

The government has just approved the draft budget for 2012. It doesn't matter for the executive it should have done this until 15th October. I wonder if it matters at all. Anyway, PM Emil Boc is telling us the budget should be defined by caution, responsibility, investments and more jobs.

That's nice. As one may learn from this site's information, the budget is somehow made on the other side.

The budget for 2012 is expecting a 1.9 per cent of GDP deficit and an economic growth of 2.1 per cent. I would say it's rather optimistic as none of the international financial institutions are targeting so high for Romania. The main thing is that pensions and salaries are to be frozen.

It is too optimistic also because it counts on higher investments by increasing the development ministry's budget (ministry headed by Elena Udrea, a close character to president Traian Basescu), known for building sport halls and not important centers. It's too optimistic also because it cuts the budget for agriculture, while expecting high crops. Fourthly it's optimistic as it envisages 33.7 per cent of GDP budgetary incomes and, although the exchange rate RON/EUR has almost reached the highest level ever, it expects only a 4.36 RON/EUR exchange rate for 2012.

Last but not least, the budget is built on wishful thinking. And on tricks. Although it admits state employees' layoffs will continue next year, it counts on reducing unemployment from 445,000 to 410,000! I think not even M Emil Boc believes 35,000 new jobs will be set up. It's a matter of calculations. Several thousand people will finish their term for getting the unemployment benefits. They are wiped out of the scheme as unemployed, but only a few are going to get a job. That's the way the executive wants us to believe things will get better.

The government has given its 'yeah' for the draft budget. Now the parliament is to have its say. I am sure only a few things will change, unimportant ones. Or none at all if the government assumes responsibility for the draft budget.

So, are we to be more optimistic? It's not a budget for the people, it's one for the government's

Government's budget vs. People's budget

Written by Administrator

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image. An image that needs to be improved in view of next year's general elections.

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