

Romania: Presidential elections at a time of crisis

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The ongoing political crisis in Romania has reached a new high point, just days before the November 22 presidential elections. It is becoming increasingly evident that what is at stake is a bitter struggle between rival cliques within the ruling elite over power, influence and money.

The country has been without a government since the start of October, when the conservative minority government led by Emil Boc, closely linked to President Traian Basescu, was ousted in a no-confidence vote of the Romanian parliament.

After the collapse of the Boc government on October 13, Basescu designated Lucian Croitoru as the new prime minister. Since the political parties who form a majority in the Romanian parliament were in favour of Klaus Johannis, the mayor of Sibiu, it was only a matter of time until the new government shared the fate of the previous one. The cabinet put forward by premier Lucian Croitoru was rejected on November 4, with 290 votes against and 190 votes in favour.

Basescu then ignored the wish of the majority and against all expectations designated Liviu Negoita, member of the PD-L (Democrat Liberal Party) and Mayor of sector 3 in Bucharest, as the new prime minister. Following the president's announcement, the parties forming a majority in parliament immediately rejected all collaboration or negotiation with the new premier. They all continue to offer their support to Johannis.

The list with the ministers proposed by Liviu Negoita was submitted to parliament on November 9. The new cabinet is made up of 14 ministers, of whom 11 were nominated by Lucian Croitoru, whereas three are new proposals. But without the support of the main political parties in parliament, the new government is also likely be voted down.

Following the decision taken by interim head Emil Boc announced on November 10, requiring all public employees to take 4 days unpaid leave in November and 4 days in December, both chambers of parliament immediately took leave the next week, November 16-20. As a result, the vote for the new government will have to wait. The draft for the 2010 state budget is also on hold.

Despite all of these maneuvers, there are no real differences between the rival candidates proposed by the president and parliament. Both would head a so-called government of experts, in which independent figures with close links to business interests would determine the country's political course.

The conflicts over constructing a government have been mainly instigated by Basescu, who is currently in the middle of his election campaign and is intent on reorganising the country's political system. On November 22 the electorate can also vote in a referendum over a proposal to reduce the Romanian parliament to a single chamber, while reducing the number of parliamentary deputies from the current total of 471 to 300.

Bucharest-based political scientist Cristian Pirvulescu spoke to the Austrian *Standard* newspaper: "This is not a regime crisis, this is a crisis of the political system and all of its institutions.....Basescu is using the crisis only to further his own interests." Currently Romania has a semi-presidential system, with the president also heading the secret service. "Basescu apparently wants even more power," the *Standard* concluded.

Political crisis exacerbated by economic difficulties

Basescu is attempting to increase his power base, to enable him to take political decisions independently of parliament. The fierce conflicts between the country's various political clans have proved to be an obstacle to implementing the demands raised by international financial experts.

Due to the vacuum of power in the country, Romania was denied the third stage of a loan planned by the International Monetary Fund. According to Jeffrey Franks, the head of the IMF mission in Romania, it is very unlikely that the country will receive the loan, which had been promised for December.

Romania is paying a high cost for the postponement of the third tranche of the IMF loan of €1.5 billion and the third tranche from the European Commission of €1 billion. Both loan installments have now been delayed until next year. The Romanian state has been forced to borrow as much as it could from the banks. This in turn means the banks have little or no money to lend to businesses and the population as a whole. The lack of money from the IMF will most likely lead to another depreciation of the country's national currency, the leu.

The governor of the Romanian National Bank said that under these circumstances, maintaining the leu-euro parity at current levels will be practically impossible. This situation scares off the investors, increases inflation, in turn depreciating the national currency even more.

Compared to the fourth quarter of 2008, Romania's GDP has fallen 7.1 percent this year, the fourth-biggest economic contraction in the EU bloc of countries. The sharpest economic contractions in the third quarter were reported in Estonia (-15.3 per cent), Lithuania (-14.3 per cent) and Hungary (-8.0 per cent).

Despite the political infighting, the country's ruling elite is united in its conviction that the broad layers of the population must pay for the crisis. Not only are public employees compelled to take 8 days unpaid leave by the end of 2009, they will also have to face reduced salaries during these months. Further wage cuts for public service workers of up 15 percent are already being planned.

The unemployment rate recorded an increase of 0.2 percent in October, up to 7.1 percent, compared with 6.9 percent in September and 4 percent in the same month a year before. Nevertheless these official figures are highly unreliable and do not include the huge

numbers of underemployed Romanian workers. At the same time, the increasing rate of inflation in the country is eating into wages, and many families now fear they may not have enough money to provide adequate heating through the winter.

The incessant attacks on wages and social conditions has led to a spate of protests and demonstrations by angry workers. Last month witnessed mass protests by public service workers against deteriorating wages, working conditions and job losses. More recently strike action taken by subway workers in the country's capital brought transport in Bucharest to a standstill.

The trade unions broke off and postponed the wave of strikes and protests, but are now under pressure from workers to resume them.

Recent polls show that more than half of Romanians feel that today things are worse off than during the Stalinist Ceausescu regime. More than 40 percent say their life is more burdened by hardships than prior to 1989. At the same time, in the midst of the twentieth anniversary celebrations of the overthrow of the Ceausescu regime, there is still widespread confusion over the significance of what happened in 1989, with a majority of people of the opinion that none of Romania's post-1990 presidents had undertaken any real efforts to account for the course taken by the country after those events.

Asked the question "What do you think the events in Dec. 1989 represented?", 37.7 percent of those polled replied it was a revolution, 24.7 percent thought it a conspiracy hatched locally, and 20.7 percent believed it was conspiracy devised abroad.



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