ROMANIA: The European Debate and Politics at a Time of Economic Crisis

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Romania in the EU elections: The training ground for internal political conflicts

- Two major parties are competing for the first place in the EU election, for the 33 Romanian seats. The Socialists and the Conservative-Populars came out neck to neck in the December 2008 parliamentary elections and created a big coalition in the government. The current executive enjoys a huge majority in the Parliament but it is marked by endless disputes between the two parties. The government has to face the economic crisis and contracted an emergency loan from IMF with strict conditionalities about budget deficit and public sector reforms.

- The third party, the Liberal one, affiliated to ALDE, has a new leadership which considers the EU elections to be a vital test for its effectiveness. The leaders of two minor xenophobic parties joined forces for June elections and most probably will be able the jump over the electoral threshold, Romania thus contributing to the EU wide collection of bizarre figures in the European Parliament. Another interesting candidate is Elena Basescu, the youngest daughter of country’s president, who chose to run as an independent to avoid the nepotism charges. She has real chances given the informal support her father’s party is actually offering to her.

- The interest for EU elections is limited and the general feeling is that all parties use this moment as a test for the forthcoming presidential elections. Meanwhile, the government has to support pressures from the trade unions and professional association that oppose the spending cuts measures negotiated with IMF and the European Commission, Romania ending 2008 with a record 5% deficit caused by the electoral spending engaged by the former government.

Old enemies governing together

The 2009 European elections have been squeezed in Romania between two internal electoral campaigns, the parliamentary elections in December 2008 and the presidential ones in the fall 2009. Thus, the June elections are generally seen as a test for the parties that formed the new government and a training for the presidential candidates. The country’s recent political life is marked by the economic crises and some spectacular changes in the traditional political alliances. The current President Basescu came to power in 2004 with fierce anti-corruption message, primarily targeted to the Social Democrat Party (PSD). He appointed his then political ally, the leader of the Liberal Party (PNL), as prime minister. In 2004 – 2006, the political conflict between the president and the prime minister turned out to be unmanageable and Basescu’s Democrat Liberal Party (PDL) was ejected from the government in 2007, immediately after the country’s accession in the European Union. The Liberal Party turned against the President and supported the Social-Democrats’ initiative to impeach him for alleged violations of the Constitution. The Parliament voted against Basescu despite the Constitutional Court decision saying that Basescu acted within constitutional limit. The president was suspended until a referendum was organized to decide whether to accept or reject the Parliament’s decision. The popular decision turned out be favorable to Basescu with two thirds of votes, although the turn out was low. The Liberal Party continued to govern with a minority government, supported in Parliament by the old enemies from
the Social Democrat Party. The price for shadow alliance was the sharp increase of the budget deficit: without controlling the majority in the Parliament, the government had to apply populist spending laws voted by the Parliament in order to maintain the power. Romania ended 2008 with 5% budget deficit although the economic crisis was then just starting to bite from the economic growth that fuelled the public budget in the last eight years. Facing these political problems and such a deficit the country had little possibilities to apply the classic anti-crises measures – public spending – and was poorly prepared to face the economic downturn.

The parliamentary elections in December 2008 brought no signs of clarification. The Liberal Party came on the third place with 18%, with Basescu`s PDL coming neck-to-neck with the Social-Democrats - 34%. Given the traditional hostility between Basescu and the Social Democrat Party, the Liberals thought they were the real king makers and insisted to maintain the prime minister position. The condition was unacceptable both for PDL and PSD. With the negotiations stalled, the two enemies produced the biggest surprise and announced the creation of their big coalition: the formal president of PDL, Emil Boc was named prime-minister and the government chairs were evenly divided with PSD. The Hungarian Party (which participated in government with various Romanian parties for the last 12 years) was the collateral victim of the arrangement and went into opposition. A good part of Basescu`s electorate was outraged by the alliance with the left wing party but the President argued the economic crises requested a strong and stable government to managed it.

The government led by Emil Boc proved to be stable enough until May and took some bold decisions to reform public administration and reduce public spending. Its activity, however, is harmed by the constant political harassment within the executive, the two partners making little effort to hide the mutual discontent. The situation is worsening as presidential election is a few months away. President Basescu and the PSD leader Mircea Geoana are the big favorites. Geoana constantly attacks the incumbent with press releases and the Romanian politics seems to function on two different tiers: the political one with party chiefs caught in a fierce battle and the executive one where Boc governs with PSD ministers.

The beauty and the parties

Seven parties and two independent candidates will run in June for the 33 seats Romania has in the EU legislative. After 2007 accession Romanian held elections on November 2007, with the first MEPs holding the seat for less than two years.

The European elections are widely interpreted as a real life test for the parties` popularity before the presidential elections. The Liberals` new leader Crin Antonescu has his own presidential ambitions and desperately tries to maintain his party in the first league. Thus the Liberal Party invested massively in the electoral campaign promoting Antonescu`s image although he is not a candidate for the European Parliament. PSD promotes both its presidential candidate Mircea Geoană and Adrian Severin, current MEP and a leading figure in Romania concerning EU issues. PDL attracted some popular independents especially for these elections, the most prominent being Monica Macovei, former Justice minister and a widely appreciated anti-corruption activist.

As for minor parties, the only one with real chances to jump over the 5% electoral threshold is the extremist nationalist Greater Romanian Party (PRM). The party lead by Corneliu Vadim Tudor failed to enter the national Parliament in December, first time outside the legislative since 1992. Tudor made a spectacular move by inviting another extremist leader, George Becali to occupy the second place on the EU electoral ticket in June. Becali is one of the wealthiest Romanians, a highly controversial figure with extreme xenophobic views and the owner of Steaua Bucuresti soccer club. Becali was arrested in February following a minor incident linked to a car theft. While still in jail, Tudor offered him to end their long enmity and to join his list. This a strange proposal since the two men had episodes of extreme public fights in which they used to call each other “monkey”, “thief”, “crazy” to quote just some of the soft adjectives used. Becali had his own party, PNG, but after failing to enter the Parliament in December he stopped financing it and the party is currently dormant. In 2007 EU elections, both extremist parties won around 4%, below the threshold. With the two leaders united there are serious chances for this coalition to enter the European Parliament, where they may grab the attention in a spectacular although embarrassing manner.

Another interesting candidate is Elena Basescu, President’s younger daughter, a former fashion model at the beginning of the political career. She was a member of the PDL and announced her intention to run on the party ticket. But the media was very critical, accusing the President of nepotism. Elena Basescu resigned from the party and announced her intention to run as an independent. Her independence is still doubtful since party’s staff helped her to collect 280.000
signatures. She has an expensive public presence in the campaign, well above the possibilities of an independent young politician and the party’s support is obvious. She is credited in the opinion polls with real chances to win a place in EP.

Unlike 2007 EU elections, the Hungarian minority is represented by a singular list. In 2007, the popular leader Laszlo Tokes decided to run as independent as a protest against the formal leadership of the Hungarian Party (UDMR). Due to the mobilization of the Hungarian minority in Transylvania and the low national wide turnout, both Tokes and UDMR managed to enter EP. Meanwhile, Tokes’ supporters and UDMR reached an agreement and a single list called Hungarian Solidarity will be present in June 2009 election. Tokes is the first name on the common ticket. The Solidarity will certainly obtain at least three seats in EP.

Romania’s priorities within the EP

One month before the elections, the think-tank Romanian Center for European Policies (CRPE) surveyed the candidates about their priorities as future MEPs. The top priorities as they resulted from this survey are:

- removing barriers for the Romanian workers on the common market as well as discriminatory measures against Romanians living in old Member States (especially Italy)
- supporting better absorption of European funds
- environment protection and eco-policies
- removing justice monitoring mechanism established before country’s accession
- promoting European Union’s Eastern neighborhood (especially Republic of Moldova)

There are several party specific issues assumed in the official documents but they are poorly promoted in the electoral campaign, as parties prefer to focus on internal debates.

Nevertheless, beside the general issues mentioned above, the Liberal Party (affiliated to ALDE) seems to be more interested in:

- EU-wide support for the Romanian agriculture (European funds)
- Civil rights support such as the right for a private life, civil freedoms
- Attacks at the current data retention directive and measures against terrorism
- Creating a European justice space; European legislation in criminal and procedural criminal matters.

Social Democrat Party (affiliated to PSE) pays more attention to:

- EU wide minimum wage and a minimum European pension
- Creating a European Health System with mandatory minimal standards and a mechanism of intervention in case of natural disasters
- Creating a European Pension Fund for agriculture workers
- Better regulated rights for temporary workers

Liberal Democratic Party (affiliated to PPE) is preoccupied by:

- the reform of the justice system
- sustaining the Community preference principle for migration in EU
- strict calendar for adopting the Euro, with a better implication of European Commission and the Central European Bank in updating convergence programs for states outside the Eurozone
- EU policies for Roma minority

The Hungarian Solidarity (also affiliated to PPE) is interested in:

- protecting minorities at the EU level (White Paper on Minorities)
- regional development for Transylvania, where the minority is concentrated (developing a common infrastructure of trans-border euro-regions in the West; supporting Transylvania’s connection to the Trans-European Transport System)
- European financial support for ‘Transylvania’ highway (linking Hungary with central Romania)

Romanians seem to show limited interest in EU specific issues for June elections. The most recent Eurobarometer issued in February 2009 show Romanians place economic growth and unemployment as their preferred issues to be discussed in the campaign for the European elections. This reflects the general mood of the public in the context of economic crises and
Romanians are in line with continental trends. They declare to be more interested in the EP elections (56%) than the EU average (44%).

### Table 1. 2007 EP elections results and 2009 survey (beginning of May)

<table>
<thead>
<tr>
<th>Party + EU affiliation</th>
<th>2007 Score %</th>
<th>2009 survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSD (PSE)</td>
<td>23</td>
<td>31</td>
</tr>
<tr>
<td>PD (EPP)</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>PLD (EPP) (merged with PD in 2008, creating the current PDL)</td>
<td>7</td>
<td>31</td>
</tr>
<tr>
<td>PN L (ALDE)</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>UDMR</td>
<td>5.5</td>
<td>7.9 (Hungarian alliance)</td>
</tr>
<tr>
<td>Lazlo Tokes (independent)</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>PRM</td>
<td>4.1</td>
<td>6.2 (with Becali joining PRM’s ticket)</td>
</tr>
<tr>
<td>PNG (Becali)</td>
<td>4.8</td>
<td></td>
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An opinion poll made at the beginning of May showed PSD and PDL being virtually equal with 31%, followed by the Liberals with 18%, PRM with 6.2% and the Hungarian alliance with 7.9%. Elena Basescu also gathers 4.2%. However, the survey was contested and these figures are not entirely reliable. The electoral scores have a high symbolic value for PSD and PDL facing the autumn elections.

The appointment of the Romanian commissioner is another hot issue for the coalition, both parties already claiming the right to appoint him/her. The outcome of the elections would most probably be taken into consideration in this debate. Romania received in 2007 the multilingualism portfolio which is widely considered unimportant and below country’s potential. President Basescu publicly declared intention to secure Agriculture portfolio for the Romanian appointee. The general feeling in Bucharest is that for the time being Romania does not use the potential of influence within EU given by its size and population. A recent study by a Bucharest based think tank concluded that although it is the 7th country by size, Romania scored the 21st in decision-making power.

### Facing the crisis

Although the relations between the coalition partners are likely to remain tense towards 2009, the current government will probably remain in power at least until the presidential elections. The gloomy economic perspective leaves little room for real political change. The executive led by Emil Boc is under fierce pressure from the trade unions to relax its spending cuts policies, but for the time being the prime minister seems to be committed to the initial goals of macro stabilization and reforms. After the first four months, the budget deficit is 1.8%, although the revenues decreased with 6.6% compared with the same period in 2008. The optimistic expectation recently expressed by the Finance minister is for economic growth to restart in the last trimester of this year. But such optimism finds little support within the market and independent analysis. Romania contracted in May an emergency loan from the IMF and the European Commission. The 13 billions euro from the IMF are directed to the Central Bank in order to stabilize the financial market and the currency rate. The 5 billions from EC are mainly targeted to support public investments. The loan is conditioned by severe requirements concerning the public deficit and the reforms in public sector. However this could be good news since, without external supervision, the successive Romanian governments tended to overspend. The European Commission announced the starting of excessive deficit procedures against Romania and the country should end this year with a 3% deficit in order to avoid EU penalties. However, with the revenues declining the chances to reach this target are minimal.
EuPI Policy Brief, June 2009
The New Member States and the 2009 European Parliament elections

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