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# INFOPOLITIC

## Romanian Politics

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### IMPORTANT DEVELOPMENTS

1. **JUSTICE.** Victor Ponta's nomination of chief prosecutors ends the institutional deadlock in the Judiciary
2. **ECONOMY.** One year after the USL assumed the responsibilities of governing Romania, the economy shows signs of redressing
3. **SOCIETY.** The Government offers support to workers from Oltchim and Mechel plants.
4. **JUSTICE.** The Government adopts a new law concerning properties confiscated during the Communist period.
5. **POLITICS.** The Popular Movement launches its political program.



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## THE NOMINATIONS OF NEW PROSECUTORS OVERCOME THE DEADLOCK IN THE JUDICIARY

Prime Minister Victor Ponta made the first step towards overcoming the institutional deadlock in the Judiciary, by ending the interim leadership within the prosecution departments. **By nominating magistrates who are not subject to political influence and who don't have any connection with political figures**, the Prime Minister showed the Government's good faith and its resolve to improve Romania's international credibility.

**While the nominations entail numerous risks, Prime Minister Victor Ponta underlined that only institutional considerations and the desire to improve the efficiency of the Judiciary influenced his decisions.** Victor Ponta added that safeguarding the Judiciary's independence is a paramount objective for the USL government.

Following the proposals, a one year old institutional deadlock consisting of an interim leadership of the chief prosecutorial offices has ended. If the President signs the nomination decrees, the offices will have clear leaders for the next three years, leading to a period of long awaited institutional stability. **The Prime Minister has therefore insisted on celerity**, submitting the necessary documents for the appraisal of the CSM and for the subsequent presidential approval.

## ROMANIA'S ECONOMIC PERFORMANCE INCREASES AFTER 1 YEAR OF USL GOVERNMENT



While several European economies are facing increasing challenges, the performances of the Romanian economy, one year after the USL took up the responsibilities of governing, show that the country is on the verge of overcoming the effects of the international and financial crisis. **The 0.7% growth of the economy in 2012 surpasses the 0.3% level initially expected.** Romania thus becomes the only country in the region to register real economic growth in 2012, laying the premises for a positive development in 2013. It is important to note that Romania's economic growth surpasses the average growth of the Euro zone countries (an average decrease of 0.9%). **Production output was 7% higher than in February 2012** and unemployment has steadily decreased over the past year.

**The Government spokesmen also emphasized that the performance was achieved while observing Romania's commitments to its international creditors and partners** and while undertaking serious budgetary efforts to ensure the sustainability of the public expenses system. Another landmark of the economic evolution is the resumption of the payments for European funded projects such as the POSDRU and POS Environment programs. These performances were achieved while the public debt level has decreased and several discretionary spending measures of the previous government have been eliminated.

In order to support the economic development, the Government is looking for additional measures to support Romanian enterprises. VAT reduction for bread will enter into force on July 1<sup>st</sup>, **whereas employer contributions to health insurances will be lowered by 5% on January 1<sup>st</sup> 2014.** Additional measures to combat tax evasion and corruption are analyzed by the government, and a funding scheme for major irrigation projects is considered by the authorities.

**Several state-owned companies have been placed under private management,** as per Romania's agreements with its



international partners. **The privatization of the Transgaz Company on the stock market has been a marked success, with a 269% rate of over inscribing.**

**Leading Government officials emphasized the USL's resolve to uphold Romania's international commitments and the reform program, in spite of the troubling international and European circumstances.**

## **THE GOVERNMENT SUPPORTS LAID-OFF WORKERS FROM OLTCHIM AND MECHEL**

**The Government has started paying the outstanding wages of the Oltchim employees.** The average value of the wages lies around the figure of 6,300 RONs for the 3318 employees. Government officials emphasized that the state authorities are committed to observing their obligations towards the workers and will continue to act towards redressing the fortunes of the company. Official spokesmen for **the Government also emphasized the difficult task of reorganizing the company, after decades of mismanagement and corruption and the need that the workers support the Government's attempt to save the company.**

Government figures declared that the USL is looking for solutions to bring back the company to its deserved position in the European market and that in spite of the management problems that have plagued the company the prospects for redressing its fortunes are favorable.

The Government has also supported the laid-off workers of the Mechel plant. ANAF has cleared 4.8 million RON for Mechel. Government officials have made it clear that they will look to the interests of the laid-off workers and that **they will follow the actions of the management of the company to ensure that the personnel receives its**



**outstanding wages**, as well as the compensatory package the company owes its employees.

## THE GOVERNMENT ADOPTS THE LAW CONCERNING CONFISCATED PROPERTIES

**Government experts returned from Strasbourg with the final draft of the law concerning properties confiscated during the communist period.** The document has been subjected to extensive consultations with the ECHR, in order to ensure that the new legislation finally settles a matter that has caused numerous problems in Romanian society and in the Romanian justice system. **The Government assumed responsibility for the law for two reasons: to ensure the new provisions enter into force as fast as possible and to settle numerous juridical and judicial disputes.**

The issue of the confiscated property represents a problem Romania needs to tackle and all parties took part in the drafting of the new legal initiative. The previous law, drafted by former Justice Minister Monica Macovei has **led to over 2500 trials awaiting judgement with the ECHR**, trials the Romanian government stands to lose because of the inaccuracies of the provisions.

**The law is based on three principles:** full restitution, where possible; if full restitution of properties is impossible, the state will offer financial compensations over a period of 7 years. All buildings subject to restitution, but which are currently used as schools, hospitals or culture institutions will be returned, with the condition of maintaining their current use over a period of 20 years.

**Persons who purchased litigation rights will be subject to a 85% extraordinary tax**, in order to prevent real-estate speculations. The law will bring justice to the former owners



and will end unwanted speculation. Statistics show that insofar 1000 people who purchased litigations rights were awarded compensation worth 8 billion RON, whereas 26,000 owners or their inheritors only received 6.5 billion RON.

## THE POPULAR MOVEMENT LAUNCHES ITS PROGRAM

**The Popular Movement, the organization set-up by several presidential advisors launched its platform-program on its website.** The platform tries to elicit debates on several issues such as the role ethics should play in the drafting of laws, family, healthcare, equal opportunities, demographic challenges, and the development of the rural areas, education, social cohesion, foreign policy, defense and security.

The Popular Movement's latest actions – issuing the platform program and selecting Marian Preda, the Dean of the University of Bucharest's Sociology Faculty as its head **were largely ignored by the Romanian media**, who focused more on the nomination procedures in the Judiciary and on the internal dynamics of the USL.

The Movement, which insofar has been ambivalent towards the possibility of becoming a fully fledged political force, is seen mostly as an alternative to the PDL, the President's former party, with whom Traian Basescu has entered into conflict after presidential protégée Elena Udrea failed to win the internal election for the leadership of the party. The Romanian media is speculating that the Popular Movement is **an attempt to build up the political and logistic infrastructure for the prospective break-away from the PDL of Traian Basescu's most faithful adherents.** However, given the difficulty of this task and the reluctance of local-elected officials to abandon the party, the perspectives of



the alternative presidential electoral vehicle are not positive.

Moreover, according to the latest polls, **the USL conserves its electoral advantage one year after forming the Government – almost 60% of the likely voters support the parties of the USL**, whereas the PDL is unable to move beyond 15% of the popular vote.