

Romania's new government: crisis over, uncertainty ahead

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On 20 October, the Romanian parliament approved the government led by Luca Niculescu, a non-partisan diplomat, in a vote of confidence (see Appendix). The cabinet secured 280 votes in favour and 58 against, exceeding the required threshold of 233. It was backed primarily by the post-communist, centre-left Social Democratic Party (PSD), the centre-right National Liberal Party (PNL) and the Democratic Alliance of Hungarians in Romania (UDMR), which represents the Hungarian minority. It also received support from the parliamentary group representing national minorities and some other MPs. The centre-right Save Romania Union (USR) and the pro-Russian SOS Romania voted against the government, while the Eurosceptic, national-conservative Alliance for the Union of Romanians (AUR) boycotted the vote. The new cabinet consists of PSD politicians and non-partisan technocrats nominated by President Nicușor Dan. The PSD controls 11 of the 16 ministries and holds one of the two posts of minister-delegate (without portfolio). Neither the PNL nor the UDMR has joined the government. Instead, both parties have opted to sit in opposition and support government proposals on a case-by-case basis.

The Niculescu government lacks a stable parliamentary majority and will therefore face persistent political uncertainty. The nearly six-month political crisis, caused by the failure of the mainstream parties to agree on a new prime minister and the cabinet's composition, has strengthened the AUR's anti-establishment narrative.

Commentary

- **Niculescu's minority government will be fragile, and its survival will depend on support from the PNL and UDMR.** In return for their backing, the prime minister has agreed to meet a series of demands set out in written agreements signed with the two parties on 18 and 19 October. The main priority is to continue the fiscal consolidation programme pursued by the PNL since mid-2025, including maintaining the existing deficit reduction targets. Romania's budget deficit stood at 7.9% of GDP in 2025, with targets of 6.2% for 2026 and 5.3% for 2027. Both parties expect the planned revision of this year's budget and the 2027 budget to exclude any spending that would push the deficit above these limits. The UDMR has also demanded guarantees for the protection of minority rights. In return, both parties have pledged not to initiate or support a motion of no confidence – the PNL until 1 March 2027 and the UDMR for six months. However, the PNL has reserved the right to withdraw its support earlier if the government fails to honour the agreement. Meeting these commitments may prove difficult. The PSD has consistently criticised the pace and scale of spending cuts, presenting itself as a moderating force seeking to soften the impact of unpopular fiscal reforms. Tensions between the

government and the centre-right parties may therefore emerge as early as this quarter, during the revision of the 2026 budget.

- **The vote of confidence in Niculescu ends the longest period without a fully-fledged government in Romania's democratic history.** The caretaker cabinet led by Ilie Bolojan (PNL) had been in office for 168 days. The crisis began in late April with the collapse of the coalition comprising the PSD, PNL, UDMR and USR, leading to the dismissal of Bolojan's government on 5 May with the votes of the PSD and AUR. Three subsequent attempts to form a new government failed: Eugen Tomac withdrew his nomination before the vote of confidence, while the proposed cabinets of Adrian Veștea and Siegfried Mureșan failed to secure the necessary parliamentary support. Efforts to break the deadlock were hampered by conflicting interests among the former coalition partners. The PSD insisted on securing the post of prime minister, a demand initially strongly opposed by the PNL and USR. Both parties subsequently ruled out governing with the Social Democrats altogether. Ultimately, the PNL agreed to give conditional backing to a government including the PSD to prevent the paralysis of public institutions. The party was also likely to have been concerned that a prolonged crisis could trigger an early parliamentary election. Such a vote could benefit both the AUR, which is polling at around 35–40% – roughly twice its vote share in the 2024 parliamentary election – and the PSD, which has also recently gained in popularity.
- **The PSD and AUR have emerged as the main beneficiaries of the crisis.** The Social Democrats, who triggered the political upheaval, have improved their standing in the polls and secured control of most ministries. They will also be able to blame the liberals, who have threatened a vote of no confidence, for unpopular government decisions. For the AUR, the longest political deadlock in Romania's history, unfolding amid a deep fiscal crisis and a war on the country's doorstep, has lent credibility to its central anti-establishment narrative of irresponsible political elites. The PSD's return to power with the backing of the PNL and the president, coupled with Dan's reluctance to call an early election, has further reinforced the nationalists' argument that ideological differences among mainstream parties and politicians are merely superficial and that their overriding priority is to remain in power at any cost. Although Dan secured cabinet posts for his own nominees, the prolonged crisis and some of his decisions during it have severely damaged his standing. These included his nomination of Veștea without consulting the PNL leadership, a move that risked splitting the party, and ultimately allowing the PSD to return to power. As a result, public trust in the president has plummeted from 47% shortly after he took office in May 2025 to around 24% this summer. None of his predecessors experienced such a rapid decline in public confidence.

APPENDIX

Profile of Prime Minister Luca Niculescu

Luca-Alexandru Niculescu (born on 25 April 1971 in Bucharest) is a diplomat and former journalist with no party affiliation or previous political experience. He graduated from the Faculty of Journalism and Communication Studies at the University of Bucharest in 1995 and obtained a master's degree in European journalism from the University of Strasbourg in 1996. He spent nearly 25 years working in the media, beginning his career as a journalist

with Radio France Internationale (RFI) in 1992. In 2000, he became editor-in-chief of its Romanian service (RFI România). He also hosted programmes on television channels including TVR 1 and Digi24, specialising in foreign affairs. From 2016 to 2022, he served as Romania's ambassador to France, Monaco and Andorra. During this period, he also chaired the Group of Francophone Ambassadors in France (2019–2022). In September 2022, he was appointed secretary of state at the Ministry of Foreign Affairs, responsible for coordinating Romania's accession to the OECD. He was also named as a prospective foreign minister during the unsuccessful attempts to form governments led by Eugen Tomac and Adrian Veștea.