



Weekly Briefing

Romania political briefing:

Outlook for 2023 in politics: efforts to maintain political stability on a challenging background

Oana Popovici

China-CEE Institute

Kiadó: Kína-KKE Intézet Nonprofit Kft.

Szerkesztésért felelős személy: Chen Xin

Kiadásért felelős személy: : Feng Zhongping

 1052 Budapest Petőfi Sándor utca 11.

 +36 1 5858 690

 office@china-cee.eu

 china-cee.eu

Outlook for 2023 in politics: efforts to maintain political stability on a challenging background

The political class will have to face several crisis during 2023 and, at the same time, to start the preparations in the view of the parliamentary, presidential and European parliamentary elections in 2024. A major touchstone for politics in Romania will take place at the end of May, when the change of the Prime Ministers in the governing coalition is established. The political parties will have to continue the efforts for entering the Schengen area after the failure at the end of 2022 and to continue the needed reforms and public policies for joining the Organisation for Economic Co-operation and Development (OECD). The absorption of the European Union (EU) funds remains among the priorities, in order to avoid economic recession.

The political year of 2023 is going to be difficult due to several crises that are already envisaged, on the background of a vulnerable stability of the governing alliance, which could be easily threatened. The political parties must work together for facing the economic crisis and to build a sustainable strategy for supporting population in the energy price crisis, while carefully monitoring the crisis generated by the war in Ukraine. Moreover, the preparation period for the elections in 2024 is about to begin.

Back in 2022, the political stage managed to maintain its stability through the alliance between the two most important parties, the Social Democrat Party (SDP) and the National Liberal Party (NLP), although they were previously opponents in the last parliamentary elections. The opposition, represented by the Union Save Romania (USR) party, was struggling with internal conflicts, therefore no major turbulences affected the political situation. However, things are about to change, as Romania is getting closer to the next elections in 2024. The following year is especially significant for politics as local, parliamentary, presidential and European parliamentary elections will take place, therefore all parties are interested in securing as much of the votes as possible. While intentions for building a better image in front of the citizens could be seen in the past year, it is expected that such activities will intensify this year. In addition, one of the most important agreements of the parties forming the governing coalition in November 2021 was to have a change in prime ministers. Therefore, if in the first part of the

governing period, the Prime Minister was a person nominated by NLP, starting with the end of May 2023, the first position in the Government should be yielded in favour of SDP. Several other similar rotations will take place for the Ministries of Transportation, Finance, Justice, Investments and European Projects.

In this context, the natural question is if the NLP and President Iohannis (which is also a NLP member) will accept the change or if the coalition breaks. Both situations raise further challenges. In the first case, NLP could lose some of the advantages in organising the elections next year. In the second case, NLP could be accused by the destruction of the governing coalition (and of the political stability), it would generate a political crisis, therefore affecting its image and facing the challenges coming from the harsh SDP opposition. A survey¹ among population in December 2022 showed that 52% of the respondents consider that President Klaus Iohannis and the NLP accept a SPD prime minister, while only 39% are not confident that the change of Prime Ministers takes place. The stake for the next elections is high, as the current president is no longer eligible for a new mandate and there are two decades since Romania did not have a president from SDP. On the other hand, even if SDP takes over the leadership of the Government, the party's situation would not be easier either. Analysts² consider that the major test SDP must pass is that of showing a clear transition from populism, conservatism and Euroscepticism to progressivism. Not long ago SDP was accused of intentions of manipulating justice and the rule of law, reasons for which large protests took place at the beginning of 2017 and were continued during 2018. Therefore, the party should attest that promotes and supports a new, more correct and pro-European, political class.

The survey³ collecting data related to the voting intentions shows that, in December 2022, SDP was by far the party that would be the winner in the elections, obtaining 31.5% of the votes, followed by NLP with 20.2%. Therefore, SDP enters 2023 as the favourite political party. A challenge on the political arena is the emergence of the Alliance for the Union of Romanians (AUR) party in the third position, with 18.1% of the votes. AUR is considered the most nationalist party in Romania at present, supporting values such as tradition, family and patriotism. Questions are if the party (which is quite new, being founded in September 2019)

¹ ***, *Mai mult de jumătate din români nu știu că în 2023 va fi premier de la PSD*, Hotnews, <https://www.hotnews.ro/stiri-politic-25994811-mai-mult-jumatate-din-romani-nu-stiu-2023-premier-psd.htm> (last visited 12 January 2023).

² Stan, A., 2024: *Alegeri importante în România, SUA, UE și Rusia. 223, un an de „examene” dificile pentru liderii politici*, Mediafax, <https://www.mediafax.ro/politic/2024-alegeri-importante-in-romania-sua-ue-si-rusia-2023-un-an-de-examene-dificile-pentru-liderii-politici-21451855> (last visited 10 January 2023).

³ Idem 2

will surpass NLP until elections and change the power balance. AUR acts on the background of the population's discontent with the economic problems and the raises in prices, especially for the energy bills. Romania previously had a similar situation, at the beginning of 2000s⁴, when the electoral fight for the presidential position was between SDP and another populist party. The majority's reluctance towards unpredictability, which usually characterizes such nationalistic parties, made the difference at that point and it is expected to continue in 2024.

It remains clear that political parties are becoming more important in giving the tone in the political arena, given that the President is at the end of his mandate, without the legal possibility of having another one, which means that his influence and the capacity of intervention will diminish. It is not a particular case, but the experience Romania faced in similar situations.

One of the resounding failures of the governing coalition is the fact that Romania was not accepted in the Schengen area not even in 2022, after waiting 15 years. Therefore, the coalition and the President are expected to continue the efforts for moving Romania closer to the date at which the accession will take place. Some of the Romanian politicians are optimistic that such an event would be possible this year. Both the President of the European Council and the President of the European Commission showed optimism⁵ on a favourable decision regarding the accession of Romania and Bulgaria to the Schengen area in 2023, while the President of the European Parliament showed a similar attitude in a visit to Bucharest⁶. However, others are more reluctant. A Romanian Member of the European Parliament⁷ stated that the Swedish Presidency of the EU Council have not included the topic of the Schengen Area expansion on the agenda, therefore at least for the further six months, achieving this objective is not feasible. The specific political context in Spain will exclude this topic under the Spanish Presidency too, and the elections for the European Parliament in 2024 will make other targets more important, therefore further eliminating this topic from the EU priorities. In addition, although President Iohannis manifested its confidence that Romania will be part of the Schengen area, he could

⁴ Idem 2

⁵ ***, *Speranțe pentru România și Bulgaria pentru aderarea la Schengen în 2023*, Profit.ro, <https://www.profit.ro/perspective/sperante-pentru-romania-si-bulgaria-pentru-aderarea-la-schengen-in-2023-20953200> (last visited 10 January 2023).

⁶ Spotmedia Redaction, *Roberta Metsola, la București: Nu renunțați la Europa! Nu renunțați la noi! România va adera la Schengen și o va face în curând*, Spotmedia.ro, <https://spotmedia.ro/stiri/politica/live-roberta-metsola-la-bucuresti-primire-calduroasa-la-cotroceni> (last visited 10 January 2023).

⁷ ***, *Opinie: "România nu are nicio șansă să intre în Schengen în 2023"*, Cotidianul.ro, <https://www.cotidianul.ro/opinie-romania-nu-are-nici-o-sansa-sa-intre-in-schengen-in-2023/> (last visited 10 January 2023).

not indicate a date. However, he considers that “Romania’s accession to the Schengen area remains a national objective of great importance”⁸.

Although it is also a foreign policy objective, Romania’s accession to the OECD also envisages a common effort of all the political parties to design and carry out the implementation of policies and reforms for achieving the OECD standards. Romania has to implement major steps in areas such as improving the administrative capacity, strengthening the rule of law, continuing the modernization and digitization of the tax administration, ensuring the sustainability of public finances by gradually reducing the fiscal deficit⁹. The OECD Council decided in January 2022 to open accession negotiations with Romania without establishing a deadline, which depends on the fulfilment of the conditions.

Such measures go hand in hand with the ones assumed by Romania through the National Recovery and Resilience Plan (NRRP). The reforms and projects established through NRRP remain a priority for the year that just begun. According to the Prime Minister Nicolae Ciucă¹⁰, there are projects already established and agreed upon at the coalition level which should be carried out. In addition, the following period will bring several decisions for ensuring the coherent continuation in meeting the NRRP milestones and targets. Romania counts on the EU funds to be absorbed in the next period in order to support the efforts for avoiding an economic recession. The Prime Minister is optimistic that Romania will hit a record level of 95%¹¹ in the absorption of the European funds, after absorbing 75% of the funds in 2022.

The will of the political parties in maintaining stability, despite temptations of actions that could bring them visibility in the view of 2024 elections, will matter throughout the year. One of the most important touchstone will be the change of Prime Minister in May 25th, which

⁸ Lupițu, R., *Klaus Iohannis: România va intra 100% în Schengen. Miza nu este o dată anume, miza este aderarea României la spațiul de liberă circulație*, Calea Europeana.ro, <https://www.caleaeuropeana.ro/klaus-iohannis-romania-va-intra-100-in-schengen-miza-nu-este-o-data-anume-miza-este-aderarea-romaniei-la-spatiul-de-libera-circulatie/> (last visited 10 January 2023).

⁹ Bratu, V., *România mai face un pas pe drumul lung al aderării la OCDE. ”Traseul” și detaliile*, Cursdeguvernare.ro <https://cursdeguvernare.ro/romania-mai-face-un-pas-pe-drumul-lung-al-aderarii-la-ocde-traseul-si-detaliile.html> (last visited 12 January 2023).

¹⁰ Romanian Government, *Declarații susținute de premierul Nicolae-Ionel Ciucă, la începutul ședinței de guvern din 4 ianuarie 2023*, <https://gov.ro/ro/stiri/declaratii-sustinute-de-premierul-nicolae-ionel-ciuca-la-inceputul-edintei-de-guvern-din-4-ianuarie-2023> (last visited 12 January 2023).

¹¹ Pecheanu, G., *Ciucă: În 2023 putem atinge un grad de absorbție a fondurilor europene de aproximativ 95%, procent-record pentru România*, Mediafax.ro, <https://www.mediafax.ro/politic/ciuca-in-2023-putem-atinge-un-grad-de-absorbție-a-fondurilor-europene-de-aproximativ-95-procent-record-pentru-romania-21480036> (last visited 12 January 2023).

could mean either a redesign of the political stage, either or a continuation of stability and of the needed reforms.