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Corruption and anti-corruption in Romania. Finally turning the corner?

Blog Admin



A recent anti-corruption spree, led by public prosecutor Laura Kövesi, has taken Romanian political elite [by 'earthquake'](#). **Daniel Brett** discusses the multifaceted roots of the country's corrupt practices: "If there is a historical legacy, it comes from the Communist period", he argues, "and the absence of a political rupture in 1989 meant that its networks remained unbroken". Nevertheless, today's indicted politicians were just teenagers when Communism ended. Is history really to blame?



Anti-Ponta and Sova protestors. 'We're not hesitating we want justice'. A play on Șovăi hesitate and Sova. Photo:

In a country where actions of an ignominious nature are even encouraged, and those of rapacity looked upon as mere proofs of dexterity and cunning, corruption of principles cannot fail to become universal.

William Wilkinson, An Account of the Principalities of Moldavia and Wallachia, London 1820

The on-going conflict between the Romanian public and the political elite over corruption has recently been given new impetus. Parliament's refusal to lift the immunity of [PSD Senator Dan Sova](#) brought protestors onto the streets, demanding his arrest and the removal of the government. In a week in which [gold and Picassos and a Renoir](#) painting were found in the finance minister's safe following his arrest by the National Anticorruption Unit, Direcția Națională Anticorupție (DNA), alongside continuing investigations of a number of high ranking politicians, corruption remains firmly on the political agenda in Romania.

Corruption and Romanian politics are often portrayed as synonymous. Romania ranked 69 out of 175 countries on the 2014 [Transparency International Corruption Perception index](#) and joined Italy, Greece and Bulgaria as the most corrupt of the EU states. However, over the last decade anti-corruption efforts have accelerated, in part due to the demands of the European Union during the accession process and of the [wider public](#). This culminated in the arrest and jailing of former Prime Minister and PSD presidential candidate Adrian Năstase [twice for corruption](#) offenses. Since Klaus Iohannis's victory in the November 2014 elections, a series of former and current government ministers have also been arrested. While the majority of those arrested are associated with Prime Minister Victor Ponta's PSD, politicians from other parties, including [Elena Udrea](#), and business figures have also been arrested.



Former Tourism Minister Elena Udrea in handcuffs. Some critics of the anti-corruption drive have criticised the 'handcuff show' as reminiscent of a show trial. Photo: nineoclock.ro

What is DNA?

DNA was set up in 2003 to address corruption, one of the primary reasons behind the delay in the country's EU accession. As with many of the reforms initiated by the PSD to meet EU demands, DNA was intended as window-dressing to be reversed once EU membership had been achieved. However, the appointment of Monica Macovei as Justice Minister in 2005 boosted anti-corruption efforts. Her success and willingness to tackle high level corruption in the PSD and the governing Truth and Justice Alliance made her many enemies and contributed to the collapse of the Alliance in 2007. Since 2013 DNA has been led by Laura Kövesi, who has proven very proactive despite parliament's resistance to anti-corruption measures (by passing immunity laws for themselves, [for example](#)). Under her guidance, long-running efforts to prosecute and jail media mogul Dan Voiculescu finally succeeded, and former Prime Minister Adrian Năstase was jailed. Kövesi's non-political status has helped give her legitimacy and deflate the standard claims that the prosecutions are politically motivated. However, as she [recently pointed out](#), DNA faces a large number of cases pending investigation but has limited resources. Furthermore, as the Sova and Voiculescu cases show, politicians will use every trick in the book to keep themselves out of jail and delay cases for years, such as exploiting parliamentary immunity and other legal loopholes.

Levels of Corruption

Corruption can be divided into three levels, all interwoven with the way the state functions. While elite level corruption attracts the most press and political attention, the remaining two are more insidious. Elite corruption most commonly involves privatisation and land deals, with bribes taken from companies to secure contracts within the realm of the politician concerned. This corruption is not limited to politicians; a recent article in [Apusenii liberi](#) describes the 'corruption octopus' surrounding the Rosia Montana case, in which not only politicians but also journalists, civil servants and academics have been bought off in various ways to promote the creation of the environmentally destructive gold mine.

Most Romanians' experience of corruption involves paying people in order to get simple things done. If a relative is in hospital, for example, one can expect to pay the staff informally in order for the relative to receive the care and attention they need. This low-level corruption raises public employees' wages to a liveable level. Thus for those at the bottom, a cycle of paying and taking bribes persists out of necessity.

Almost all public institutions are politicised, with senior appointments often made on the basis of political loyalty. For example, the Interior Ministry appoints the heads of the National Archives and other academic and cultural institutions. The Ponta government immediately replaced all of these with party loyalists. Combined with the absence of transparency in public institutions, such mid-level corruption creates the perception that to get a job or a contract, one must have contacts, which stem from corrupt patronage relationships and party loyalty. For young Romanians, then, the choice is either to accept the system or to leave. The belief that 'there is no future without connections' is one of the main motivations for migrating abroad.

Corruption is thus deeply embedded within Romanian society, and the arrest of prominent key politicians will not remove it.

History is to blame?

Many blame corruption on a historical culture of corruption. Ion Iliescu, when asked how he could talk about anti-corruption with Adrian Năstase as his Prime Minister, sought to blame the Ottomans and the legacy of their political culture. However, this hardly explains the perpetuation of corruption, as the Ottomans lost influence in 1859. If there is a historical legacy, it comes from the Communist period, during which Ceaușescu's patrimonial style of communism engendered the creation of large networks of patronage and clientalism within the state. Furthermore, the 1980s shortage economy meant that citizens depended on the black market and informal networks. Those with in-demand resources thus became powerful, and the absence of a political rupture in 1989 meant that these networks remained unbroken. The NSF domination of politics and its co-option of the security and nomenklatura (95% of ministers in the 1992 Văcăroiu government were former members of the RCP) allowed those with connections to seize control of resources in the years after the revolution, often in murky circumstances. Thus the PSD, as the successor to the NSF, has provided most of those arrested for corruption.

However, the oft made claim that corruption is generational and that 'once Iliescu and the old guys go then it will be different' has been disproven by the recent corruption cases involving [Monica Iacob-Ridzi](#) and Udrea and the allegations against Prime Minister Victor Ponta, as all three are under 45, and only Ponta is a member of the PSD.

Moreover, all sides show hostility towards anti-corruption. Some invoke defensive nationalist arguments and claim that Romania is being unfairly singled out; a possibly apocryphal tale recalls Jacques Chirac, Silvio Berlusconi and Tony Blair lecturing Romanian politicians about doing more to stop corruption. An alternative response is to minimise corruption; for instance, former PSD Foreign Minister Ioan Rus recently invoked [Adam and Eve](#) as the first example of corruption and declared it to be human nature. The third post-crisis response argues that corruption is a red herring, and that neo-liberalism and IMF imposed austerity measures cause much more damage to society.

Parties, the State and Corruption

The politicised state is another major source of corruption. Many officials are political appointees, and the victorious party distributes offices – which offer the opportunity for personal enrichment – as a reward for support. Thus the failure since 1989 to uncouple the state from political parties remains a major barrier to reform. The Romanian party system shows little ideological differentiation across the board, and instead falls back on patronage networks to mobilise voters locally. The PSD in particular has built its powerbase on these networks of local barons. Even if the PSD leadership wished to reform the party to broaden its appeal, it depends so strongly on the barons for votes that it can't remove them from the party. The other Romanian parties have repeated this pattern.

Anti-corruption as a mobilising discourse

However, non-PSD politicians have successfully converted public frustration towards corruption into political capital. Anti-corruption rhetoric was central to Traian Băsescu's election campaigns and also played a key role in Klaus Iohannis's [victory in November](#). The latter election provided a galvanising moment for the electorate. Despite the passage of 25 years since the revolution, the transparent attempts by the PSD under Ponta to prevent supporters of opposition candidates from voting, alongside the party's conduct in government, showed that a parliament and presidency controlled by the PSD would result in the rolling back of democracy and anti-corruption efforts. The PSD barons in particular, coming under threat from the DNA, were keen to ensure victory to keep themselves out of jail. The scale of voter mobilisation and the size of PSD's defeat provided a massive boost to anti-corruption efforts. Many of the cases currently being moved forwards were likely delayed until after the elections, in part because the PSD has always argued that anti-corruption is a politically motivated plot against them and has called for the disbanding of DNA and the reversal of anti-corruption measures.

The Microsoft Case

The [Microsoft case](#) shows how corruption transcends party lines and can draw in Western companies. Between 2003 and 2013 the Romanian government arranged via Fujitsu-Siemens Computers to hire Microsoft programme licenses for government computers (including those in schools). The government overpaid for these licences that they could have bought outright and ended up spending 105 million US dollars. Furthermore, Fujitsu-Siemens was not authorized by Microsoft to sell licences for educational software. The DNA alleges that government ministers approved these contracts and turned a blind eye in return for bribes from the director of Fujitsu Siemens, Claudiu Florică. The corruption reached not just Năstase's PSD government who signed the contract but also the PNL and PDL led governments that followed it, showing that all parties – including those that espouse anti-corruption discourses – are willing to exploit the Romanian state and taxpayer to enrich themselves.

Corruption is structural, political and also cultural. Those wishing for a clean political system face a problem encapsulated by former Foreign Minister Andrei Plesu: They are forced to choose between inexperienced, incompetent angels and experienced, competent devils. Thus since his election, Iohannis has struggled when confronted with the entrenched political networks of Bucharest, leading to several missteps. Sadly, a number of his appointees, including his advisors, were appointed because of their connections rather than their abilities.

Will the Government Fall?



Secretary of Defense Chuck Hagel hosts an Enhanced Honor Cordon for Romanian Prime Minister Victor Ponta at the Pentagon Feb. 11, 2015. Photo: US Department of Defense/Petty Officer 2nd Class Sean Hurt

With more revelations coming out each day, the Ponta government faces increasing pressure. The PSD wants to protect Sova because of his closeness with Ponta. Sova, like Ponta and Udrea, belongs to the younger generation.

According to the constitution, the government can only be removed by parliament or resign of its own volition. It cannot be removed by the president. This gives Ponta the upper hand, and he will try to weather the storm and ignore the protests, as he knows that early elections would be fatal for the PSD. Just as he won the elections in 2012 as a mandate on Basescu's presidency and austerity, early elections would focus on corruption, putting the PSD at a disadvantage. Similarly, Udrea's arrest means that the People's Movement Party (PMP) has no figurehead. Thus the elections would serve Iohannis's PNL well, despite their own corruption problems.

Early elections might not make any difference, however. While they may result in further high profile cases, they are unlikely to have any deeper impact on Romanian society or politics. Low wages for state employees make taking bribes a financial necessity. At a higher level, Kövesi pointed out recently that DNA has over [5000 pending cases](#) and needs more prosecutors. Moreover, the portrayal of corruption as a generational result of the abnormality of Romanian Communism has been discredited by the cases involving politicians who were teenagers when Communism ended. While those unwilling to use patronage networks are leaving the country, many at home are willing to succeed by 'playing the game', thus perpetuating existing networks. Politicians who have gained power and influence through these networks – whose lack of transparency facilitates corruption – are unlikely to act to destroy their own powerbases. The party system depends so much upon patronage networks that it needs state institutions to reward supporters. Without the depoliticisation of state institutions, the DNA is likely to continue playing catch up in perpetuity as the system maintains and re-enforces itself.

Note: This article gives the views of the authors, and not the position of LSEE Research on SEE, nor of the London School of Economics.

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