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A major cabinet reshuffle in Romania

Tomasz Dąborowski

A major cabinet reshuffle was carried out in Romania in the first days of September. The heads of some key ministries were replaced – namely the ministers of finance, economy, labour, transport and infrastructure, telecommunication and agriculture – who were responsible to a great extent for the implementation of the savings programme agreed with the International Monetary Fund and the European Commission.

The reorganisation of the cabinet however does not mean a revision of its economic policy. Close co-operation with international financial institutions will remain a priority, and the budget savings policy will be continued. The changes in the government were made in an attempt to improve its dramatically low approval ratings (the most unpopular ministers were dismissed). Conflict inside the Democratic Liberal Party (PD-L) – the leader of the government coalition – and the well-grounded concern that it could lead to the coalition losing its parliamentary majority also played an essential role. The likelihood of the government collapsing decreased after the reshuffle.

Causes of the climax

The centre-right government led by Emil Boc was formed in January 2010 and consists of members of the pro-presidential PD-L and the Hungarian minority party, the Democratic Union of Hungarians in Romania (UDMR). Additionally, the government is supported in parliament by the small centre-left National Union for the Progress of Romania (UNPR) and a group of independent MPs, which in total gives the coalition a slender majority of 14 MPs in parliament.

The reconstruction of the cabinet, which had been promised by President Traian Basescu on numerous occasions, was long-awaited. In the end, as many as six heads of ministries vital for the economy (all from PD-L) were dismissed. On 3 September, the president nominated PDL politicians in their place who are not well-known to the public and do not have a strong position in the party.

The government made this major reshuffle mainly to save its image. The harsh austerity programme launched by PD-L at the beginning of July (covering a 25% reduction in wages in the public sector and a VAT rate increase from 19% to 24%) resulted in unprecedentedly low public support for PD-L (according to polls, support for this party ranges from 12% to 18%). The dismissals of some of the cabinet members, including the particularly unpopular minister of finance, were carried out in order to demonstrate respect for public opinion and to help the government regain credibility.

Another reason behind the reshuffle is a conflict which has been growing inside PD-L for a long time. The two sides of this conflict are a small (albeit enjoying support from the president) group of 'reformers' represented by the minister for Regional Development Elena Undrea and the faction of 'conservatives', who predominate in the party and are led by Adriean Videanu and Radu Berceanu, the dismissed ministers of economy and transport, respectively. This dispute is barely about the programme and ideology; rather about vying for influence inside the party. The group of 'reformers' unofficially threatened they would leave PD-L unless the government underwent a thorough reorganisation, and did not rule out voting against ministers from their own party. President Basescu also insisted on a major reshuffle during the behind-the-scenes negotiations with Prime Minister Boc (such consultations are not required under the constitution; the president only designates the prime minister, whose choice of cabinet members is independent).

Conclusions

The major cabinet reshuffle, including the dismissals of the particularly unpopular ministers, may improve the government's approval ratings, but only temporarily. The government is standing firm with a consistent continuation of its policy of deep budget cuts, which are painful for society. However, the reorganisation of the cabinet will help prevent an escalation of the conflict inside PDL. The likelihood that some of its members will break party discipline and support the opposition's promised motions for a vote of no confidence is now much lower. This will enable Boc's cabinet to survive the difficult period of the implementation of the austerity programme. However, the governmental climax has revealed divides inside PDL and a conflict between the president and a group of party members. The scale of the reshuffle has confirmed President Basescu's dominant position in the government camp. However, such tensions may destabilise the Boc-led cabinet in the longer term.