister, because the country's crime rate was allegedly on the rise. After days of hesitation, President Traian Basescu confirmed Nica's ouster on October 1 and appointed Vasile Blaga, head of the liberal democrats' election campaign, to the post of interior minister.

After the social democrats' exit from the coalition, the party of the Hungarian minority, the Hungarian Democratic Union, announced that it would support a liberal democratic minority government up until the presidential election. However, an imminent re-election of the whole parliament has now become unavoidable.

The approaching presidential election is actually only the catalyst that hastened the collapse of a coalition that was always unstable. While both parties were in agreement about future attacks on the living conditions of the population, there was a fierce battle between them for offices, posts, money and influence. This conflict has now escalated, owing to the fight for the interior ministry, which is seen as decisive for the forthcoming presidential election. Each side accuses the other of wanting to use this key ministry to manipulate the election.

The election in five weeks is predicted to end in a close race between Basescu and Mircea Geoana, leader of the PSD. The election campaign has already degenerated into mudslinging and in no way resembles a democratic contest. Surveys from the beginning of the year continue to forecast a clear victory for incumbent President Basescu with 45 percent of the votes. In August, however, the governing liberal democrats slipped to 33 percent in the surveys. The PSD leader, Geonana, now occupies second place with 27 percent, followed by Crin Antonescu of the national liberals with 15 percent.

The increasing opposition to the government is being followed with great concern by economic circles domestically and abroad. According to the assessment of analysts from the Austrian Raiffeisen Central Bank, it might now become difficult for the government to achieve its targeted fiscal savings, thus jeopardising the fulfillment of its agreement with the IMF and, in turn, severely affecting Romania's exchange rates and economy. In the opinion of rating agencies such as Moody's, it was precisely the backing from the IMF "which considerably reduced the necessity for financial aid from foreign sources and the risk of a debt repayment crisis"—in other words, saved the country from bankruptcy.

Until now, official estimates point to a budget deficit of 7.3 percent of GDP (gross domestic product) for this year. But this figure will continue to climb in the wake of increasing unemployment and falling taxation revenues. In the second quarter of this year, the Romanian economy shrank by 8.7 percent in comparison to the previous year, the worst rating for an economy in the region.