

# POLITICS

## IS POLITICAL CHANGE POSSIBLE IN 2004?

**Major electoral frauds in 2004 are unlikely, but the electoral competition is already highly unfair and democracy limits stepped over every day through the use of public resources by the ruling party**

Romania has a twofold prospect in 2004, which in the same time represents a twofold burden: elections at all levels (presidential, legislative, municipal), and the scheduled conclusion of all negotiation chapters with the European Union before a new Commission is appointed. The two tasks can hardly be seen as complementary: elections already dominate the domestic agenda, while EU negotiations are in no way a match for them. Moreover, some of the stumbling blocks of Romania's EU accession, such as the public administration reform, reform of the judiciary or a free competition environment necessitate political change, as they are currently stalled. This annual report and forecast explores the sources for political change, as well as the obstacles, and presents a number of scenarios for the after-elections period.

**WARNING**

*This report is therefore structured in 3 parts:*

- 1. Analysis of the electoral structure and trends*
- 2. Self and outer limits to political challenge*
- 3. Scenarios for the future*

### **1. ANALYSIS OF THE ELECTORAL STRUCTURE AND TRENDS: A MODEL OF STATE DEPENDENCY**

Throughout 2003, there was little change in public opinion surveys regarding the popularity of the main political parties, with the government party enjoying a comfortable lead with 40-45% of votes. The recently-formed Truth and Justice alliance (formed by the Democratic and National Liberal Parties) enjoys about 25-29% of

preferences. In absolute figures, the government party has about the same slice of votes it had in 2000. The strong domination of postcommunists in the preference of the public throughout transition requires some in depth explanation. Romania is the only candidate country where Communism managed to operate a very deep change of the social structure. Social engineering policies successfully carried to their end in many regions included the forced urbanization and industrialization, the destruction of villages under the slogan of 'systematization' in the late eighties, the 'de-peasantisation' of peasants and the most extensive political mobilization in Communist Europe. Party membership in Romania (18% of the total population) was three times the regional average. As it has recently been uncovered, two networks of informants operated alongside each other in Communist Romania, one of the secret service proper (around 400,000 paid informants and twice as many occasional unpaid ones) and the second of the Communist Party, targeting its members, which accounted for another few hundred thousands<sup>2</sup>. Both nomenklatura and the informants were above the law in Communist times, enjoying privileged access to the scarce resources, and many were able to convert such resources in power or economic assets afterwards. Furthermore, this extensive recruitment took place especially amongst the most educated, another powerful explanation in accounting for the post-1989 difference in quality between Romanian and Central European political elites.

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But when one analyzes Romania in comparative perspective yet another explanation emerges as extremely powerful. State dependency is the highest in Romania compared to its Central European neighbors, and state dependency is the crucial determinant of undemocratic and illiberal attitudes, themselves the main predictors of the vote for postcommunists. Two-thirds of Romanians are declared democrats, but fewer than a third are consistent in their opinions, holding values that reflect a deep attachment to democracy. This minority makes the constituency of anticommunists<sup>3</sup>.

The structure of dependency is threefold. On one hand, Romania has the highest percentage of peasants from the new would-be EU members (46%). More than half of them are engaged in subsistence farming and have voted consistently with the postcommunist party since 1990. Subsistence farming implies severe dependency on local authorities for various resources, from permits to collect wood to various licenses and aid in cash<sup>4</sup>. Therefore, not only the 'values' of

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<sup>2</sup> Romania is the only would-be NATO country where the archive of the Communist party is still in the hands of the Army and intelligence services, and thus inaccessible to the public. The figures on Party's informants are inferred from the archive of the Communist Party in Brasov, a public archive managed by the Romanian Institute for Recent History (IRIR).

<sup>3</sup> *World Values Survey Data*. The authors wish to express their gratitude to Hans-Dieter Klingemann for permission to use this database.

<sup>4</sup> See Alina Mungiu-Pippidi, Gerard Althabe: *The Sickle and the Bulldozer* (Polirom 2002, L'Harmattan 2004) for a detailed argument on local state capture.

peasants, but also the formal and informal arrangements, old and recent, explain to the voting behavior of the peasantry. The poor land restitution legislation, as well as the general situation of the Romanian countryside have turned the peasants into an easy prey for local predatory elites who control resources and, therefore, politics. While EU competition rules might diminish state capture in industry in a few years, it will take far more to reach the veritable 'black holes' of accountability in subsistence farming areas, which make islands of the Third World in a country poised to become a EU member in 2007.

Apart from its ten million peasants, Romania has a sizable population directly dependent on state welfare. With only 4 million people actively employed and a dependency ratio (active/assisted) of 0.66 the Romanian society has far too few autonomous individuals. Millions of pensioners, of which many early retirees, hang on tiny state pensions delivered by the postman and are mortally afraid of a regime which might endanger their safety net. Many pensioners, like many subsistence farmers, are below or around the threshold of poverty. Furthermore, Romania has the largest absolute number of Roma in Europe – between 1-1.5 million – another pool of captive voters for postcommunist parties. This population originating in the slaves liberated by mid-19<sup>th</sup> century has been the victim of disappearance of traditional jobs it used to live on, and of the collapse of demand for unskilled labor after Communist times. As they had had no land to benefit from restitution, they are the main losers of the transition and heavily dependent on social aid. The models in Fig. 1 explain the support for liberal democracy in Romania compared to the whole group of accession countries. The mechanisms emerge as similar, as the usual suspects, such as religion, prove to be insignificant, while rural residence, state dependency and collectivism are strongly associated with the lack of democratic commitment.

These two elements, the percentage of peasants in the total population and the percentage of active labor force, make an important difference between Romania and its Central European neighbors. They define the social basis of state dependency and emerge as important determinants of democratic and liberal attitudes. Other determinants, such as collectivism, are also grounded in this social structure. While in Central European countries the policies throughout transition focused on reducing dependency, in Romania the postcommunist governments sponsored dependency, especially between 1990 and 1996. This created a large constituency interested in preserving a large state and vast social redistribution. The correlation between the size of this group and the vote for postcommunists is both direct and through the intermediation of social and political values. It can be traced in every model explaining the vote for Ion Iliescu and PSD. In short, Romania's social constraints are far greater than those of its Central European neighbors and nearly all the progress in democratization that could have been done fast and by institutional means only was nearly achieved. The rest will lag behind until a new social structure will emerge out of Romania's slow and painful transition. As this 'new' social structure was all but helped by Romania's postcommunist governments, this end is nowhere in sight.

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**Fig. 1. Social constraints on democratic attitudes**

Independent variables	ROMANIA	All other candidates	Wording and scales
URBAN	.058*	.091***	(1=village to 8=city over 200 K)
ACTIVE	.121***	.091***	(Employed fully or partly and student=1, else=0)
WEALTH	.053*	.101***	Subjective evaluation of welfare from 1 to 10
RELIGION	--	ns	Scale based on likelihood denominations correlate with democracy according to Huntington: Muslim=1 Orthodox =2 Catholic=3 Protestant=4
CHURCH ATTENDANCE	ns		From 1=weekly or more often to 7=never
AGE	ns	-.030*	No years
EDUCATION	.070**	.091***	Age when finished school
STATE RESPONSIBLE VS. CITIZEN RESPONSIBLE	--	.089**	Scale from 1 to 10 with individual responsibility=10
CONSTANT		1.80** (.080)	B (Std error)
No.	1239	8559	
Adj. R <sup>2</sup>	5.8 (6.7)	6.9	

*World Values Survey data. Linear regression with commitment to democracy (scale from 1 to 4) as dependent variable. Pooled sample ALL includes all ten accession countries. Entries are standardized coefficients. p<0.5\* ; < 0.1\*\*; <0.01\*\*\**

How, then, was political change possible in 1996? A qualification and an explanation complement each other to account for that political swing. First, one must remember that anticommunists needed the postcommunist splinter PD to get a majority in 1996, and that the opposition PSD had a large share of parliament seats until its split a year after elections. Second, the change was the work of uneven mobilization, with the better off and urban constituency highly mobilized, and the poor and aged discouraged. To work a second time, such mobilization trends must be reproduced again.

Is this happening? Although it is difficult to predict mobilization six months before the nearest elections (local ones) and on the basis of surveys, this does not seem to be the case. Unlike in 1996, the lack of mobilization seems general in 2003. As a general rule, high mobilization favors postcommunist parties in East Central Europe, and low mobilization favors challengers. However, Romania in 2004 is exceptional on the account of the large number of temporary workers abroad (allegedly 2 million), who are unlikely to cast a ballot at all. Statistics on this group is scarce and every speculation far fetched until we know more on the demographics of migrants. What is certain is

**Democratization through quick institutional reform has reached its limits with the current social structure – and a new one takes time to emerge**

that the urban mobilization of the core anticommunist group is still moderate, with only 35% in favor of the two-party opposition coalition in Bucharest. With the most important event – the birth of the coalition – already spent, it is unlikely to have higher mobilization in 2004.

On the other hand there may be a demobilization of postcommunist voters, due to announced price increases and other socially painful reforms under way. Would this be enough to make a difference? Probably not. Rather, as populist versions abound, from better-known extremist Vadim Tudor to fringe new entrants like the millionaire Gigi Becali, many floating voters will get lost in unviable political alternatives, further reducing support for the two main challengers. 18% of the voters switched parties in 2000, mostly between PRM and PSD (in both ways), and such migration between populist nationalists and the government party is likely to occur again and be dependent on the performance of candidates in the TV debates. This is why the main political challenger – PD-PNL alliance – should present a duo with the PNL leader Stolojan for president and PD leader Băsescu for prime-minister. Băsescu is clearly, and despite the polls, the candidate with the highest potential among the main contenders, and this potential should be somehow capitalized even if he does not run for presidency himself.

## **2. SELF AND OUTER LIMITS TO POLITICAL CHALLENGE**

While support for postcommunists is constrained by the limitations of social structure described above, support for anticommunists has been fluctuating, due to the permanent competition among the many postcommunist parties and their difficulty to govern together in 1996-2000. However, it is not only for electoral reasons that the opposition in Romania has such low potential to challenge the postcommunist power establishment and propose an alternative vision to the Romanian society. Internal party limits are important and worth taking into consideration. The two opposition actors now grouped under the banner of Truth and Justice Alliance (DA) are restricted in their development by their inability to create a mechanism to attract, keep and promote the best people into politics, and become an alternative source of policy ideas. Most of their activity is limited to the Parliament, as they have too few resources to do more, and not once in the past year did the democratic opposition manage to contribute to the agenda with a proposal of its own. What happens instead is that the opposition is constantly reacting to an agenda created by the government or the media, to its great disadvantage.

To achieve more, it would need to have policy units organized and functioning in real time. But those do not exist yet, in spite of years of advice and assistance they have received from Western partners. The Romanian parties function with an outdated structure of policy committees of experts, who rarely meet, never publish anything, and end up as trash bins where lesser influential party politicians are dumped. Even assuming one such committee would one day come with a good policy proposal, they would still need to get support for it from where the real influence lies in the party. The opposition is not

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**The opposition is still unable to generate policy ideas and shape the public discussion agenda**

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nearing the moment when it could present a shadow government with each minister backed by a group of experts. Compared to the operating mode of successful oppositions in the recent past, such as the British New Labor, this structure is bound to fail. It does not attract expertise, it lacks a mechanism of easy decision-making and has no the potential to empower the best people. The opposition alliance should have invested in its rebuilding – but instead, it invested in sharing the spoils of the next elections (by means, for an instance, of an expensive opinion poll of doubtful utility), creating an uneven balance, which will impede performance and stir conflict among partners.

As SAR has recommended before, the DA Alliance could have increased its performance by:

- *Creating unified, not joint structures.* When structure such as policy committees work poorly in every party, giving them the supplementary task of coordination is not a good idea. The shadow ministers should be empowered to organize their own working groups. This would motivate politicians and experts both to invest time and energy in what is otherwise seen as a pure formal exercise – the development of an alternative party program.
- *Creating an alliance of equals,* not one in which one party dominates, as the National Peasants used to dominate the former CDR. Only alliances based on equality work. Even if Liberals would need to show some generosity in such a combination, as they do enjoy currently more electoral support, such behavior would eventually benefit them more than the alternative: the largest slice of a very small pie.
- *Giving up for a period of time internal democracy* and empowering the two party presidents to reorganize the local branches as one functional structure with executives appointed, not elected, and assigned clear performance tasks. Failure to undergo this painful change now means that it will have to be done after a possible defeat in elections. And then it would be even more difficult and less effective due to lack of credibility of leaders who lost an election.

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**But the main threats for the opposition are still external – the government use of electronic media, public funds and judiciary to silence its critics**

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Having said that, it is nevertheless true that the electoral success of the newly-formed DA Alliance is hindered more by outer than inner factors. Three of them are deeply concerning, as they threaten the fulfillment by Romania of the Copenhagen political criteria in the year negotiations with EU are supposed to be concluded.

**(i) Government control of electronic media.** Safe for the seldom occasions when opposition leaders are invited to talk-shows, criticism to the government, President or Prime Minister in prime time has de facto become impossible after being a widespread practice under the previous center-right administration. Control over TV stations, both public and private, is secured in many ways. Much of it is due to self-censorship by editors, as private TV network owners are badly in debts towards the state budget and therefore vulnerable (Fig. 2). However, direct telephone calls to editors to prevent certain opinion leaders to feature on TV, or to manipulate the circumstances when opposition

leaders are bound to be present, are also common. To escape political pressure, editors take refuge in light, tabloid-style news. In the last two years, TV news journals have become less political and more “yellow”, often featuring only rapes, violent crimes and traffic accidents. Although editors claim this is done to keep their ratings up, news are less and less watched, losing about 20% of the audience they had in 2000. The public TV is the only one still showing political news, but this means as a general rule showing the prime minister and government without any critical stand.

**Fig. 2. The debts to state budget of private TV stations**

	Payments due to state budget up to 30.09.2003 (ROL)	Observations
AMEROM TELEVISION SRL (parent company of Prima TV)	255,206,936,022	Procedure started for coerced payment
ANTENA 1 SA (parent company of Antena 1)	57,776,578,624	Rescheduling of debt under way
CORPORATIA PENTRU CULTURA SI ARTA INTACT SA (related to Antena 1)	51,257,023,493	Rescheduling of debt under way
MEDIA PRO INTERNATIONAL SA (parent company for Pro TV)	234,293,918,492	Rescheduling of debt under way
RIENI DRINKS SA (common ownership with National TV)	46,200,537,990	Rescheduling of debt under way
SCANDIC DISTILLERIES SA (common ownership with National TV)	43,151,393,401	Procedure started for coerced payment
ROSAL GRUP SRL (common ownership with Realitatea TV)	16,446,491,632	Rescheduling of debt under way

Source: Ministry of Finance website as of January 9, 2004; 1 bn ROL = 30,000 USD

Almost all private TV stations – anyway all the national ones – are in debt. The story of the money ProTV owes to the state and social security budgets has made its way into the 2003 *Freedom of the Press* international report by Freedom House. News monitoring reveals a weak presence of opposition parties on the screen in prime time: some opinion leaders known for their critical stand towards the government party are notoriously absent from every significant TV program. Prime Minister Năstase enjoys by himself over half of political appearances in TV news shows in the prime time, and non-government politicians fall well below a third<sup>5</sup>.

<sup>5</sup> Media Monitoring Agency, [www.mma.ro](http://www.mma.ro)

**(ii) Funding political corruption with slush funds from the state budget, and sponsoring political migration.** Corruption in Romania is inherently connected to the main resource worth having: the state. Starting with the influence that derives from getting oneself a position, or a connection to somebody, with influence – as no public service works but in a personalized way –, to the direct access to material resources, to cash for campaign logistics, the public resources are permanently abused. The participation of pure private funds to sponsoring corruption is insignificant by comparison. This implies that the main source of corruption is political, not economic. Political corruption is indeed identified by the public as a major problem. Most often it takes the form of traffic of influence, which culminates in phenomena such as political migration from one party to another by members of parliament and local officials.

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#### **HOW TO RECONQUER A LOCAL GOVERNMENT AFTER LOSING ELECTIONS**

*In Iași, Romania's third largest city, PSD has turned from an insignificant presence in the local council after the 2000 elections into a majority party, by individual recruitments and local mergers. The mayor, Constantin Simirad, was elected in 1996 under the banner of the anticommunist CDR, then in 2000 created a "regionalist" party as an electoral vehicle for himself, to then switch to PSD once elected in order to secure a nomination as ambassador, leaving his mandate unfinished. The local council appointed an interim mayor from the national government party, himself a migrant from PD, instead of calling for new elections. Due to political migration, the city is therefore ruled by a party it did not vote for and a mayor it has never elected. On top of this, the DA Alliance member parties intend to present separate candidates, diminishing their chances to win. Not only are these mayoral candidates questionable choices – they are also both migrants from each other parties. The PD candidate is a migrant from Liberals and the PNL candidate a migrant from the Democrats. This political farce is however tragic for voters, who see no meaning in local elections. There is none indeed if this is how politics works.*

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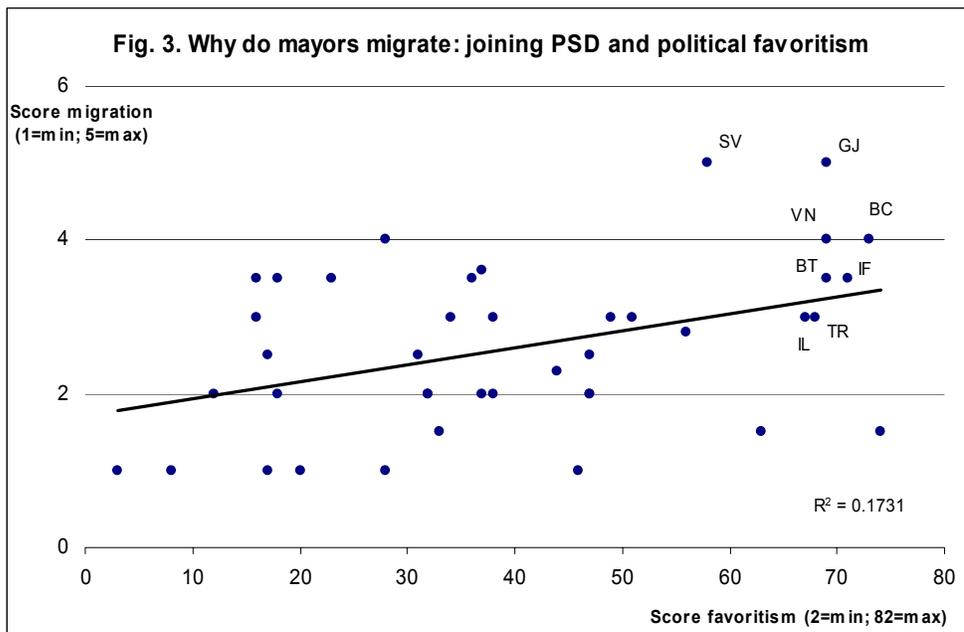
Political migration in Romania reached a magnitude unprecedented in Central European countries, not to mention established democracies. The situation is most serious in the case of mayors, who are directly elected. They switch party frequently, usually towards the government party or its satellites, as they perceive their legitimacy as personal and feel entitled to carry the constituency with them. By end 2003 PSD has nearly doubled its number of mayors compared with the situation resulted from the 2000 local elections, by recruiting from other parties. More than half of the Romanian mayors have changed their political affiliation in this interval, some more than once<sup>6</sup>. The practice

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<sup>6</sup> See SAR Policy Warning Report no. 3/2003 for MPs, and IPP Romania, <http://www.ipp.ro/altmateriale/IPP%20Mayors%20migration%202003.pdf> for mayors.

is more reduced in Parliament due to the electoral proportional system with party lists, but in case the system changes parliamentary migration risk skyrocketing from the current 14% towards the 50% level measured in the case of mayors. No statistics exist for local councilors, but certain cities are seriously affected.

Why do politicians get corrupted? Obviously enough, to get an ambassadorship, a higher position in the party, or simply enough money to build a constituency of political clients and get reelected. To illustrate this, Fig. 3 shows that there is a positive correlation, though weak, between the success of the county council leadership in attracting mayors into PSD, and the extent to which that particular county gets more money than it should from various central government grant funds<sup>7</sup>. But more important than the general correlation, the clustering of 8-10 counties, widely known for having privileged connections with the center, towards the high-end of the favoritism scale is telling in itself.



*Favoritism score = extent to which the respective county is financially privileged in the relation with the center, by getting more money than they should from the Roads Fund and the equalization grants pool (2002)*

*Migration score = political migration of mayors between 2000-03, average score by county*

**(iii) The use of the judiciary for political goals.** This is allegedly the most difficult to demonstrate. In fact it needs little demonstration. At the request of the Minister of Justice the opposition leader Traian Băsescu is again investigated for a case that was closed more than eight years ago, in spite of the lack of any new evidence. The only high rank political figure charged by the Anticorruption Prosecutor so far has been Ioan Mureșan, a minister in the former anticommunist

<sup>7</sup> SAR's analysis on data collected by SAR and IPP. The topic will be elaborated further in future PWR issues.

government. More recently, it took a whole judicial saga for the new DA Alliance to register legally after its appearance in 2003, being repeatedly harassed in Court under ridiculous pretexts<sup>8</sup>, until the case was eventually concluded in January 2004. And, the most outrageous case of all, the Bucharest police has just launched an investigation on 200 members of Popular Alliance, a small opposition party led by former president Constantinescu. Their guilt is that they submitted official requests for public information, based on the FOIA law passed in 2001, regarding an investment project run by the Ministry of Justice where they suspected some mishandling of funds. The Ministry complained to the police and the prosecutor office (the latter being actually subordinated to the Ministry) that some of the signatures on the requests may have been forged. However, they failed to explain what difference did it make if the signatures were real or given through intermediaries, and what law did these people broke since FOIA requests are not legal documents.

Why is it that no political alternative emerges for the better educated, committed democrats who make the lukewarm constituency of the DA Alliance? The answer lies in the absence of a yet mature alternative outside the Parliament. The electoral rules as designed in 2000 mainly by PSD with the inept help of Christian Democrats then in power have considerably raised the barrier at the entrance in the political system. From registering a party to getting a seat with the 5% threshold regime, life is not easy for a new political party. High hopes, especially from intellectuals, are invested in the Union for Reforming Romania (URR), a new party formed mainly by young urban professionals and business executives. But access to media of a party with no representation in Parliament and no high standing public figure is bound to remain low to inexistent.

### **3. SCENARIOS AND FORECASTS FOR 2004**

#### **A. Local elections**

Turnout in local elections will be low, as the frequent migration have rendered the local democracy meaningless in many cities of Romania. In villages, the domination of the government party is such that finding candidates willing to run, not voters, may be the main problem of opposition parties.

The extremist PRM may do better than in 2000 in some regions deeply affected by economic transition blues, and wherever PNL and PD will slate different candidates. By contrast, its results in national elections may be trimmed seriously by alternatives designed by opponents, such as Gigi Becali's New Generation.

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<sup>8</sup> Their acronym, DA, "yes" in Romanian, was judged by courts as a potential trigger of subliminal persuasion and the registering of the alliance was denied based on this reasoning.

PSD will have serious trouble in meeting its target of 50 %, as protest towards government policies will make urban areas turn increasingly to opposition parties, or even if to odd alternatives.

The Hungarian Alliance (UDMR) will face stiff competition in some key urban strongholds for the first time after 1990, and might lose some of them to smaller Hungarian challengers.

The newish URR might gain a few local councilor positions, but its overall performance will probably be below expectations.

## **B. General elections and government**

Turnout is likely to be lower than in 2000.

If the electoral system is the same, Romania will be governed again by a minority government, either formed by the current ruling party (PSD) or the opposition alliance (DA) which is not without chances if it bets on winning, not only increasing its share of parliamentary seats. The DA Alliance can improve its performance considerably and challenge PSD once a major change of strategy is implemented. This would require, however, giving up the separate contests in local elections and the bargain over seats, and putting forward a credible shadow government. Chances of an alliance of PSD with either DA or extremist PRM are slim, as PSD seems intent on treating the Alliance as the archenemy, not just as a political opponent. A coalition government with PRM is ruled out if PSD is to remain credible in the eyes of its international partners – primarily the Social International, which it fought so hard to join.

If the electoral system is altered in any way towards single-member constituencies, a combination of government-controlled gerrymandering and majority voting would ensure, however, an even stronger majority for PSD. This advantage for incumbents would be the greatest in the event of a double ballot voting system, which would push PSD and PRM into an electoral alliance, and ensure two thirds of the seats for PSD. It will be very strong in the event of a single ballot, pure majority system, where PSD would carry roughly 60% of the vote. Or it will be slightly stronger than in the current situation of proportional representation in any mixed variant.

Will the government fraud the 2004 elections? We at SAR do not think they will. There is no reason why we should suspect the Năstase government of such a gross and risky assault on democracy, which even the Văcăroiu government did not commit in 1996, when Romania was not a would-be EU member as it is now. The government is well aware of the importance of international opinion. But besides this, there is another serious reason why we firmly believe elections will not be stolen: there is no need for such a fraud. The domination of PSD is ensured through procedures which anyway step over the norms of liberal democracies each and every day. Discretionary allocation of funds for local governments, the use of law enforcement agencies to harass opponents, changing the results of elections through political migration, and rescheduling of the debts of electronic media

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**There will be no electoral fraud in 2004, but the erosion of institutions of voice and accountability will continue**

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companies as a tool for editorial control are things that should not happen in a modern European society. Still, they do happen in Romania. In 2004 the energy of donors and the civil society should be channeled into the fight against these undemocratic practices that tacitly but steadily erode laws and institutions, rather than into the chase for an elusive electoral fraud which is unlikely to happen.