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Changing of the guard in Romania: Ciucă leaves, Ciolacu comes

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On 12 June 2023, the Romanian Prime Minister Nicolae Ciucă (PNL) resigned. Already on 15 June 2023, Marcel Ciolacu (PSD) was sworn in as the new Romanian Prime Minister with his new cabinet. The changing of the guard at the top of the government had been long agreed and could actually have proceeded smoothly, but was delayed by several weeks by massive teacher strikes and a very difficult collective bargaining process. The new government programme already gives an indication of how the governing parties are positioning themselves for the Romanian super-election year of 2024.

Why Romanian Prime Minister Nicolae Ciucă of the right-wing liberal PNL resigned on 12 June 2023 is revealed by a look back at when he took office. Just over a year and a half ago, on 5 October 2021, then Romanian Prime Minister Florin Cîțu (PNL) lost a vote of confidence in parliament and the right-wing liberal PNL-UDMR-USRPlus coalition that had ruled until then, broke

up. After weeks of political stalemate, a new coalition of the right-wing liberal EPP partner parties PNL and UDMR and the social-democrat-oriented PSD was formed on 25 November 2021 through the mediation of Romanian President Klaus Iohannis. This grand coalition was an absolute political taboo break for many right-wing liberal voters, because in its last election

campaigns the PNL in particular had always positioned itself resolutely against the PSD, which was riddled with clientelism, nepotism and corruption. Although the Romanian government finally formed under Prime Minister Nicolae Ciucă (PNL) appeared very stable and proved to be an extremely reliable European partner in difficult times in terms of foreign, security, defence and European policy, the grand coalition within Romania led to strong political frustration among the population. Many Romanians turned away into the apolitical. Others turned to the populist right-wing party AUR, which now has around 20% of the vote and still has potential for growth.

When the coalition was formed in November 2021, it was agreed between the right-wing liberal PNL, the Hungarian Association representing the Hungarian minority (UDMR) and the social-democrat-oriented PSD that the post of prime minister should change from the PNL to the PSD after half of the remaining legislative term. Also, ministers in some influential ministries were to switch from one party to the other.

Rotation with obstacles

Actually, the agreed rotation could have proceeded smoothly. The plan was for Prime Minister Nicolae Ciucă to resign on 26 May. However, a nationwide general strike of teachers for higher salaries, in parallel to the planned government casting, damaged the prestige project "Educated Romania" of Romanian President Klaus Iohannis and thus also his claim to power.

On the morning of 26 May, instead of the planned resignation of Prime Minister Nicolae Ciucă, it was announced that the government rotation would be postponed until the education dispute was resolved. Clearly, PSD leader Marcel Ciolacu did not want to burden his start as prime minister with sending teachers back to schools with a reference to the drained state budget without substantial salary increases. It would be preferable to use Nicolae Ciucă and the PNL as scapegoats once again.

However, it became much more difficult than expected: the teachers did not allow themselves to be complimented back into the schools, but remained steadfast on the streets for almost four weeks. In doing so, they could rely on solid support from the population: The very education-conscious Romanian society perceived the low teachers' salaries as an affront. "There is money for special pensions, but not for the education of our children. We won't take it anymore!" said a 43-year-old mother clapping at the side of the road in Bucharest as the protesting teachers passed by.

The strike only ended after the government presented a new wage offer on 11 June 2023, which included an immediate 25 per cent wage increase for all state education workers and a further wage increase on 1 January 2024. In addition, teachers are to receive annual bonuses of 1500 lei (about 300 EUR) and non-school staff 500 lei (about 100 EUR) until 2027, while young teachers are to earn the gross average salary from next year. The pay offer was set out in a draft decree that the coalition government, still under Prime Minister Nicolae Ciucă, passed on the morning of 12 June 2023. Nicolae Ciucă then resigned as Romanian Prime Minister to implement the rotation agreed between the coalition partners.

New government by express

On the day after Nicolae Ciucă's resignation, on 13 June 2023, Romanian President Klaus Iohannis entrusted PSD leader Marcel Ciolacu with the task of forming a government after the formal consultations with the parliamentary groups. In a speech, the President praised the achievements of the previous coalition government: the citizens had been promised political stability and the coalition had kept this promise. The Prime Minister-designate thanked his predecessor for his "honourable resignation" and announced that a Romanian government under his leadership would now focus more on "the economy and reforms". Ciolacu stressed that Romania urgently needed key reforms, which were already set out in the National Recovery and Resilience Plan (PNRR).

Nicolae Ciucă was also elected Senate President and thus the second man in the state on 13 June 2023, just one day after his resignation as Prime Minister. The Senate leadership had scheduled the relevant meeting to elect the new President of the Upper House at short notice. In the evening, Marcel Ciolacu finally presented the PSD ministerial line-up for the new coalition government. He also announced the list of priorities for his cabinet: A final solution to the issue of special pensions, a new law on uniform remuneration in the state sector, increasing domestic production, growth and decreasing inflation, and restoring purchasing power. The PNL also announced its ministerial line-up as late as 13 June 2023. It became clear: the smallest previous coalition partner, the UDMR, will no longer be part of the new government. The PSD and PNL said that unfortunately they had not been able to agree with their former coalition partner on the distribution of cabinet posts. The UDMR had by no means left the government voluntarily and without being asked, but had been "pushed down the stairs", on the other hand, said UDMR chairman Hunor Kelemen.

PSD and PNL together have a comfortable majority in parliament and accordingly do not need a third coalition partner. The UDMR has lost its usefulness, confirms sociologist and political scientist Ovidiu Voicu. "The PSD and the PNL each saw the UDMR as a guarantor with whom they could form a minority government, if one of the two parties terminated the coalition. Now that both parties have decided to stay together at least until the European elections, the UDMR is no longer useful at the same extend," Voicu explained. Another factor may have been the desire to bind the Hungarian minority loyally to Romania through participation in the government. Since the Hungarian Prime Minister Viktor Orbán has repeatedly made nationalist outbursts against Romania in recent years (partly also on Romanian soil), and the UDMR did not clearly distance itself from this, the PSD and PNL possibly also wanted to send a signal to their own Romanian nationalists by not involving the UDMR: We don't put up with everything! Both the PNL, but even more so the PSD, have lost votes to the right-wing populist AUR. The decision to not include the UDMR in the new Romanian

government may therefore also have been driven by the current high polls of the AUR.

On 14 June 2023, as part of the tight timetable of the change of government, the designated cabinet members were heard in the committees of the Romanian Parliament. On 15 June 2023, the Parliament finally gave its vote of confidence to the new Ciolacu cabinet, thus completing the change of government in Romania this time in an express procedure in only four days.

Who is Marcel Ciolacu?

So who is the new Romanian prime minister? Marcel Ciolacu, now 55, was elected as the new leader of the PSD in August 2020. He had taken office with the promise to initiate a new beginning for the PSD after a break with the party's past, which was marked by corruption and nepotism. According to the will of its new leader, the party should now focus on competence instead of nepotism. Which at first, however, no one in Romania believed.

Marcel Ciolacu was a rather low-profile local PSD party official until 2017, when he experienced a lightning rise when PSD Prime Minister Mihai Tudose appointed him deputy prime minister. Marcel Ciolacu then benefited from the conviction of influential PSD politician Liviu Dragnea and the failure of PSD Prime Minister Viorica Dăncilă and took control of the party. He subsequently distinguished himself by working well with President Klaus Iohannis and also with the PNL during the COVID-19 pandemic and the Russian invasion of Ukraine. Marcel Ciolacu had also promised in 2020, when he took over the PSD party presidency, to transform the PSD into a "modern European left party of the middle class". Even if a stringent programmatic anchoring of the PSD in modern social democratic contents is not yet discernible, and clientelism and nepotism are still widespread in the party, the PSD under the leadership of Marcel Ciolacu has at least ceased its continuous attacks on the Romanian judiciary and appears much more respectable in the media public than before, especially due to the competent appearance of its leader. Marcel Ciolacu also seems to have succeeded in

imposing strong internal party discipline. The PSD usually presents itself as politically very united.

The PSD has also acted very skillfully since its participation in the PNL-PSD-UDMR government coalition under Prime Minister Nicolae Ciucă from the end of 2021. The failure of political projects was elegantly pinned on the PNL coalition partner, who, with the prime minister, was visibly responsible for the government's performance. This will become much more difficult in future. Now the PSD must deliver and show whether it can implement the announced government programme with a focus on the economy, growth and reforms.

What to be expect from the new Romanian government?

Marcel Ciolacu promises in his government programme that Romanians will no longer be the "modern slaves" of Europe with the lowest income in the EU. He promises salary and pension increases, especially for the vulnerable groups, and the introduction of the European minimum wage. The social safety net is to be restored. The new government wants to solve the vexed problem of Romania's special pensions once and for all, and a new law on standard wages for state employees is also to be passed.

The government programme also focuses on "economic patriotism". By this term is meant that economic development and a balancing of the trade deficit are to be achieved through a massive strengthening of domestic production. Overall, Romania is to be re-industrialised. Inflation is to be reduced to 6% in the next six months, thus restoring the purchasing power of the citizens. More and better paid jobs are to be created in the country. Together with an expansion of the public education and health system, this should encourage Romanians who have left the country in recent years in search of work and prospects to return.

Financing this ambitious government programme will undoubtedly be difficult. Already in the first half of 2023, the Romanian state budget has run heavily out of control. Now, high costs for teachers' salary increases have to be added. According to the government programme, the needed funds are to come from an accelerated collection of recoverable tax arrears and the reduction of tax evasion. Public-private partnerships are to support several investment targets, and development bank financing is also planned. Foreign direct investment is also hoped for. Marcel Ciolacu has written into his government programme that he aims for a balanced budget. However, as Romania faces a super election year in 2024 with elections at all levels, it can be assumed that the tendency to give expensive gifts to the voters will be greater than the urge for budgetary discipline. Fiscal tensions are to be expected accordingly.

Elements and formulations of the government programme - such as Romanians as "modern slaves" of Europe and "economic patriotism" - already clearly indicate that the PSD and PNL are beginning the confrontation with the right-wing populist party AUR in view of the Romanian super-election year 2024. The political tones from Romania are likely to become more nationalistic in the coming months. Whether this serves the cause may be observed sceptically.

The massive strike of the teachers, its broad support among the population and the generally extremely low level of trust of the citizens in the Romanian institutions can also be interpreted as an indication that the parties, parliament and government are increasingly no longer seen by the population as actors willing to take action to solve social issues for the future. If the Ciolacu government does not manage to quickly find convincing solutions for the open questions of Romanian society in this mixed situation, these questions may once again be negotiated in the streets. Thus, the super-election year 2024 in Romania may become very uncomfortable.

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