Romania’s new government takes office amid war escalation, austerity and political crisis

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The Romanian Parliament appointed a new government on October 20, led by the unaffiliated former ambassador to France, Luca Niculescu. The cabinet received 280 votes in Parliament, ending more than five months of political deadlock. Its nomination is the result of prolonged political maneuvers by President Nicu?or Dan and the Social Democratic Party (PSD), which controls the majority of ministerial posts and dominates the new government.

The nomination will do nothing to solve the political and institutional crisis that has gripped the Eastern European country in recent years. Fundamentally, the country’s ruling elite is committed to NATO’s war against Russia and a massive rearmament campaign, while imposing sweeping austerity measures on the working class amid a deepening fiscal and economic crisis. The main political factions are all committed to the war; the principal differences concern how they seek to navigate between European and US imperialism.

A scandal erupted at the end of September when the *Wall Street Journal* published an investigation reporting that US Ambassador to Greece Kimberly Guilfoyle had allegedly boasted of Washington’s ability to topple foreign governments, referring to the impending collapse of Romania’s Bolojan government. Guilfoyle reportedly made the remarks on March 18 during an official dinner at the US embassy in Athens and is said to have threatened the Greek energy minister: “We can do that to any country we want. We can do that here.” Guilfoyle’s lawyer disputed the account, while the Greek government denied that any threat had been made against it.

At the end of March, Guilfoyle met PSD leader Sorin Grindeanu and then-Energy Minister Bogdan Ivan in Bucharest to discuss the “Vertical Gas Corridor” initiative, a US-backed natural gas network linking LNG terminals in Greece with the Balkans and Eastern Europe. While Romania is already part of this infrastructure, Ivan sought a mandate from Bolojan to negotiate the purchase of large quantities of US LNG, which the prime minister refused. In May 2026, the PSD broke from the coalition government and brought down Bolojan through a no-confidence motion drafted jointly with the far-right Alliance for the Union of Romanians (AUR) and another opposition grouping.

Since taking office last year, President Nicu?or Dan has also sought to court the Trump administration. In May 2026, the Romanian Presidential Administration signed a six-month lobbying and strategic consulting agreement with the American law firm Eversheds Sutherland (US) LLP, providing for payments of up to $565,000 per month. The agreement, registered with the US Department of Justice, names Trump ally Jason Miller among those providing services.

The turn towards the Trump administration and its class-war politics forms the basis for the PSD’s increasing collaboration with the far right. Although AUR remains outside the new government and boycotted its parliamentary confirmation, its cooperation with the PSD in bringing down Bolojan demonstrated the readiness of sections of the political establishment to rely on the extreme right. The two parties have also cooperated in parliamentary maneuvers and appointments to state institutions.

Public life continues to be dominated by a deliberate campaign to stoke war hysteria and instill in the population a feeling of imminent threat from the Russian Federation. This campaign unfolds against the backdrop of NATO’s reckless intensification of the war and the increasing role that Romania is playing in the Ukrainian conflict.

In October alone, a series of drone attacks on commercial vessels in the Black Sea, including cargo ships and tankers operating near the Romanian and Bulgarian coasts, left numerous sailors dead or missing. On October 23, a drone struck and sank a cargo vessel near Romania’s Constan?a port, killing one sailor and leaving three missing. From August to October, Romanian authorities repeatedly reported drones attacking the Ukrainian Danube ports of Reni and Izmail and briefly entering Romanian airspace. Romanian and NATO fighter jets have also been deployed in response to these incursions, and several drones have been shot down.

While these incidents are denounced and amplified as Russia “testing the resolve” of Western allies, they also demonstrate the increasingly dangerous consequences of NATO’s expanding war. The Budjak region and its Danube ports have become essential logistical and commercial hubs, connecting Ukraine to Romania’s Constan?a Black Sea port. This route is used for Ukrainian grain exports and forms an important part of the broader transport infrastructure linking Ukraine, Romania and Moldova.

Romania recently acquired the Giurgiule?ti International Free Port, the Republic of Moldova’s only port accessible to seagoing vessels, through its state-owned Port of Constan?a, further consolidating this regional transport network. The Republic of Moldova itself is being increasingly drawn into the confrontation. Frequent drone incursions into Moldovan airspace have intensified the atmosphere of military tension, which the Maia Sandu government uses to strengthen its security policies amid deep political divisions, including in the country’s Russian-speaking regions.

Another source of escalating tensions was the Romanian government’s accusation that Russia was behind a September 14 fire at an industrial site near the Carfil SA defense plant in Bra?ov, a subsidiary of the state-owned Romarm defense company. On October 26, the Romanian Intelligence Service and prosecutors announced that they had identified a sabotage network allegedly coordinated from Russia. Three suspects, including two Belarusian citizens and one

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Ukrainian citizen, are under investigation. Two were detained in Germany, where they were allegedly preparing similar attacks.

Moscow has denied the accusations. Although Romanian authorities claim to possess evidence of Russian coordination, the publicly available information does not establish the full extent of the alleged involvement, and the accusations have yet to be tested in court. The incident is nevertheless being used to further intensify the confrontation with Russia.

Preparations for war are accompanied by increasing attacks on the livelihoods of the working class. The PSD-dominated government will continue the austerity program of its predecessor, even as the cost of living skyrockets for working families.

Romania is experiencing a severe fiscal crisis. According to the European Commission's May 2026 forecast, the country's budget deficit is expected to reach 6.2 percent of GDP this year, while economic growth will stagnate at just 0.1 percent. Successive governments have imposed tax increases and freezes on public-sector wages and pensions, transferring the burden of the crisis onto working people.

At a meeting with business organizations on October 26, Prime Minister Niculescu assured the financial elites that "fiscal consolidation" would not mean placing additional pressure on corporate profits, pledging to "restart the engines of the economy and help those who create jobs, rather than stifling them with taxes and bureaucracy."

The government is well aware that it is sitting on a social powder keg and that the wave of struggles now led by youth throughout Europe could spread to Romania. Teachers and healthcare workers have faced mounting attacks on their working conditions and living standards. The union bureaucracies have sought to contain opposition within the framework of negotiations and limited protests rather than organize a broader struggle against the government's austerity program.

On November 2, leaders of Romania's five major trade union confederations met with Niculescu to discuss wages, pensions and public-sector pay. The government promised further consultations, while the trade unions continued to channel workers' demands into negotiations with the very political forces responsible for the attacks.

Romania also has the highest rate of young people not in employment, education or training (NEET) in the European Union. According to an April 2026 study by the Consilium Policy Advisors Group (CPAG), 19.4 percent of young Romanians aged 15 to 29 were NEET in 2024, almost twice the EU average. Of the total youth population, approximately 14 percentage points were economically inactive, while another 5.4 percentage points were unemployed and actively seeking work.

The study also notes that many young people are drawn into informal work in sectors such as rural agriculture, seasonal construction and hospitality. The lack of employment opportunities is a major driving force behind emigration. According to survey data included in the study, 66.2 percent of young people believe that working abroad offers a better standard of living, while 27.6 percent intend to leave Romania for work or studies within the next 12 months.

Many workers are forced to work in precarious conditions, without adequate labor protection or social rights. According to estimates published by the European Labour Authority, 21.7 percent of total private-sector labor input in Romania was undeclared in 2019, almost double the EU average of 11.1 percent. The European Commission has continued to identify undeclared work as a major structural problem in the Romanian labor market.

The latest figures from the National Trade Union Bloc (BNS, Blocul Na?ional Sindical) demonstrate the extent of low wages. According to a study published on November 3, around one-third of full-time employees, approximately 1.71 million workers, earn no more than five percent above the gross minimum wage. The minimum wage currently stands at 4,325 lei per month, equivalent to approximately €825 in comparative EU figures.

According to BNS figures, 80.9 percent of Romanian employees earn a basic salary of no more than 9,700 lei gross per month, approximately €1,900, around the level of the official average gross wage. The vast majority of workers are therefore concentrated in the lower ranges of the wage distribution, while inflation and austerity continue to erode their living standards.

The levels of social misery are increasingly incompatible with democratic rights. The far-right AUR party has been systematically built up over the past years, in lockstep with the far right internationally. Its representatives have been involved in attacks on Parliament and threats against journalists. C?lin Georgescu, a prominent figure in the broader far-right movement, is on trial over allegations of involvement in an attempted coup with the help of paramilitary forces. He denies the charges.

AUR is now leading opinion polls for the next general elections, with recent surveys placing it at roughly 34 to 40 percent. Its rise is being facilitated by the political crisis of the established parties and the absence of an independent political leadership of the working class. The pseudo-left groups play a particularly destructive role by covering for the union bureaucracies and their connections to the political establishment, while systematically downplaying the danger posed by the far right.

The only way forward in the fight against war and the danger of fascism is a struggle for the political independence of the working class. Workers must break from the bureaucracy, unite internationally under the International Workers Alliance of Rank-and-File Committees (IWA-RFC) and develop their own independent socialist political leadership: a Romanian section of the International Committee of the Fourth International (ICFI).



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