

# New Romanian government prepares massive social attacks

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Romania's newly elected government, led by Emil Boc's right-wing Democratic Liberal Party (PD-L), has made clear that it intends to fulfill all the demands laid down by the International Monetary Fund, European Union and Romanian big business interests, and carry out major attacks on wages, social and living conditions.

Romania has been mired in political crisis since October. The formation of a new government became necessary following a no-confidence vote in Boc in the Romanian parliament. An alternative candidate proposed by President Traian Basescu was also rejected by the legislature. After his own re-election as president December 6, Basescu once again suggested that Boc form a new government.

On December 23 Boc finally received the support of the Romanian parliament, which confirmed him in office by a vote of 276 to 135. In addition to votes from the PD-L and the Democratic Union of Hungarians (UDMR), Boc also received support from 30 "independent parliamentarians." This latter group had recently resigned from the rival National Liberal Party (PNL) and the Social Democratic Party (PSD). Until now its members had rejected Basescu's nominations for prime minister.

In Boc's new government, the PD-L takes over the key interior, economic and labor ministries. The UDMR (claiming to represent ethnic Hungarians in Romania), which has often fulfilled the function of securing parliamentary majorities for various administrations, has been fobbed off with the environmental and cultural departments. Other important ministries such as the foreign, finance and justice departments are to be led by so-called non-partisan experts.

In order to receive a pending loan from the

International Monetary Fund of more than 1.5 billion euros, Boc has announced various "unpopular measures" and huge budget cuts. The budget deficit is to be reduced from 7.3 percent of gross domestic product to the 5.9 percent level demanded by the IMF and European Commission. To achieve this target the government has ordered a freeze on wages and a wave of redundancies.

Although official unemployment already topped 7.8 percent at the end of 2009, Labour Minister Mihai Seitan announced that between 70,000 and 80,000 public service workers are to be cut, including 15,000 teachers. Such cuts threaten the core of the country's education system. There will be fewer schools in villages, teachers will work longer hours, and classes will be bigger. At the same time, teachers can expect more unpaid leave, despite their already low salaries and the fact that many of their job benefits were cut in 2009.

A series of budget cuts has also thrown the Romanian health system into crisis. Health Minister Attila Cseke declared that 2010 would be another tough year for the health sector with no increase in spending. In fact, the country's annual investment in health care for the entire year was exhausted by last summer. For the second half of 2009, debts were accumulated for healthcare programmes, the purchase of drugs and other investments, in the expectation that they would be covered by this year's budget.

Cuts in government spending will inevitably increase the level of corruption and exploitation in the Romanian health sector. It has been estimated that in 2005 around 300 million euros were paid into the health system in the form of bribes. In an interview, Abdo Yazbeck, who oversees the health sector in Eastern Europe for the World Bank, explained that in

Romania “many citizens are fearful of going into hospital because they have to negotiate, as if on a black market, over payments for cleaning, male nurses, doctors and even anesthetists in order to secure basic care and a proper operation.”

Plans for an increase to the country’s minimum wage—currently the equivalent of US \$200 per month—have been suspended. Boc has also declared his intention of increasing the tax burden on low and middle incomes, while leaving higher incomes untouched. The existing across the board “flat tax” of 16 percent on all incomes is to be maintained, although the measure has already led to substantial revenue shortfalls for the government.

The planned dismissals and cuts coincide with steep price increases. Economists predict that prices for foodstuffs, cigarettes, alcoholic drinks, fuel and various services will rise by as much as 30 percent in 2010. Meat will also cost more, as will fruit and vegetables starting in mid-February, as a result of higher prices for fuel and the depreciation of the national currency, the *leu*. Romania imports more than 70 percent of such products.

The existing political spectrum offers no alternative to the population. This has been underlined by the way in which parliamentarians have recently swapped parties. The social-democratic PSD follows a similar course to the other main parties. The party’s own candidate for head of government, Klaus Johannis, the mayor of Sibiu, also announced plans to set up a “cabinet of experts” to implement radical reforms.

Against this background, major strikes and protests, particularly in the public service, can be expected. In his first term of office Boc announced a rigid austerity course, involving wage cuts and mass redundancies. The result was a series of protests, in which hundreds of thousands took part.

Asked by an interviewer recently whether he thought there would be a resurgence of social protest in the country, Cristian Ghinea—director of the Romanian Center for European Policies—commented, “I am convinced there will be some protests in the education sector. In addition to the dismissals, the new minister has announced radical reforms to be carried out this year.”

In his interview, Ghinea calls upon the new government to cooperate more closely with the trade

unions in order to suppress popular discontent by workers. “Much will depend,” Ghinea remarked, “on how the government manages to buy the sympathy of the trade union leaders.”

The politically bankrupt union federations have continuously supported the anti-social policies of various governments. When 800,000 public service workers protested and called for a general strike last October, the head of the public service union, Sebastian Oprescu, declared that the situation required “a responsible attitude on our part”—and postponed the strikes indefinitely.

The government, however, is not merely relying on the unions. The country’s security services are not affected by the cuts, and the government is planning to increase resources for the police and secret service in order to prepare for a direct confrontation with the population.



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