

The Social Liberal Union led by outgoing Prime Minister Victor Ponta running favourite in the parliamentary elections on 9th December in Romania

Romanians are being called to ballot on 9th December next to renew the two chambers of parliament. These parliamentary elections herald a new chapter in the battle between President of the Republic, Traian Basescu (Democratic Liberal Party, PD-L and Prime Minister Victor Ponta (Social Democratic Party, PSD).

78,454 polling stations will be open throughout the country and 295 abroad, where many Romanians live (55 stations in Italy, 42 in Spain, and 24 in the USA).

The campaign started on 9th November and will end on 8th December next. At the beginning of December the government restricted the value of gifts being offered to voters by candidates during their campaign to 10 lei (2€) in order to prevent vote purchasing. The distribution of drinks or cigarettes will also be banned on 9th December next.

A never ending political and economic crisis

Governed since 7th May by an alliance - which on first site seems paradoxical (left/right) - between the Social Democratic Party (PSD) led by Victor Ponta and the National Liberal Party (PNL) led by Crin Antonescu Romania is in the midst of a political and economy crisis. These two parties joined forces on 5th February 2011 to form the Social Liberal Union (USL) with the aim of bringing down the President of the Republic Traian Basescu, who was the country's most popular politician for a very long time, but whose popularity has collapsed since he introduced economic austerity measures, and notably since he tried to force through a

reform of the healthcare system, which signalled the entry of the private sector into the healthcare system. The bid to impeach the head of State failed however: the referendum organised by the government on 29th July last was invalidated because of low turnout (the Romanian electoral law requires the vote of least half of those registered in order for a popular consultation to be deemed valid). Only 46.13% of the Romanians turned out to vote on 29th July. Some days before the vote the government tried to do away with the minimum turnout rule that has been part of the electoral law since 2010, before being warned off by the European Commission and several Western governments.

Reminder of the constitutional referendum results on 29th July 2012 in Romania

Turnout: 46.13%

Question submitted to referendum	% of "yes" votes won (the number of votes is in brackets)	% of "no" votes won (the number of votes is in brackets)
Do you support the impeachment of President of the Republic Traian Basescu?	87,55 (7 264 819)	11,12 (923147)

Source: Central Electoral Commission
<http://www.becreferendum2012.ro/DOCUMENTE%20BEC/Rezultate/Rezultate%20finale.pdf>

After this referendum the supporters of Victor Ponta's government challenged the validity of the electoral lists and a dispute irrupted over the number of Romanian voters living abroad. After verification the Interior Minister revealed that the names of 34,654 people (ie 0.18% of all of those registered on the lists) were to be deleted from the electoral rolls. We should note that even after this correction the turnout rate in the referendum on 29th July was still below 47%.

On 21st August the Constitutional Court confirmed the invalidity of the popular consultation regarding the impeachment of the President of the Republic. "*The Court's decision is illegal, political and against democratic rules,*" declared Prime Minister Victor Ponta, who promised to introduce a constitutional reform "*so that Romania would no longer be at the mercy of one person*". Interim President of the Republic, Crin Antonescu, also stressed that the decision taken by the Constitutional Court "*ignored the vote of 8.5 million Romanians and the laws that the Court could itself call on.*" "*There has been an abuse of power by the majority which itself was not formed as a result of an election,*" declared the President of the Republic as he returned to office on 28th August last.

The referendum on 29th July did not put an end to the Romanian political crisis, which in fact only worsened. The tension between Traian Basescu and Victor Ponta is still running high and is poisoning the national political arena.

Victor Ponta became Prime Minister on 7th May last after the collapse of Mihai Razvan Ungureanu's government a few days earlier (27th April). The latter, head of the secret service (SIE) and former Foreign Minister (2004-2007), took over from Emil Boc (Democratic Liberal Party, PD-L) at the beginning of February in the wake of a motion of censure launched by the opposition. The introduction by the head of government of a drastic policy to reduce public spending (reduction of 25% in civil servants' pay, a 15% reduction in retirement pensions, a rise in the VAT rate from 19% to 24% and the suppression of around 200,000 public service jobs) demanded by the International Monetary Fund, and the EU in exchange for a loan of 20 billion € made to Bucharest in May 2009 brought many Romanians out into the street last January. In March 2011 Roma-

nia signed a new agreement for a 5 billion € loan with these institutions (which will only be used in an emergency).

Against the privatisations decided upon by his predecessor, the Social Democratic Prime Minister did however promise in April 2012 to continue the reforms demanded by the IMF and the EU whilst "*correcting social injustice*".

After the 2000's that were marked by good economic health (linked to the country's entry into the EU), Romania has been severely affected by the international crisis. The GDP contracted by 7.1%, household consumption and investments collapsed, 133,000 businesses went bankrupt (between 2009 and 2011), many owners and business heads were ruined and the national budgetary deficit rose to 10% of the GDP. In a report on Romania published on 24th October last the IMF declared that privatisation was occurring slowly and that the absorption of the European funds was inadequate. On 25th October last the European Commission also made the official announcement that it was partly suspending 32 billion € in structural funds granted to Bucharest since 2007. "*The measures taken are part of a regular procedure that aims to protect the EU's budgetary interests and the way tax payers' money is being spent*", indicated the institution's press release which has warned on several occasions against the infringements and the fraud that has occurred in the implementation of the European programmes. This is a paradoxical situation that is particularly disheartening for a country that has a debt of more than 20 billion euros with the IMF and the World Bank.

As soon as the government came to office cohabitation between the President of the Republic and the Prime Minister proved difficult, if not impossible. Victor Ponta dismissed many executive civil servants and public agency managers deemed to be close to Traian Basescu -, who were replaced by an ombudsman (the only person with the authority to challenge the government's decisions), he impeached the presidents of the two chambers of parliament and reduced the Constitutional Court's prerogatives (prohibiting the latter from commenting on parliament's decisions). Many political analysts and NGO's protested against the government's brutal methods.

Mid September the President of the European Commission José Manuel Barroso again warned the entire Romanian political class. *"All of the political forces in Romania, whether they are in government or the opposition, must act responsibly and with reserve, and concentrate on the urgent need to re-establish institutional and political stability in Romania,"* he warned, exhorting the government to appoint a General Prosecutor and Chief Prosecutor to manage the national anti-corruption organisation *"in a fair, transparent way"*. He asked Bucharest to continue on the path of structural reform; notably regarding the healthcare system, and the privatisation of the state owned businesses. Although the events of 2012 bear witness to an undeniable worsening in the quality of Romanian democracy the political crisis is not a new phenomenon. A public debate on the revision of the Constitution was launched in 2009 by the present President of the Republic and parliament started looking into the reforms that would lead to an improvement in the functioning of the political and institutional system.

The Forces Involved

The electoral battle involves two major alliances.

On the one hand there is the Liberal Social Union, rallying the parties which are in office at present: the Social Democratic Party of Prime Minister Victor Ponta (who is standing as a *"man of the left through and through"*), the National Liberal Party led by Crin Antonescu and Daniel Constantin's Conservative Party (PC), as well as Marian Sarbu's Union for the Progress of Romania (UNPR). The Social Liberal Union launched its electoral campaign and unveiled its list of candidates on 17th October in Bucharest. The coalition aims to bring down the President of the Republic Traian Basescu.

The Social Liberal Union's programme has been baptised *"A Strong Romania"*. Prime Minister Ponta would like to revise the Constitution during the first half of next year. He wants to change article 103 governing the investiture of the Prime Minister and to oblige the President of the Republic to appoint the leader of the party that has won the greatest percentage of votes in the parliamentary elections as head of government.

In 2014 the parties in power want to introduce three different rates of income tax that is set at 16% for everyone at present: 8% (on monthly revenues below 800 lei, 176.8 €), 12% (on incomes between 800 and 1600 lei, 353.7 €) and 16% (for everyone else). They are also suggesting a reduction of VAT (24% at present) down to 19% in 2016. Finally the Social Liberal Union is promising to increase the minimum salary (set at 700 lei 154.70€ at present) to 1,200 (265.4€) over four years and to reduce social contributions of 1% yearly as of 2013.

On the other end of the scale the Romanian Rightwing Alliance (Allianza Romania dreapta, ARD) rallies the main opposition forces: the Democratic Liberal Party, the National Party of Christian Democratic Farmers (NP-CDP) led by Aurelian Pavelescu, the New Republic Party (NRP) led by Mihail Neamtu, the Christian Democratic Foundation (FCD) led by Adrian Papahagi and the Civic Force Party (PFC) led by former Prime Minister Mihai Razvan Ungureanu. Launched on 29th September last the Romanian Rightwing Alliance is led by Vasile Blaga, former Minister for the Administration and the Interior 2004 to 2007 in the government led by Calin Popescu-Tariceanu (2004-2008) and until 2010, in the government led by Emil Boc (2008-2012).

"Romania needs normality, which means democracy, the rule of law and the respect of work," declared Vasile Blaga, who accuses those in office of *"being responsible for the worst political and economic crisis since 1989."* *"In five months the Social Liberal Union has led us to almost total exclusion in the international arena. We prepared Romania for Schengen, and the Social Liberal Union has taken us away from it. It is time to put the country back on track,"* he added.

The Romanian Rightwing Alliance wants to reduce income tax from 16% to 12% and increase the minimum salary from 700 to 850 lei (188 €) during its first mandate and then to 1000 lei (221 €) as of January 2015. The opposition parties are promising to reduce youth unemployment and are asking for the introduction of a new law on healthcare.

Vasile Blaga maintains that 30% of the vote would be a *"good result"* for the rightwing opposition and above all that it would be enough to win a majority. Traian Basescu is allowing a certain amount of uncertainty to reign about the person he would call upon to form the next government after the parliamentary elections on 9th December next. He likes to say that he will not appoint Victor Ponta as head of government.

"The Social Liberal Union will not be able to achieve the majority given the manoeuvres under preparation by the Democratic Liberal Party," declared Mircea Geoana (PSD), who was just beaten by Traian Basescu in the last presidential election on 22nd November and 6th December 2009. The National Liberal leader Crin Antonescu declared that a new bid to suspend Traian Basescu would be launched if the latter refused to appoint Victor Ponta as Prime Minister after the elections.

Two other parties are due to enter parliament on 9th December next. Firstly the Democratic Union of Hungarians of Romania (UDMR) a party that represents the country's Hungarian minority (around 1.5 million people, i.e. 7% of the entire Romanian population)

led by Hunor Kelemen. The latter has said that he did not think it desirable for one of the parties running to win 50% of the vote. He also regretted that the Hungarians of Romania were so divided and is placing the cultural autonomy of this population as the focus of negotiations which he might undertake with the other Romanian parties.

Dan Diaconescu, the head of the TV channel OTV and host of the programme *Oglinda TV* (Mirror TV), might also bring the People's Party (PP-DD), created in 2011, into parliament. The man, who defines himself as a centrist but who has a populist discourse, attempted to buy the company Olchim (3000 employees) that is up for privatisation. Dan Diaconescu won the call for tender for the purchase of a majority of the shares (54.8%). However he seems to have failed to prove that he could bring together the 203 million lei required. Prime Minister Victor Ponta said that Dan Diaconescu should be prosecuted for having provided false documents in the privatisation process.

The Social Liberal Union won the local elections that took place on 10th June last with 54% of the vote. It won 64% of the town councils (because of the electoral system that has been adopted and which resembles the "first past the post" method – in which the candidate who wins the greatest number of votes is elected – whether this is 80% or 30% of the vote). The Democratic Liberal Party won 15% of the vote and 16% of the town councils; the Democratic Union of the Hungarians of Romania 4.9% of the vote and 6.5% of the town councils and the People's Party led by Dan Diaconescu, 7% of the vote and 1% of the town councils.

The Romanian Political System

The Romanian Parliament is bicameral: the Chamber of Deputies (*Camera deputatilor*) has 335 MPs and the Senate (*Senatul*) 143 members. The Parliamentarians are renewed every four years in a mixed majority system in 315 single member constituencies for MPs (one MP for every 70,000 inhabitants) and 143 for the Senators. Every candidate who wins more than 50% of the vote is elected. In the constituencies where no candidate has won the absolute majority, the votes are counted nationally and the seats distributed amongst the political parties according to the votes that were won. The national minorities (Roma, Germans, Armenians; Italians, Croats, Albanians, Serbs etc.) have several seats reserved for them in the Chamber of Deputies (18 in the 2008 election).

On 22nd May the MPs approved 180 votes in support,

30 against and 26 abstentions, the adoption of a new one round voting method that is comparable to the British system (first past the post). The Social Liberal Union parties hope to win an absolute majority easily in parliament thanks to this. On 27th June, the Constitutional Court rejected this new voting method however which it deemed unconstitutional. Several NGOs and think tanks protested against the change to the electoral system just months before the parliamentary election. "*It seems unfair and undemocratic that those who do not vote for the victor in their constituency would not be represented in parliament,*" said the chairman of the Pro Democratia association, Cristian Pirvulescu.

The President of the Republic, Traian Basescu has suggested on several occasions to change the electoral system. He wants to do away with one of the two chambers in parliament saying that a single chambered parliament would be more effective and that Romania with its 22 million inhabitants has 460 MPs seats in comparison with 535 in the USA – a country with 300 million inhabitants. The Head of State stresses that the Romanian parliament could work very well with just 300 MPs.

5 political parties are represented in the present chamber of deputies at present:

- the Democratic Liberal Party (PD-L), of President of the Republic Traian Basescu, led since July 2012 by Vasile Blaga, with 106 MPs and 35 Senators;
- the Social Democratic Party (PSD) of outgoing Prime Minister Victor Ponta with 91 seats and 40 Senators;
- the National Liberal Party (PNL) a member of the government coalition led by the leader of the Senate Crin Antonescu with 56 MPs and 27 Senators;
- the Democratic Union of Hungarians of Romania (UDMR), a party representing the Hungarian minority led by Hunor Kelemen, with 22 MPs and 9 Senators;
- the National Union for the Progress of Romania (UNPR) a progressive social democratic party founded in March 2010 by members of the Social Democratic Party and the National Liberal Party. It is led by Marian Sarbu, with 18 MPs and 13 Senators.

More than 40 parliamentary seats are empty. Indeed some MPs and Senators have given up their seats without by-elections being organised.

A reminder of the Parliamentary Election Results of 30th November 2008 in Romania

Chamber of Deputies

Turnout: 39.20%

Political Parties	No. of votes won	% of votes won	No. of seats
Democratic Liberal Party (PD-L)	2 228 860	32,4	115
Social Democratic Party-Conservative Party (PSD-PC)	2 279 449	33,1	114
National Liberal Party (PNL)	1 279 063	18,6	65
Democratic Union of Hungarians of Romania (UDMR)	425 008	6,2	22
Party for a Grand Romania (PRM)	217 595	3,2	0
Party for the New Generation-Christian Democrats (PNGCD)	156 901	2,3	0
Others	271 560	3,7	18
Independents	28 355	0,4	0

Source : Central Electoral Commission
http://www.becparlamentare2008.ro/rezul/part_tara_100.pdf

Senate

Turnout: 39.20%

Political Parties	No. of votes won	% of votes won	No. of seats
Social Democratic Party-Conservative Party (PSD-PC)	2 352 968	34,16	49
Democratic Liberal Party (PD-L)	2 312 358	33,57	51
National Liberal Party (PNL)	1 291 029	18,74	28
Democratic Union of Hungarians of Romania (UDMR)	440 449	6,39	9
Party for a Grand Romania (PRM)	245 930	3,57	0
Party for the New Generation-Christian Democrats (PNGCD)	174 519	2,53	0
Others	60 734	0,8	0
Independents	10 608	0,1	0

Source : Central Electoral Commission
http://www.becparlamentare2008.ro/rezul/part_tara_100.pdf

Romania elects its President of the Republic by direct universal suffrage. The head of State in office, Traian Basescu was re-elected on 6th December 2009 with 50.33% of the vote for a second five year mandate ahead of Mircea Geoana (PSD) 49.66% of the vote. Turnout totalled 58.02%.

Will the Social Liberal Union win the absolute majority in the general elections that will take place on 9th December next? This is the real issue at stake since no one is questioning the victory forecast for the alliance led by outgoing Prime Minister Victor Ponta. If it wins fewer than 50% of the seats in parliament the election

will then be deemed a failure for it. On the other end of the political scale, reaching 30% of the number of seats would be synonymous with success for the right. The popularity of the Social Liberal Union has dropped slightly in the polls since the failure

of the referendum on the impeachment of the President on 29th July. Some tension has also appeared between the two main parties in the coalition, the Social Democratic Party and the National Liberal Party.

Prime Minister Victor Ponta wins the Romanian parliamentary elections

Results

The Social Liberal Union (USL), the mixed coalition (left-right) led by outgoing Prime Minister Victor Ponta, which rallies the Social Democratic Party (PSD), the National Liberal Party (PNL) led by Crin Antonescu, the Conservative Party (PC) led by Daniel Constantin and the Union for the Progress of Romania (UNPR) led by Marian Sarbu easily won the parliamentary elections that took place on 9th December in Romania. The coalition won 58.60% of the vote in the general election and 60% of the vote in the senatorial election. This is the highest score ever won by a political coalition since the collapse of communism in 1989. The Romanian Right Alliance (ARD), led by former Prime Minister Mihai Razvan Ungureanu and which rallies the main opposition forces – the Democratic Liberal Party (PD-L), the National Party of Christian Democratic Farmers (NP-CDP) led by Aurelian Pavelescu, the New Republic Party (NRP) led by Mihail Neamtu, the Christian Democratic Party (FCD) led by Adrian Papahagi and the Civic Strength Party (PFC) of former Prime Minister (February 2012-May 2012) Mihai Razvan Ungureanu - won 16.70% in the Chamber of Representatives and 16.95% in the Senate. The nationalist, populist People's Party (PP-DD), led by Dan Diaconescu, came third with 13.8%. The Democratic Union of the Hungarians of Romania (UDMR) led by Hunor Kelemen, just managed to rise above the 5% threshold which is vital if seats are to be held in Parliament. Turnout was low but slightly higher than that recorded in the previous parliamentary elections on 30th November 2008: 41.60%.

"It is a clear victory with an absolute majority. As I promised the Romanians during the electoral campaign I assume the responsibility of continuing to govern with the Social Liberal Union. We are going to negotiate with the Democratic Union of the Hungarians of Romania to achieve a constitutional majority (2/3 of parliament). We shall focus on the creation of jobs, and on the country's fiscal stability (...) The orientation of the government I shall lead will only be pro-European and pro-Atlantic. We are members of the EU and of NATO and our future is within the European family," declared Victor Ponta, who has on several occasions been accused of challenging European values since he took office in May last. The Prime Minister called on all of the political community to *"understand that Romania needs peace and a period of reconstruction."* *"We have to rise above the political combat, hatred and vengeance. We have an enormous advantage. As of tomorrow we can discuss the projects*

for the next four years because we have peace and stability," he stressed.

The only real issue at stake in the parliamentary elections on 9th December lay in the extent of the Social Liberal Union's victory: would the coalition win the absolute majority in parliament? (a 2/3 majority enables it to modify the Constitution).

Although the outgoing Prime Minister has won his wager it is however up to the President of the Republic Traian Basescu to appoint the future head of government. On several occasions before the election the former indicated that he would not reappoint Victor Ponta as Prime Minister. *"Pro-European and pro-Atlantic, loyal to the national interests, respectful of the Constitution and the rule of law and with a CV free of shady areas: this is the profile of the future Prime Minister,"* declared the President on 7th December, without concealing the fact that he thought Victor Ponta had none of these qualities. *"He*

has already appointed me before and he will do so after the elections," said Victor Ponta. The Social Liberal Union has already threatened the President of the Republic with another impeachment procedure if he refuses to re-appoint the outgoing Prime Minister. *"Traian Basescu would be committing a serious abuse of power. No civilised country in the world would understand an interpretation of democracy of this nature,"* wrote editorialist Dan Tapa-laga on the information site <http://www.hotnews.ro>.

Aged 40, Victor Ponta originates from Baia de Fier (south). A graduate in law from the University of Bucharest he started his career as a Prosecutor before joining the anti-corruption, penal and criminal prosecutions department at the Supreme Court of Justice. He entered the government of Adrian Nastase (PSD) in 2004 as Delegate Minister for International Financing and Community Acquis. Elected as an MP for the first time in 2004 in the constituency of Targu Jiu (south west), he was re-elected four years later. In 2010 Victor Ponta became the Chairman of the Social Democratic Party beating its outgoing leader, former Foreign Minister (2000-2004) and President of the Senate (2008-2011), Mircea Geoana

On 5th February 2011 he created the Social Liberal Union (USL) with the National Liberal Party and the Conservative Party in view of bringing down President of the Republic Traian Basescu. On 7th May he was appointed Prime Minister after the collapse of the government led by Mihai Razvan Ungureanu. Cohabitation between the Presidency and the government has proven difficult, if not impossible however. The Prime Minister has made repeated shows of constitutional strength (reductions in the powers of the Constitutional court, attacks against certain judges, the dismissal of many high ranking executives who were close to the Head of State and the replacement of the ombudsman) to achieve his goal i.e. the impeachment of Traian Ba-

sescu. The European Union, the Secretary General of the Council of Europe, Thorbjorn Jagland, the Ambassador of the USA in Romania, Mark Gitenstein and a number of NGO's criticised Victor Ponta's behaviour.

The next Romanian government will have the difficult task of reviving growth, which is due to reach only 0.7% this year, to implement further structural reforms, notably in terms of healthcare, to reduce the public sector and to boost privatisations. Erik de Vrijer, the head of the IMF mission announced mid-November that he would give his verdict of the Romanian economic policy after the formation of the new government. According to many analysts Bucharest will have to turn to the IMF again (Romania did so in 2009 and 2011) to sign an agreement that will reassure investors who are concerned about possible budgetary excesses. The country has to repay a 4 billion euro tranche of the 20 billion euro loan granted to it in 2009 by the IMF, the World Bank and the European Union. *"At base it not the Prime Minister's name which is the most important but rather that of the Finance Minister because Romania's main problem is economic and not political,"* maintains political expert Andrei Taranu.

Bucharest will also have to put to good use the 20 billion euros of European funds which have been made available to it until 2014. Paradoxically, to date, Romania, which is facing a serious socio-economic crisis, has only managed to absorb 10% of this sum.

"For the last seven months the government has not been interested in the country's management at all but in the means to impeach Traian Basescu, and in the meantime all of the economic indicators are pointing to decline," declared Cristian Preda, a professor in Political Science at the University of Bucharest.

One thing is certain: a worsening in the political crisis is the last thing that Romania, the second poorest country in the EU, needs.

You can read all of our publications on our site:
www.robert-schuman.eu

Publishing Director: Pascale JOANNIN

THE FONDATION ROBERT SCHUMAN, created in 1991 and acknowledged by State decree in 1992, is the main French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani.