



Sven-Joachim Irmer is Resident Representative of the Konrad-Adenauer-Stiftung in Romania.

ROMANIA AFTER THE ELECTIONS

A COUNTRY SEARCHING FOR ITS PATH INTO THE FUTURE, AND ENCOUNTERING ITS PAST AS IT DOES SO

Sven-Joachim Irmer

In December, the Romanians elected a new parliament – half a year after Romania’s prime minister, Victor Ponta, caused international alarm by attempting to force the country’s president to step down. The degree of indignation felt by the Romanian population can be judged most of all by the low turnout in the elections, if not in the election result itself. Ponta’s governing PSD party was by no means punished, on the contrary: In spite of its questionable methods and inadequate efforts to achieve reforms, which are regularly commented on by the Commission of the European Union, the government was returned by the electorate with a commanding majority. To understand this voting behaviour, it is necessary to look into the past and in particular to the events of December 1989, when a revolution took place in Romania which doesn’t deserve this name.

THE PATH TO THE EVENTS OF 1989

The history of Romania is comparable to the fate of other countries which suffered under the domination of the Soviet Union following 1945, and which were forcibly recast in the Soviet image. Deportation, murder and expropriation of the old elites were the order of the day. The deposition and banishment of Romania’s King Michael I was a mere matter of form, as was the prohibition on centre-right parties and the formation of a party of unity, the Romanian Workers’ Party, out of the Social Democratic Party and the Communist Party, which had exerted little influence up to that point. In 1948, the newly founded Workers’ Party declared the People’s Republic of Romania. The nation’s leader was the

now almost forgotten Gheorghe Gheorghiu-Dej, who had been appointed General Secretary of the Communist Party on Stalin's order in 1945. Over the course of his political career, he advanced from prime minister to first secretary of the party and ultimately became the President of Romania (1961 to 1965). It was he, as a convinced communist, who built up the infamous Securitate and was one of the drivers of forced collectivisation in agriculture. During the 1950s and 1960s, he was also responsible for the torture of political prisoners, which remains notorious to this day. Gheorghiu-Dej also launched Romania on a special path in the Eastern Bloc during his time in government, thereby significantly angering the powers in Moscow. The spark for the first tension between Bucharest and Moscow was the incomplete implementation of land reform in Romania. The political leadership realised that pushing ahead with full land reform would have a detrimental effect on the supply of foodstuffs to the population, and that the resistance to the central government would weaken the new political system in the long term. In spite of Romania's special path, it was impossible for the government in Bucharest to avoid becoming a member of the Warsaw Pact.

Gheorghiu-Dej died in 1965, shortly after having been re-elected as the country's president. He was followed as president by the still notorious dictator, Nicolae Ceaușescu. Initially, however, he was the first secretary of the central committee of the Workers' Party, which he renamed immediately after his election as the Romanian

Communist Party. Ceaușescu came from a humble background and was an apprenticed cobbler. During the Gheorghiu-Dej government, he advanced from being a member of the communist youth movement to deputy minister of defence and membership of the polit bureau of the Communist Party. Like his predecessor, he attempted to liberate Romania from the "stranglehold" of Moscow and to establish the country as an independent partner for other western countries. He was helped in this by achievements during the industrialisation of the country and improvements in living conditions. To underscore Romania's unique path, he opened diplomatic relations with the Federal Republic of Germany in 1967. This brought him great popularity, especially within Romania. Over the

Like his predecessor, Ceaușescu attempted to liberate Romania from the "stranglehold" of Moscow and to establish the country as an independent partner for other western countries.

following years, he repeatedly refused Moscow's demands such as for Romanian troops to intervene in the Prague spring or for breaking off diplomatic relations with Israel as a result of the Six-Day War. This presumed critical posture towards Moscow opened doors for him in Europe and the USA. The visit by U.S. President Richard Nixon in 1969 and the award of the Grand Cross of the Order of Merit of the Federal Republic of Germany in 1971 underlined his popularity within Romania and abroad.



Until the 1970s, western states were on good terms with Ceaușescu. Here he is shown with German chancellor Willy Brandt at a state visit in 1973. | Source: © Online communism photo collection, Institute for the Investigation of Communist Crimes in Romania (IICCR), Cota 25/1973.

The dramatic change in Ceaușescu, and thus in Romania, started in the 1970s. It is assumed that during a visit to North Korea, he was inspired by the idea of a personality cult which he introduced into Romania over the following years. He appointed relatives and very close friends to important government posts – a habit which is ubiquitous in present-day Romania as well. He officially took up his position as the country's president in 1975, after the constitution had been altered in his favour. From that point on, he ordered that he would be addressed as leader – *Conducător*. The infamous Securitate secret service was also comprehensively established and sowed fear and consternation amongst the population through a network of informers, assaults on opposition members and show

trials. Even today, it remains to be conclusively clarified how many people worked for the organisation officially and unofficially. The historian Marius Oprea speaks of approximately 40,000 official and 400,000 unofficial employees.

Ceașescu's popularity evaporated in the following years as quickly as it had emerged. The pitiless industrialisation of Romania and associated decline in agriculture presented the population with an unprecedented struggle for existence. This extended so far that produced foodstuffs were used for export in order to pay off national debts. At the same time, enormous and costly prestige projects such as the Danube-Black Sea Canal and construction of the Palace of the Parliament in Bucharest were pushed through. These projects led to the population going hungry and a stagnation in wages, which indeed could no longer be paid in some cases.

Discontent amongst the population grew steadily until the straw that broke the camel's back came in December 1989 when it was reported that an opposition priest from Hungary had been abducted by the Securitate, an act which incited popular revolt. In response, the dictator deployed helicopters against the insurgents. This brutality produced a chain reaction which Ceașescu had obviously not reckoned with. On 21 and 22 December, he attempted to make a public address in Bucharest in front of a crowd of more than 100,000 people, aiming to present his visions of the future for the country, to placate the masses and to win them over to his side once again. However, the attempt failed and the mood amongst those present tipped from initial shouts of jubilation to calls for protest and storming of the party headquarters. Ceașescu and his wife failed in their attempt to flee. They were arrested and a court sentenced them to death by firing squad on 24 December. The pictures went around the world, amongst other reasons because he was the only Eastern Bloc ruler to receive this sentence. To the very last, the secret service attempted to gain control of the situation, not even shying from lengthy exchanges of fire in Bucharest's city centre. The fighting claimed several hundred fatalities; more than a thousand people are reported to have been killed during the revolution.

The backgrounds behind the so-called revolution remains to be revealed even today. More than 50,000 files on people in politics and administration remain to be opened.

Even today, there are many opinions in Romanian society as to why the regime fell so quickly. One of the most frequently stated is that the KGB was responsible for the events, and staged both the revolution and the shootings. According to this view, it was the government's objective to depose the unpopular and megalomaniac leader, replacing him with a new pro-Soviet government.

The backgrounds behind the so-called revolution have yet to be revealed even today. More than 50,000 files on people in politics and administration are in the possession of the National Council for the Study of Securitate Archives (CNSAS), the counterpart to the Commission for the Stasi Archives in Germany, and remain to be opened. The Council only received all of the two million files from the former secret service in 2007, presumably in connection with the upcoming EU accession at the time.

Coming to terms with the communist past is proceeding at a snail's pace. One reason for this is the low level of funding for the responsible authorities; another is the slow pace of justice. Even today, scarcely any progress has been made on addressing the past and embarking on the associated court proceedings. This should certainly be no surprise because, after all, there was never a true political rebirth in Romania after 1989. The first free elections in May 1990 were won by the electoral alliance of the National Salvation Front (FSN), the chairman of which, Ion Iliescu, was himself a minister under Ceaușescu. During his time in office, he frequently used the Securitate, whether to put down protests, to consolidate his power or to protect the old communist elites. In the economy too, the networks formed at the time remain the determining factors, as a result of which there have still not been any signs of serious, observable privatisation tendencies, for example.

In the 1990s, Romania's political path was significantly set by the Partidul Social Democrat (PSD). Ion Iliescu was a PSD member, just like the former Prime Minister Adrian Năstase, who is still in prison today on corruption charges. The parties in Romania have always struggled bitterly with one another for power in the country. In this process, there have been various constellations, involving Social Democrats, the National Liberal Party (PNL) and the

Democratic Liberal Party (PDL). In spite of all the political trials and tribulations, all governments and presidents have followed a pro-European and pro-democratic course. In 2004 and 2007, Romania achieved two important political milestones in the recent history of the country: NATO membership and accession to the European Union. Whereas the NATO membership was scarcely noticed by the general population, EU accession was of measurable importance for the country. The accession negotiations which started as far back as the year 2000 dragged on because even at the time Romania had difficulties in meeting the required EU standards for judicial reform, criminal prosecution, competition and combating corruption – a list of deficits which is also revealed in the latest EU report.¹

EU accession was of measurable importance for the country. The accession negotiations dragged on because even at the time Romania had difficulties in meeting the required EU standards.

POLITICAL CRISIS 2012

In 2012, Romania once again attracted the attention of decision-makers in Brussels and other European capitals. People in Romania did something they had not done for a long time – they demonstrated. Normally, Romanians are regarded as having a great capacity to endure suffering, but nevertheless the announcement by the government at the time under Prime Minister Emil Boc (PDL) of urgently required reforms to the health system, constitution and education system were regarded as simply too much of a threat. The government proved unable to explain to the population the reasons for the reforms which were also demanded by the International Monetary Fund (IMF) and the EU Commission. In the course of the reform discussions, the demonstrations escalated into violent clashes in Bucharest and other cities in the country.

The majority relationships in parliament began to shift slowly but surely from this point on. A series of parliamentarians from the previous PDL governing party changed sides in response to lucrative offers made by the PNL and PSD. On 27 April 2012, the defectors enabled Victor

1 | Cf. European Commission, "Report from the Commission to the European Parliament and the Council on progress in Romania under the co-operation and verification mechanism", Brussels, 30 Jan 2013, http://ec.europa.eu/cvm/docs/com_2013_47_en.pdf (accessed 12 Feb 2013).

Ponta (PSD) to be elected prime minister. It is not unusual in Romania for politicians to change parties on a whim. Changing sides is made all the easier because none of the parties in Romania possesses a true ideological framework. As a result, the change from the PDL to the PNL and back can take place without difficulty.

The unprecedented political turf war started with a verbal exchange of political blows between the young, social-democratic prime minister, Ponta, and the centre right-oriented president, Traian Băsescu.

What followed over the subsequent months was a political turf war like none ever experienced in Romania, let alone in other EU countries. It began with a verbal exchange of political blows between the young, social-democratic prime minister, Ponta, and the centre-right aligned president, Traian Băsescu – a dispute which is part and parcel of Romanian political life. The conflict between Ponta and Băsescu was not centred, as has frequently been described, on removing the president from office, but rather on the independence of Romanian justice and its institutions. From the start of his term in office, Ponta sought to populate the relatively independent judicial system with his cronies. Indirect access from the public prosecutor's office and constitutional court would have spared Ponta and his governing PSD/PNL coalition many ongoing trials against party members. The most prominent "victim" of the public prosecutor's office was the former prime minister, Adrian Năstase (PSD), who is also the political patron and doctoral advisor of Victor Ponta. In January 2012, Năstase was sentenced to two years' imprisonment due to illegal party financing. In a bid to escape this punishment, he staged a suicide attempt with the help of police officers, doctors and the media. Ponta used his press conferences to accuse the president and the public prosecutor's office, supposedly beholden to the president, of complicity in the suicide attempt. This further exacerbated the aggressive mood towards the president and the PDL, which was loyal to him. The political disputes culminated in the referendum on impeachment of the president being held on 29 July 2012. This failed on grounds of insufficient participation by the citizenry – not least because the PDL and the president had called for a boycott. Furthermore, the referendum was characterised by electoral fraud, which is still being investigated by the public prosecutor's office today.



Temporarily suspended with a majority of 256 votes: Romanian president Traian Băsescu, here shown during a visit to Afghanistan in 2010 remained in office after all. | Source: Daryl Knee / flickr (CC BY).

However, the events leading up to this were also an object lesson for observers in Brussels regarding the status of the rule of law in Romania. Earlier governments, too, had played “fast and loose” with the constitution, and been able to turn the weak Romanian constitution to their own ends. So-called emergency ordinances issued by the prime minister of the day were used time and time again for sidestepping awkward regulations. The same occurred in this case: On 5 July 2012, the Law on the Organisation of Referendums was changed by a corresponding emergency ordinance. The participation threshold of 50 per cent plus one vote for confirmation of the referendum was abandoned, from that point on the president could be forced to step down by a simple majority of the votes cast. On this basis, the USL moved a motion in parliament for impeachment. The president was accused of “serious unconstitutional actions”. The PNL Chairman Crin Antonescu demanded that the constitutional court submit a consultative “opinion” within 24 hours. In its opinion stated on the next day, the constitutional court failed to confirm any of the seven accusations raised by the parliamentary majority. The process continued unabated, and the president was suspended after a vote which returned a majority of 256.

FOREIGN REACTION

There were strong reactions to these events from the EU as well as from the USA. In fact, they were so severe that the “putschists”, as Ponta and his supporters were dubbed by elements of the press and civil society in Romania, had to take a step back. The justification for the severe reaction was the threat to the state under the rule of law, the danger presented to the pro-European policy of the country and the abandonment of European values in favour of a political caste.

At this time, the regular report by the European Commission on judicial reform in Romania made first mention of the risk that former reforms in Romanian justice could be rolled back. The clarity with which key European politicians such as José Manuel Barroso, Angela Merkel and Martin Schulz, as well as the American ambassador in Romania, Mark Gittenstein, spoke out in favour of the state under the rule of law was something that Ponta had not predicted. At the same time, however, this was received very positively amongst the population. In the international arena, the steps taken by Ponta’s government were only welcomed on Russian radio.

Ponta suffered his next setback in the run-up to the referendum when he was obliged to reintroduce the quorum requirement under pressure from the European Commission. He also had to adopt a position on eleven requirements from the EU for upholding the state under the rule of law. In advance of the referendum, Ponta and the organisers of the referendum fought tooth and nail to achieve the highest possible levels of voter participation and defamation of the president. Mobile polling stations were set up in the holiday resorts on the Black Sea. Vacationers were able to vote directly on the beach or in restaurants. The prime minister invited the press to view the recently renovated official villa of the president and to take this opportunity to find out about the horrendous costs of the renovation. At the end of the tour, he gave an interview in the reception hall, during which he repeatedly emphasised the level of luxury in which he regarded the president as living, whilst pensioners and public servants were having to cope with harsh cuts in their income levels.

Nevertheless, only 46 per cent of the electorate took part in the referendum on impeaching the president, as a result of which it was declared invalid. The president's supporters boycotted the referendum in order to prevent the necessary quorum from being reached.

The president's supporters boycotted the referendum in order to prevent the necessary quorum from being reached. However, about 7.5 million voters did vote in favour of the impeachment, and about 800,000 against.

However, about 7.5 million voters did vote in favour of the impeachment, and about 800,000 against. The USL government coalition invoked this result in its efforts to have the referendum declared valid. Ministers from Ponta's cabinet subsequently attempted to manipulate the number of people eligible to vote, or to initiate an improvised census of the population.

The extent to which the feeling of insecurity within the judicial system had spread within a short time can be seen in the procedures followed by the constitutional court. Despite the situation after the referendum being beyond dispute, the constitutional court was unable to finally settle on a clear verdict (which requires at least six of the nine judges' votes), and initially postponed its decision until mid-September. Surprisingly, however, the court then reached a decision on 21 August according to which president Traian Băsescu would remain in office. To date, it is unclear why the judges went against their previous announcement and were indeed able to reach a rapid judgement.

During the time between the referendum and the court's verdict, public debate was influenced by discussions regarding electoral lists, voting eligibilities and electoral fraud. At present, the public prosecutor's office is investigating the districts which reported an above-average voter turnout. 500 criminal proceedings are still under way to prosecute various kinds of electoral fraud.

The impeachment attempt against Băsescu was the result of a strategy pursued by his political opponent for a very long time. Even before Ponta took power, Dan Voiculescu, the eminence grise of the USL, spoke about a 60-day plan to remove Băsescu from office. Also, both of the parties in government made it clear that cohabitation would be impossible. The so-called 60-day plan was immediately implemented by the USL with full force after the prime minister took office.

THE ELECTIONS IN DECEMBER 2012 – PONTA ACHIEVES A THREE QUARTERS MAJORITY IN PARLIAMENT

Immediately following the referendum, it became clear that the centre-right parties around the president and the PDL would be campaigning in the parliamentary elections from a position of weakness. The result of the election confirmed these fears. The electoral alliance of Victor Ponta, the USL, achieved a clear three-quarters majority in both chambers of parliament. It received 69.3 per cent of the votes in the chamber of deputies, representing 273 seats. The recently formed centre-right electoral alliance, the Alianța România Dreaptă (Right Romanian Alliance, ARD) formed by the PDL, Forta Civica, PNTCD and Noua Republica, achieved a meagre 14.2 per cent (56 seats). Polls had forecast 30 per cent of the vote. The PPDD party led by the populist Dan Diaconescu, achieved an impressive 11.9 per cent (47 seats). This was the first time that this owner of a TV channel had taken part in the parliamentary elections. The Democratic Union of Hungarians in Romania (UDMR) achieved 5.4 per cent (18 seats). National minorities received 18 seats. In total, there are 412 deputies in the chamber, a number unparalleled since 1990. The situation in the senate is similar: USL 69.3 per cent, corresponding to 122 out of 176 seats. Here too, the ARD only achieved a 13.6 per cent (24 seats), the PPDD 11.9 per cent (21 seats) and the UDMR 5.1 per cent (nine seats).

Political struggles regarding influence on the public prosecutor's office and the constitutional court have further sapped public confidence that Romania is involved in a promising transformation process.

The most shocking result of the election was the voter turnout, at 41.76 per cent. It is in particular the age group between 18 and 35 that places no trust in either parties or politicians, and largely refused to take part in the elections. This is scarcely surprising given the political disputes. The young generation regards all parties as lacking content and accuses them of cronyism. Political struggles regarding influence on the public prosecutor's office and the constitutional court have further sapped public confidence that Romania is involved in a promising transformation process towards becoming a state under the rule of law and a democracy, factors which are last but not least of decisive significance for ongoing European integration. A climate of frustration prevails in society, because none of the important reform projects in the political arenas of

education, finance, municipalisation, health, constitution or privatisation have been tackled.

The population is responding with increasing alienation from politics. Furthermore, the situation is exacerbated because there is currently no functioning opposition. The ARD alliance has officially broken up, i.e. each party is fighting for itself. The former PDL governing party is searching for a role for itself in opposition, and experiencing significant difficulty in making a substantive fresh start. This is hardly surprising, because politics is only really lucrative in Romania if there is something to be shared out, and the PDL cannot offer this at present. Comprehensive provision for party friends and the resulting cost-intensive encephalisation of the government apparatus at the same time as the state's coffers are empty further undermine the population's confidence in political decision-makers. The new government has 26 ministers, the old one only numbered 18. The prime minister justifies the increased number around the cabinet table as being due to orientation towards the EU Commission which even has 27 commissioners. In addition to the new ministers, additional jobs have been created for secretaries of state. Many of the new ministers do not have a fixed portfolio, and will probably not receive one either.

USL IS BENEFITING FROM PDL WEAKNESS

The strengthening of the USL in the parliamentary elections is chiefly due to the weakness of the centre-right parties and, in particular, to the weakness of the PDL. The PDL was formed in 2007 by the merger of the Liberal Democratic Party under Theodor Stolojan and the Democratic Party under Emil Boc, who later became prime minister. Ever since the party was founded, it has been closely linked to the country's president, Traian Băsescu. He himself was a member of the Democratic Party. The Liberal Democratic Party only emerged in December 2006 as a splinter from the ruling National Liberal Party of former prime minister, Călin Popescu Tăriceanu.

Under Boc's leadership, the PDL was regarded even shortly after its foundation as the hope for change and a shift in political culture in Romania. It was Boc himself who

contributed to this, since he was regarded by the population as a “clean” politician and enjoyed a good reputation as a scientist. Boc was a lateral entrant into politics when he embarked on his political career at the end of the 1990s. He then made a name for himself as the mayor of Cluj-Napoca (2004-2009) and, from 2005 onwards, as chairman of the Democratic Party (PD). In this function, he steered through the party’s exit from the Socialist International and, in 2006, joined with President Bănescu to push ahead with joining the European People’s Party. By taking this step, the intention was finally to establish the party as a centre-right force in Romania, at the same time as gaining popularity with new, positive values. This new image subsequently helped the PDL to score a narrow electoral

victory in 2008 and enter a governing coalition with the PSD. The coalition only held for a short time, and broke up ahead of the presidential elections in 2009. The reason for this was Boc’s dismissal of the interior minister, who was a PSD member, and his replacement

by a PDL politician. For many observers, the timing chosen for the new appointment was not surprising, because after all the interior minister is also responsible for preparing the presidential elections. For the PSD, this represented a favourable opportunity to leave the coalition which it did not like in any case and to accuse the PDL of supporting the president in planned electoral manipulation. The narrow victory achieved by Bănescu in a run-off vote appeared to support the PSD’s claims, as a result of which the formerly comparatively good image enjoyed by Boc and the PDL was significantly besmirched. On top of all this, the global economic and financial crisis struck Romania completely unprepared. Whereas Boc’s government had promised massive increases in wages for civil servants and higher pensions during the election campaign in 2008, the country then had to embark on negotiations with the IMF regarding obtaining special loans in order to secure payment of civil servants’ salaries and pensions. The IMF made its loan conditional on strict economy measures including redundancies in nationalised companies, reductions in civil servants’ salaries and pensions, as well as a reduction in the level of government involvement in the Romanian economy. Later, this was followed by an increase in value-added tax and cuts in emergency services. The popularity of the PDL,

The narrow victory achieved by Bănescu in a run-off vote appeared to support the PSD’s claims, as a result of which the formerly comparatively good image enjoyed by Boc and the PDL was significantly besmirched.

which only remained managerially in office in a minority government between October and December 2009, sank with each further belt cinching. It only became possible to reappoint Boc as prime minister following the re-election of Băsescu as president. He formed a new government with the UDMR (Uniunea Democrată Maghiară din România), the party of the Hungarian minority, in a coalition which held until its final collapse in April 2012.

Today, despite its successes and progress achieved in integrating the country within the EU, the PDL is regarded to an unparalleled extent in Romania as responsible for the deterioration in civil servants' and pensioners' standard of living. Boc's unbridled hunger for power is also regarded as a negative feature of the party, since he was only able to secure his hold on power by means of the country's president who has close links to the PDL. This makes it clear that the election result of almost 34 per cent during the parliamentary elections in 2008 did not come about through any fundamental strengthening in the centre-right forces, but rather was due to protest votes and voters shifting allegiances. The PDL has not fulfilled the hopes of young voters in particular who are looking for a new political culture without cronyism. Instead, it is now perceived by many as a party like any other, however associated with particularly painful savings measures.

The PDL is now perceived by many people as a party like any other, however associated with particularly painful savings measures.

Another reason for the surprising result achieved by the USL concerns the low turnout in the elections, and the associated disappearance of young voters. The USL benefited hugely from its core voters going to the polls, because these are predominantly drawn from the area of civil servants and pensioners, as are the core voters of the PSD, and thus represent those groups of the population who were hit by the PDL's savings measures. As a result, the parliamentary elections functioned as a new settling of accounts with the PDL and the president who had played a positive role in the economy measures and in Boc's government.

A LONG TO-DO LIST FOR THE GOVERNMENT

It remains to be seen how responsibly the USL will treat its three-quarters majority when it sets about reforming the constitution. This will be particularly interesting with regard to the future role and the powers of the president. Ponta would probably prefer it if the president had less influence in future, and were to undertake tasks of a more representative nature. This attitude is not opposed by the junior coalition partner, the PNL, and its chairman Crin Antonescu. Antonescu sees himself as a natural successor

to Băsescu, not least because he was already the presidential candidate of the PNL in 2009.

PSD representatives are arguing that the PSD as the largest party in the governing alliance should be entitled to appoint the president. This is where many observers already identify a potential rift within the USL.

As a result, he is currently also promoting a marked curtailment of presidential powers, as well as for the president to be elected by parliament. At the same time, however, some

PSD representatives are already arguing that the PSD as the largest party in the governing alliance should be entitled to appoint the president. This is where many observers already identify a potential rift within the USL, and one which could lead to further changes in the current year or a splintering of the alliance by early 2014 at the latest.

It is not by chance that the USL's government programme is very elaborate, after all, almost all the government's resources have been concentrated on the struggle for political power since mid-2012, leaving urgent reform projects by the wayside. Now, the objective is to undertake an administrative reform alongside the constitutional reform. It remains to be seen how this will look in detail and how it will be financed. It is the declared goal of the government to improve household incomes, combat tax evasion and tax fraud as well as to pass a new health law. It is also intended for major infrastructure projects to be undertaken such as the expansion of the motorway network, completion of the Danube-Bucharest Canal and construction of high-speed rail lines. The government also intends to improve income conditions for workers and to reduce the burden on employers. The minimum income should increase to 1,200 RON (270 euros), while social security payments by employers are to be reduced by five per cent. The flat-rate income tax of currently 16 per cent is to be replaced by a graduated model with bands of eight, twelve and 16 per

cent. Ponta also announced that the VAT rate which had been increased to 24 per cent by Boc's government (PDL) will be reduced to 19 per cent. This package of measures could be implemented step-by-step by 2016.

It is undisputed that Romania will need funds in order to put these electoral promises and reform projects into effect. Therefore, the government wishes to push ahead on continuing agreements with international partners such as the IMF, the EU and the World Bank. This will not happen voluntarily, but only under pressure from outside. The representatives of the IMF, the World Bank and the EU Commission attested to the performance of the Ponta government during meetings held in Bucharest in November 2012, stating that it had not done its "homework" adequately. In particular, IMF chief negotiator Erik de Vrijer made it clear that no specific commitments regarding the urgently required loans or an emergency loan would be given to the Romanian government as long as there were no successes apparent in structural reforms, privatisation and budget consolidation.

Economically speaking, Romania has its back to the wall. It is short of 5.1 billion euros which the country is obliged to repay to the IMF for an emergency loan received in 2010. The economic figures are not rosy either. Economic growth sagged from 0.7 per cent in the second quarter of 2012 to 0.2 per cent in the third quarter. As if that was not enough, the EU also responded to the government's inaction by carrying out its threat to put EU structural funds for the country on ice. Furthermore, at the end of September 2012, it was announced that foreign direct investments only amounted to 1.1 billion euros. It is hardly likely that these problems can be resolved without fundamental reforms, which will be painful for many people in Romania. Of course, it will also be necessary for the government to make an attempt at absorbing EU subsidies from Brussels that have scarcely been used so far. It remains to hope that they will reach those areas where they are needed.

At the end of September 2012, foreign direct investments only amounted to 1.1 billion euros. It is unlikely that Romania's economic problems can be resolved without fundamental reforms.

STARTING POSITION IN 2013

The attempt to make a forecast for the following months is difficult, and by no means hopeful, given the starting position as described. It is hardly likely that the political situation will calm down or that a political structure will spread in such a way as to permit discussion of content-driven solutions to problems. All the players are already too focused on the EU elections and presidential elections in 2014 for this to be the case. More than the EU elections, the battle for the presidential office will set the tone of political disputes. Following the events in summer, it is hardly imaginable that these will pass off peaceably. However, it should be noticed as a positive point that Băsescu and Ponta have signed a "peace treaty". In doing so, both figures have taken a new political step in Romania.

The timing of the signing was also remarkable, coming as it did immediately before the reappointment of Ponta as prime minister. In the signed document, both sides undertake to deal with one another in a civilised manner, and to refrain from personal and political attacks. It is quite

Head-on attacks on the president are taboo for the moment. With his USL, Ponta currently has a free run to bring about a constitution that is tailor-made for him.

likely that this act is not to the liking of many in the USL, because it means that head-on attacks on the president are taboo for the moment – assuming the agreement is taken seriously. With his USL, Ponta currently has a free run to reshape the country according to his own ideas and to bring about a constitution that is tailor-made for him. The weak and quiescent opposition in parliament will help him indirectly in this. Furthermore, civil society is ossified, rejects the political class and is, in part, resigned. The weakness of the system is Ponta's opportunity to establish himself as the strong man in Romania. It is improbable that he will make the same mistakes as last summer. He has learnt a lot, and in particular that it is better to act quietly so that he only comes to the attention of the EU through the presentation of progress reports. This is the way his predecessors behaved, and thus succeeded in bringing Romania into the EU despite its inadequacies.

What remains is the realisation that the last democratic enclave in Romania is currently the public prosecutor's office and a fragile constitutional court. During the short time that Ponta and his USL have been in office, it has been

demonstrated that there is no functioning mechanism in the country to protect democracy and the state under the rule of law according to European standards. In this way, we have an answer to the ever-recurring question as to whether Romania meets the criteria of a European state under the rule of law today. There is one question which has not been asked enough, and is only rarely raised: What would have happened if Romania had not joined the EU in 2007? No matter how painful and unpleasant the aforementioned observations have been, it is clear today that the EU has done well as a guardian of the basic principles of democracy and the state under the rule of law. The report by the EU Commission published at the start of the year concerning progress in Romania as part of the verification mechanism² once again describes a lengthy series of jobs that have not been done.