



Weekly Briefing

**Romania Political briefing:
Outlook for 2018 in politics
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This year seems to be a busy one for the political class in Romania. While 2018 is a decisive year for the future of justice in Romania, it is also a period of intense preparations for celebrating 100 years since Romanian provinces united, for the next two years when European, presidential, local and parliamentary elections are scheduled and for the taking over of the presidency of the EU Council in the first part of 2019.

The beginning of the year does not make an optimistic note for the political class, as the Romanians' opinion related to the country's direction and evolution is massively negative. A research of the Romanian Institute for Evaluation and Strategy carried out at the beginning of December 2017 reveals that three-quarters of Romanians consider that things are going in the wrong direction, while 60% of those included in the interviews are not satisfied with the way they live. On the same note, only a quarter have the optimistic view of living better in the year 2018 than in the previous one. The main reason of concern for Romanians was the political crisis. Most of the participants in the research (27%) consider that the political crisis was the most worrying issue in 2017. In this way, the political events proved to be even more important than the economic ones, given that the price increases were mentioned as the second reason of concern, by 24% of the respondents. In addition, 90% of the respondents are not satisfied with the performance of the politicians. Almost half of the participants in the research consider that the Government is responsible for Romania's evolution in 2017. Therefore, 2018 starts under the auspices of a higher concern for the political crisis than for the rising prices, thus emphasizing the population scepticism on the evolution of the political field this year.

An intense year of preparations

a) The political parties' preparations for the future elections

Political parties will start this year their preparations for the elections that will take place in the following two years, for the European Parliament, the

president, the local mayors and members of the Parliament. The turmoil related to negotiations inside the parties and for forming alliances is just starting. First of all, parties must decide upon the candidates they support and after that they will have intense campaigns for their promotion.

Three of the major parties chose their president in 2017 and therefore are quite stable and have assumed a direction. The Social Democratic Party (PSD), on the contrary, is under pressure, on one hand, due to the responsibilities of the governing. On the other hand, the party should choose a leader to be proposed for the presidential elections. The actual president of PSD is accused of several criminal offenses. The European Anti-Fraud Office (OLAF) has notified the Romanian authorities to open an investigation related to a fraud with European funds in which the president of PSD is involved. Under these circumstances, the PSD strategy is hard to set up. More recently, rumours about the existence of two parts with different visions inside the party that are fighting for power begin to take shape. The restructuring of the Government seem a viable action for this year, but is raising dissatisfactions inside PSD. Another political crisis risks, therefore, to affect the economic development and to draw the attention from the real needs and projects that must be carried out.

b) Preparations for the centenary of the Great Union

2018 is a very important year for Romania, as it celebrates 100 years since the “Great Union” of the historical provinces inhabited by Romanians and the formation of the state of Romania. The process started in March 1918 when the first province has joined with the country and ended on the first December 1918, when the last province took a similar decision, thus forming “Greater Romania”, a territory that is currently occupied by two independent states, Romania and Moldova. Therefore, the event is of a great importance for Romanians. In this respect, the Centenary Department was established since 2016 under the Government's working apparatus and the prime-minister subordination. Its main

aim is to coordinate the preparation and organization of events dedicated to the 100th anniversary of the Great Union and the First World War at national level.

The Great Union centenary is considered the first national project after the EU accession, but it risks to be treated only superficially due to the fact that is taking place in the year before the presidential elections, which is traditionally characterized by political turbulences due to negotiations for forming alliances and majorities. The authorities' expectations are to develop a national anniversary project with cultural substance, not only political festivities, meant to positively impact the future of Romania. Special cultural events are already announced in major cities.

c) Preparations for taking over the presidency of the EU Council

In the first semester of 2019, Romania will take over the presidency of the EU Council. Thus, this year Romania is entering the final round of preparations for establishing the final agenda for the future of the EU. Romania will work together with other two countries, Finland and Croatia, but it will be the first who will have the presidency in this trio. The stake of the presidency is that Romania will be at the heart of the European decision-making process, given that the Council role is to negotiate and adopt the EU legislation and budgets in collaboration with the European Parliament, to conclude agreements and coordinate EU policies.

That period seem to be full of major and important events, in a quite complex European and international context; therefore the role of Romania is heavily important. First of all, Romania will have to manage the Brexit event, which will occur in the first part of 2019. Secondly, at the end of May 2019 the European Parliament elections and the election for the head of the European Commission will take place. Thirdly, in 2019 the EU budget for the period 2020-2027 will be established. Romania has a keen interest in receiving at least a similar amount of European funds as in the previous financial framework. The success resided in the capacity of establishing a well-prepared agenda and

specialists, in setting priorities and in establishing alliances with the rest of the EU member states.

In addition, Romania will have to manage several internal issues related to the hosting of European meetings, such as the accommodation and a fluid traffic in Bucharest. The presidential elections that will take place in the same year put further pressure on Romania's management capacity and its political class.

The fight for the justice laws continues in 2018

The justice chapter is still on the headline of the events that will mark the year of 2018, giving its implications in shaping the principles and the values of the Romanian society. The controversial justice laws backed by the Government party were adopted at the end of 2017 at an alert pace, right in the week before Christmas. The final decision upon the three laws (Law 303/2004, 304/2004 and 217/2004) belonged to the Senate, who adopted them in the period 19-21st December, after being assumed on the 11th and 13th December in the Chamber of Deputies.

One of the deputies in the same party also proposed several amendments to the Penal Code, right after the Christmas holiday. There is a project that would set the threshold of 200,000 euros for the abuse in the service, which would allow bribery and influence trafficking up to this amount and another one granting superimmunity to the members of the Parliament, the mayors and the president. While subsequently the initiator of the draft law announced that he was withdrawing the proposal, he said that some of his provisions could still be adopted as amendments to the Penal Code. In the event of their adoption, such measures would significantly weaken the fight against corruption.

The major threats of the mentioned laws are not just the changes on the justice management and organization, but their retroactive implications, which could lead to a total ineffectiveness of the measures adopted until now by the main institutions that fight corruption, such as the National Anticorruption

Directorate and the National Integrity Agency. Their effort in renewing the political class of Romania could be cancelled.

Therefore, the justice issues are a major deal on the 2018 schedule. First of all, a reaction of the President is expected. Following the legislative path, the President has the competences either for promulgating these laws, for making a contestation at the Romanian Constitutional Court (CCR) or for sending them again in the Parliament. The problem is that the President can send the laws back to Parliament only once. After the new proposal is returned to him, he is required to sign it, no matter the change. Still, this could be a chance for changing the laws, given that the President could enhance in this way a new debate and could count on the external pressure.

Recently, the President firmly declared that persons convicted or prosecuted should not hold important functions in the state. He also emphasized the importance of introducing the integrity principle in the Romanian Constitution. The President also has the possibility to launch a referendum for obtaining the population's view on the justice laws. The use of such an instrument was invoked last year, during the first turmoil related to the justice, but was abandoned due to the massive protests in Bucharest that have sent a clear message in this direction. At the beginning of November, the use of such a tool was again mentioned, so there is a possibility that the referendum will be used in 2018 in order to stop the changes to the justice laws.

Secondly, on the legislative basis, the CCR has the authority to make a decision. Already, the High Court of Cassation and Justice referred the CCR related to the justice laws, as several articles infringe the Constitution. A debate of the CCR on the justice laws is scheduled for January 23rd.

Thirdly, different stakeholders could favour other twists to the justice laws. The State Department of the United States and seven other embassies of the EU countries expressed their concern about the latest justice measures. The international press is more and more careful at the justice developments in Romania and draw the attention to the present situation. Some popular and

reliable international publication suggest that Romanians need the help of the Western governments in their fight against corruption, while another one considers that the increasing tensions related to democracy in Eastern Europe are more challenging for the EU than the Brexit. This signals that international institutions carefully watch the evolutions in Romania and could use their influence for countervailing potential slippages in the justice area. The measure took in the case of Poland, against which the 7th article of the EU Treaty was triggered, is a potential threat for Romania. The measure was adopted in December by the European Commission, as a result of the existence of a serious violation risk of the rule of law in Poland. This could lead to a suspension of the voting rights in the European Council.

In addition, massive protests from the civil society are already announced for January-February. A major protest is foreseen to take place in Bucharest on January, 20, with the participation of people from the whole country, which could influence the further meeting of CCR. The first protest this year in Bucharest took place on January 1st, in front of the Government. Therefore, future actions from the external partners of Romania and public pressures are expected this year.