

Thousands demonstrate in Bucharest against social cuts

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Over 10,000 demonstrators took to the streets of the capital Bucharest on Wednesday to protest against the Romanian government's austerity policies. Angry protesters clashed with police at several points during the demonstration.

Commenting on the mood of demonstrators, the Romanian daily paper *Gândul* wrote: "Huge changes have taken place in Romania in the last four months. Government employees...have had enough time to feel the 25 percent wage cuts."

The demonstration was directed against the wage cuts imposed by the conservative government led by Emil Boc, which also plans to dismiss 70,000 public employees by the end of the year. The government is also implementing draconian cuts in social expenditure and has raised the value added tax on basic goods from 19 to 24 percent. All of these measures have been passed in order to meet the dictates of the European Union and the International Monetary Fund.

The country's limited economic growth from 2005, financed with foreign credit, came to a screeching halt in 2008 with the eruption of the international financial crisis. Due to the flight of foreign capital, Romania turned to the International Monetary Fund for a 20 billion euro credit, committing itself in return to deep spending cuts and tax increases.

Now the collapse of Romania's export industry, a decrease in foreign investment and the domestic impact of harsh austerity measures have thrown the country into deep recession.

Romania currently has the highest inflation rate of all 27 EU member states--7.6 percent. consumption is shrinking for the first time in ten years and unemployment is rising.

"The first half-year of 2010 was bad, and the second half will be even worse," was the evaluation given by

Ionut Dumitru, government adviser and economist with the Raiffeisen Bank in Bucharest. The situation for Romanian banks is explosive. One fifth of all bank assets are believed to be worthless.

The government still officially maintains the goal of entering the euro zone in 2015, but economic experts in Brussels and Bucharest regard the crisis-ridden country's chances as negligible.

Romania's social and health systems are breaking down, and the crisis is hitting with particular force certain layers of the population, such as children, teenagers and elderly people.

The country has a declining population and a declining birth rate. According to official statistics, it has lost over 1.5 million inhabitants in the last 18 years.

According to the the Children organization, Romania has up to three times more deaths in the first month of life than any other European country. Among disadvantaged and rural populations, the number of infant deaths is much higher than the national average.

No less than one in three children in rural areas suffer from malnutrition.

One particularly horrifying recent event drew attention to the disintegration of the nation's health care system. A fire at the maternity hospital Giulesti in Bucharest on August 16 resulted in the deaths of five babies and severe burns for another seven.

The fire was linked to the downgrading of the health system over the past 20 years, which has been intensified by the negative consequences of the government's austerity measures.

The intensive care unit where the fire took place lacked funds for smoke detectors, and, according to the director, the hospital was badly understaffed. Only seven staff were in the neonatal department when the fire erupted. This explains why the fire was not

detected earlier and babies were left unprotected.

Over 85,000 Romanian children have one or both parents working abroad, and nearly 27,000 of them live without either parent, according to the latest statistics from the Agency for Family Protection and Children's Rights.

According to ANOFM (National Agency for Employment), in the month of June over 48 percent of people up to the age of 25 were unemployed for over six months. One consequence of the crisis is the increase in the rate of suicide by young people. The number of suicides has doubled compared to last year and is expected to rise further in the coming months.

Romania was one of the poorest European countries even in times of economic growth, but it was also one of the countries that spent the lowest percentage of gross domestic product on social welfare programs. Almost one quarter of Romania's population (23 percent) was already at the poverty level when the economic crisis started. According to figures, Romania tops the poverty list, together with Latvia (26 percent) and Bulgaria (21 percent). Those most affected by poverty are minors (33 percent) and pensioners (26 percent).

The same survey showed that 76 percent of Romanians cannot afford to pay for a week's vacation per year, 25 percent lack the resources to adequately heat their homes, and 19 percent cannot afford a meal with meat every two days.

Increasing numbers of highly educated people are becoming welfare clients, with unemployed teachers, doctors and lawyers applying for food aid at soup kitchens.

A report from a of Life review shows that almost three quarters of the Romanian population (72 percent) believe that current living conditions in the country are worse or much worse than in previous years. In addition, more than half of Romanians (53 percent) believe that a year from now living conditions will be worse or much worse than at present.



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