



Romania Report

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Sustainable Governance Indicators 2018

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Executive Summary

The socialist PSD emerged as the clear winner of the parliamentary elections in December 2016. The party formed a coalition with the Alliance of Liberal Democrats (ALDE) and replaced the technocratic government led by Prime Minister Dacian Cioloș, that had been established after Victor Ponta, the previous prime minister from the PSD, was forced to resign amidst corruption scandals in October 2015. As PSD leader Liviu Dragnea had been convicted of voting fraud and was therefore barred from becoming prime minister, the relatively unknown PSD politician Sorin Grindeanu was installed as prime minister in early January 2017. In June 2017, Grindeanu was ousted by his own party following a vote of no-confidence. He was succeeded by Mihai Tudose, another PSD politician.

Soon after coming to office, the Grindeanu government launched legislation aimed at decriminalizing and pardoning certain offenses. Broadly understood as an attempt to help politicians and others accused of or convicted for corruption, including PSD leader Dragnea, these initiatives sparked an unexpectedly strong public outcry. Hundreds of thousands of people took to the streets, forcing the government to withdraw the decrees. Since then, there have been strong confrontations between the governing coalition and the president, and between parts of the opposition and civil society on the other. The governing coalition has sought to strengthen its control over the judiciary and discredit and weaken the much-acclaimed National Anti-Corruption Directorate (DNA) – with little effect during the period under review.

The Grindeanu government succeeded in implementing a number of campaign promises, including tax cuts as well substantial increases in the minimum wage, public sector wages and pensions. These procyclical measures fueled the strong growth of the Romanian economy. With real GDP up by more than 6%, Romania became the EU country with the strongest economic growth in 2017. However, the combination of tax cuts and spending increases also contributed to a growing fiscal deficit. Only by adopting two supplementary budgets and by cutting down on public investment did the Tudose government eventually manage to keep the deficit slightly below 3% of GDP in 2017. Both the Grindeanu and the Tudose governments made little progress with structural reforms. In the case of education and health care, no major reforms were adopted. As for pensions, the shifting of revenues from the mandatory, fully

funded second pillar to the public pension pillar has increased uncertainty among future pensioners and capital markets, thus having a negative impact on the pension system's reliability and long-term sustainability. Similarly, the many changes in taxes have diminished the credibility of the tax system. While public R&D funding increased in 2017, the structures governing R&D and the allocation of funds have worsened.

Institutional reforms under the Grindeanu and the Tudose government were largely confined to changes in the portfolios of ministries. The Grindeanu government increased the number of ministries from 21 to 26. It had two ministers dealing with EU funds, none of which was able to help Romania improve its absorption rate. The Tudose government even started with 27 ministers. Neither of the governments addressed long-standing challenges such as the lack of strategic planning or the low quality of RIAs. The pledge to reform the subnational administration remained merely a pledge. Under both governments, policymaking has been complicated by the influence of PSD leader Dragnea.

Key Challenges

Until recently, Romania drew considerable acclaim for its judicial reform and fight against corruption. The country's efforts were widely regarded as a model for other countries, for example, the neighboring Bulgaria or Ukraine. Efforts by the PSD/ALDE coalition to rollback judicial reform and anti-corruption efforts – blocked only temporarily by mass protests, parts of the opposition and President Klaus Iohannis – puts these achievements at risk. These developments will likely be accompanied by democratic erosion in other areas. The legislation introduced by two members of parliament from the governing coalition in June 2017 and passed by the Senate in November 2017 that places restrictions on NGOs and is clearly inspired by the “foreign-agent” legislation observed in Russia and Hungary, is a good case in point. The campaigns waged against protesters and the intimidation of critical journalists are further examples. The developments in Romania must thus be seen as part of a broader democratic backsliding in Central and Eastern European (CEE) countries and elsewhere.

Backtracking on both judicial reform and the fight against corruption is likely to have negative effects on the development of the Romanian economy, too. While there are many factors influencing economic performance, progress with judicial reform and anti-corruption mechanisms would certainly help improve the country's reputation and thereby foster economic growth. The

combination of more corruption and less legal certainty will negatively impact investor confidence and favor a diversion of effort and resources from productive to rent-seeking activities. It will distort the allocation of public R&D spending and EU funds, and it will aggravate the growing shortage of qualified labor by fueling the emigration of talent. While fiscal expansion might stimulate economic activity in the short-term, its fiscal limits have already become visible and it won't raise medium- and long-term growth prospects.

Romanian citizens' resistance against the PSD/ALDE governments' attempts at decriminalizing corruption and restricting the independence of the judiciary has been impressive. The big question is whether or not this resistance can be sustained. Romania's recent past suggests we should view this with cautious optimism. After all, the country had seen mass protests against corruption in 2015 and the PSD still won the December 2016 parliamentary elections with a landslide. Sustaining the mobilization against the governing coalition until the presidential elections in 2019 and the parliamentary elections in 2020 will be complicated by the biased media landscape and the government's attempts to weaken NGOs. Moreover, the opposition continues to suffer from fragmentation. These problems make it even more important that the EU take a clear position and make use of the leverage it has for containing democratic backsliding in Romania.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 4

In 2017, Romania was the EU country with the highest economic growth. With more than 6%, real GDP grew much stronger than originally expected. Private consumption was the main driver of growth, supported by cuts in VAT and strong increases in wages and pensions. With its highly procyclical fiscal policy, the Grindeanu and Tudose governments have contributed to the overheating of the Romanian economy which is growing above potential. At the same time, they have done little to improve the medium- and long-term prospects of the Romanian economy, thus raising concerns about the sustainability of economic growth. While private investment recovered, public investment fell by more than 2 percentage points in 2017. Both governments have failed to address long-standing problems of the Romanian economy such as a weak education system, bad infrastructure, cumbersome procedures for businesses and frequent regulatory changes.

Citation:

European Commission (2018): Country report Romania 2018. SWD(2018) 221 final, Brussels (<https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-romania-en.pdf>).

Labor Markets

Labor Market
Policy
Score: 4

Romania's labor market has benefited from the strong economic growth. In 2017, the number of employed exceeded 5 million people and the unemployment rate dropped to 4.9%, its lowest level in more than 20 years. As a result of an increase in the minimum wage by 17%, wage hikes in the public sector and the tightening labor market, wages have grown strongly. Despite some reform attempts under the preceding Cioloș government, active labor market policy has remained rudimentary and ineffective and has failed to address long-standing issues such as a high inactivity rate of the working-age

population, massive youth unemployment, a growing skill mismatch, strong disparities between rural and urban areas and the brain drain of the most educated and ambitious youth.

Taxes

Tax Policy
Score: 4

In the period under review, substantial tax changes were passed and/or enacted. In early 2017, along with a plethora of minor changes, the standard VAT rate was lowered from 20 to 19%, the income tax allowance for pensioners was almost doubled, and the cap for social insurance contributions was eliminated. In late 2017, parliament passed a decrease in the flat personal income tax rate from 16% to 10% as of the beginning of 2018, combined with an increase in the income tax allowance and a far-reaching shift in the distribution of social contributions from employers to employees. These changes have been accompanied by attempts at strengthening tax administration and fighting massive tax evasion in the country. In the first half of 2017, Romania's National Tax Administration Agency (ANAF), for the first time in its history, exceeded its collection plan. As a result of the tax cuts, Romania's tax revenues-to-GDP, already one of the lowest in the EU, has further fallen, thus raising fears about the sustainability of public finances. At the same time, the changes have done little to raise the relatively low level of redistribution. The frequency of – adopted and, even more, announced – changes and the lack of a clear reform direction have undermined the credibility of the tax system. In 2017, 22 different adjustments were made to the country's tax code.

Citation:

IMF (2018): Romania: Selected Issues. Country Report No. 18/149, Washington, D.C. (<http://www.imf.org/en/Publications/CR/Issues/2018/06/06/Romania-Selected-Issues-45944>).

Budgets

Budgetary Policy
Score: 4

Despite the strong economic growth, the fiscal deficit further grew in 2017. Due to the strong tax cuts and spike in public wages and pensions, estimates in May 2017 saw the annual deficit rise to up to 4.7% of GDP. Only by adopting two supplementary budgets and by cutting down on public investment did the Tudose government eventually succeed in keeping the deficit slightly below 3% of GDP in 2017. Romanian fiscal policy in 2017 thus was not only procyclical; the deficit targets in the 2017 and 2018 budgets as well as certain provisions in the two supplementary budgets were not in line with the country's formal fiscal framework.

Research and Innovation

R&I Policy
Score: 4

Romanian governments have begun to grasp the importance of fostering research and innovation for realizing the economic spin-offs and for retaining an educated workforce with technical expertise. The country appears on track to meet the targets set in the National Research, Development and Innovation Strategy (SNCDI) 2014-2020, which has aimed at increasing public spending on research and innovation to 1% of GDP by 2020.

A new €1 million contract between the government and the Association of Romania's Industries has strengthened the ties between the public and the private sector. Growing confidence in the stability and capability of Romania's high-tech sector is evident in NOKIA's planned expansion of its Timisoara campus, making it the biggest research and development center in the country. However, the quality of research has often remained low. The little gains made under the previous government in terms of boosting research, identifying and penalizing plagiarism, academic fraud and corruption, and creating a more transparent adjudication process have been scaled down little by little since the PSD formed the government. In the period under review, foreign scholars were kicked out of key Ministry of Education commissions adjudicating grants. This led not only to a blockage of the grant adjudication process, as fewer adjudicators had to review larger numbers of grant applications, but to a biased selection process (since adjudicators and applicants are no longer independent from each other). As a result, worthy applicants have been turned down without sound explanation, and relatives of various politicians, university presidents and ministry bureaucrats are awarded grants in the absence of strong research records.

Global Financial System

Stabilizing
Global Financial
Markets
Score: 6

Romania continues to be an active participant in the EU, the IMF and other international fora. The country's ability to lead in these fora is limited by its rightful focus on internal economic development and stability.

II. Social Policies

Education

Education Policy
Score: 4

Education policy continues to focus on short-term gains and lacks predictability. Each of the 20 ministers plus who occupied the position after 1989 has introduced reforms, often contradictory to their predecessors' policy

agenda. the demographic and economic trends of a low birth-rate, urbanization, transnational competition for educators and rapid technological innovation continue to outpace government reform packages. The structural maladies afflicting Romania's education system include inadequate public spending, challenges in matching graduates with jobs, disparate access in rural and urban areas, and salary disputes between unions and the government. Incremental efforts to address the education problem in Romania have targeted salary increases, new curricula on civics and government, and public-private partnerships linking graduates to the growing high-tech sector. During the period of review, much effort and attention has been wasted on a misguided proposal of Minister Pop to oblige schools to adopt gym textbooks. President Iohannis articulated Romania's challenge at the conclusion of the 2016-2017 school year, citing the need for a comprehensive and long-term reform to the post-secondary education system; however, this kind of fundamental re-ordering remains a distant aspiration in the face of labor disputes and nearly 2,000 rural schools lacking indoor plumbing.

Social Inclusion

Social Inclusion
Policy
Score: 4

Poverty and income inequality have been among the highest in the EU. Moreover, social inclusion has suffered from strong rural-urban disparities and the discrimination of the Roma population. As a result of the high share of unremunerated family workers in rural areas, in-work poverty is two times the EU average. The share of people who live in very poor quality housing and spend over 40% of their incomes on housing is one of the highest in the EU. The Cioloş government sought to foster social inclusion by adopting a comprehensive anti-poverty package in April 2016 focused on providing integrated social services to impoverished and excluded communities through integrated EU and national funds. By setting up an anti-poverty coalition committee in charge of developing and monitoring measures, Cioloş hoped to involve various public institutions, civil society and academia in allocating over €72 million allotted by the European Regional Development Fund for 2014-2020. In 2017, the pending implementation of the Minimum Inclusion Income Law was postponed once more.

Health

Health Policy
Score: 4

Romania has a public health insurance system. Despite its claim to universal coverage, however, only around 86% of the population are insured. Access to health care is further limited by a high salience of informal payments and a low density of doctors in rural areas. The problems are aggravated by relatively low public spending, large-scale emigration of medical staff and rampant corruption. The ongoing implementation of the Romanian National

Health Strategy 2014-2020 has been marred by shifting priorities and poor investment planning. Tensions between Prime Minister Tudose and Health Minister Florian Bodog increased after the prime minister had criticized Bodog's handling of a measles outbreak in September 2017 involving a shortage of vaccines that resulted in the death of 17 children. Training and retaining medical professionals has proven a significant challenge for Romania, to the extent that a new National Centre of Human Resources is being established to grant assistance to the Romanian doctors abroad who want to return.

Families

Family Policy
Score: 5

Generous parental-leave benefits have been the main instrument of family policy in Romania. Parents can claim parental leave for up to two years, and during the period of parental leave– and for six months afterwards – they have job security and cannot be dismissed. Benefits are set at 85% of the net average income earned during the previous months, up to a cap of 8,500 lei per month reintroduced by the Tudose government in 2017 with a view to reigning in spending. By contrast, public spending on child care has been low. Combined with the shortage of part-time work, the low child care density (especially full-time day care) creates a significant obstacle for women attempting to combine parenting and employment. As a result, female activity and employment rates have been among the lowest in the EU. The problems with combining parenting with participation in the labor market might even be visible in emigration trends. In contrast to the 2000s, women now represent the majority of out-going Romanians.

Citation:

Pop, L. (2017): Child-rearing indemnity in Romania: between social justice and financial feasibility European Social Policy Network, Flash Report No. 2017/44.

Pensions

Pension Policy
Score: 4

In Romania, low fertility rates combined with the massive out-migration of working-age citizens have contributed to a rapidly aging population. Forecasts for 2050 predict that 43% of the population will be over the age of 65 – a dramatic increase from the comparable figure of 27% in 2011. These demographic pressures threaten to undermine the pension system's sustainability, even more so as the actual retirement age has continued to decline despite an increase in the official retirement age in 2014. Poverty among pensioners remains a problem as well. The situation is particularly dire in the agricultural sector, where workers of the former agricultural cooperatives were left with very low pensions following the dissolution of

these cooperatives after 1990. As a result, many retirees live below or near the poverty limit, and many more rely on support from relatives to supplement their pensions. In part due to their lower pension-eligibility age, women typically have considerably lower pensions than men, and therefore have double the poverty-risk rates.

In an attempt to buy popular support, the Grindeanu und Tudose governments have enacted significant increases to old-age pensions. Going beyond the standard pension indexation, the average pension grew by 10% in 2017. In order to finance the additional spending, the Grindeanu government adopted a freeze on special pensions in April 2017. Moreover, it shifted revenues from the mandatory, fully funded second pillar, which has performed quite well since its creation in 2008, to the public pension pillar. As for 2017, it reneged on the original rules and did not raise the share in the social insurance contribution going to the second pillar. As for 2018, it lowered the share from 5.1% to 3.75%. By weakening the role of the second pillar, the Grindeanu and Tudose governments have exacerbated uncertainty among future pensioners and within capital markets and have reduced the reliability and long-term sustainability of the pension system.

Integration

Integration Policy
Score: 6

As a country with a shrinking and aging population, Romania has yet to adopt an integration system which embraces the opportunity presented by recent migration trends. Rather, it remains focused on ways to incentivize the return of Romanian émigrés, particularly those in the education, medical and high-tech sectors. The newly established National Centre of Human Resources which provides grant assistance to Romanian doctors abroad who want to return is an example of this trend.

In the run-up to EU accession in 2007, legal rules on family reunification, long-term residence and anti-discrimination were adopted to ensure conformity with EU law. From a comparative perspective, Romania's legislation has been fairly favorable toward immigrants. Romania scores particularly well with respect to anti-discrimination and labor market mobility, but policies are less welcoming with respect to education access and access to citizenship. Moreover, foreign workers are not represented by local labor unions, and often fall victim to dubious contracts leading to worse work and pay conditions than initially promised.

Growing numbers of non-European migrants have entered the country in recent years, most recently as part of the larger EU refugee crisis. Romania has upheld its commitment to receive and integrate according to its migrant

quotas. Concerns regarding migrant shelter, support and employment have been raised. Moreover, the discrimination to which the Roma are subject threatens to marginalize refugee and migrant peoples arriving from abroad.

Safe Living

Safe Living
Conditions
Score: 6

Romania’s homicide and violent crime rates have remained relatively low. The dominant challenges to Romanian public safety are transnational and organized crime, as seen in various arrests related to smuggling and human trafficking. Romania continues to be a willing participant in international police cooperation with European and regional partners.

Global Inequalities

Global Social
Policy
Score: 4

Romania remains a minor player on the global stage when dealing with issues of global inequality. In 2016, the Cioloş government put development assistance on a new footing. Among other things, Law No. 213/2016 created a new Agency for International Development Cooperation, “RoAid,” which is responsible for implementing development cooperation and humanitarian aid-related activities. In 2016, official development assistance rose by 71% in real terms. Romanian bilateral development cooperation has focused mostly on Moldova, Turkey, Serbia, Ukraine and Syria. In 2017, the cooperation with Moldova has been strengthened through the Romanian Economy Minister’s bilateral meetings with his Moldovan counterpart to discuss projects to further integrate the two countries’ natural gas and electricity networks, noting the success of the Ungheni-Chisinau pipeline. Moldova’s ailing political and economic systems, as well as its proximity to Romania and geopolitical importance to Europe vis-a-vis Russia make it an attractive area of political and economic engagement.

III. Enviromental Policies

Environment

Environmental
Policy
Score: 5

Despite its membership in the EU, Romania continues to struggle with developing and implementing comprehensive environmental regulations. In the period under review, progress with combating illegal logging and with waste management, the core focus of Romanian environmental policy, has been made. The National Environmental Guard (GNM), Romania’s central environmental protection agency, and its waste management subcontractors

collaborated to develop an information sharing app aimed at improving waste traceability and improving Romania's implementation of the EU Strategy and Legislation on Hazardous Waste and Chemicals. The new program is operated under the authority of the Ministry of Environment, implemented by the GNM and was developed in partnership with a Norwegian company. Enhancing the government's ability to monitor hazardous waste is an important step in holding polluters accountable and improving the country's waste management. Notwithstanding these achievements, the GNM remains an ineffective government institution whose leaders have been accused of involvement in corruption, squandering money on unnecessary training programs, and of neglecting the implementation of environment protection legislation. In the first seven months of 2017, GNM carried out 10% fewer control raids than in the same period in 2016. Throughout 2017, the Ministry of Environment has also reintroduced legislation that would allow the controversial Rosca Montana mining project to restart. Street protests against the Tudose government's perceived intention to facilitate the restart of the mining project have been organized in early September. The protests did not prevent the government from introducing in parliament in October 2017 a controversial law on mining.

Global Environmental Protection

Global
Environmental
Policy
Score: 5

Romania continues to be an active participant in multilateral fora focused on environmental stewardship and climate change. It has participated in the 2015 Paris Conference on Climate Change and has undertaken some measures to uphold its commitments.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 7

Electoral legislation was amended in the first half of 2015 with an eye to the local and parliamentary elections in 2016. One amendment substantially lowered the typically high stakes involved in establishing a political party. Moreover, the requirement to submit financial deposits for candidate registration was lifted, and citizens have been allowed to support multiple candidates and parties with their signatures. Partly as a result of these changes, the number of parties participating in the parliamentary elections in December 2016 was relatively high.

A major problem has been the candidacy rules for the four deputies and two senators elected by the Romanian diaspora. As criticized by the Federation of Romanians' Associations in Europe and others, diaspora candidates were discriminated against in the 2016 parliamentary elections because they were required to collect 6,090 signatures rather than 1,000 to enter the race. Moreover, their electoral colleges extend across several countries, impeding the collection of required signatures.

The conservative-liberal PNL has been the only party with explicit integrity requirements for its candidates. Introduced in 2015, the criteria are as follows: candidates may not have been members or collaborators of the communist political police, the Securitate, and may not have held positions in the former Communist Party; Candidates cannot have hired a family member or first-degree relative to public office, hold conflicting business interests or have lied in their declaration of assets or interests; Candidates may not hold any racist, chauvinistic, xenophobic, or discriminatory attitudes nor have debts to the local budget older than one year, or degrees or diplomas attained through plagiarism; and finally, candidates may never have been found guilty of corruption, offenses committed with intent or violence, nor be taken to court for a bribe-related offense, or any other criminal offense committed with intent. The application of these criteria disqualified 100 out of 1,100 PNL mayors from re-election. The other parties have refrained from adopting similar requirement.

Citation:

OSCE/ODIHR (2016): Needs Assessment Mission Report: Romania, Parliamentary Elections 11 December 2016, Warsaw, 6 (<http://www.osce.org/odihr/elections/romania/278346?download=true>).

Media Access

Score: 5

Campaign coverage by broadcast media, both private and public, is subject to detailed and complex regulations. The law provides for free access to public television and radio for all parliamentary parties to promote their platforms. Such access is also granted to non-parliamentary parties that submit full candidate lists in at least 23 constituencies. Broadcasting time granted by public and private broadcasters and editorial boards must ensure non-discriminatory conditions. However, the monitoring capacity and the sanctioning power of the National Audiovisual Council, the regulatory body in charge, are limited. Media access in a broader sense is uneven, as the public media has been susceptible to governmental and parliamentary influence, while private media is biased by its owners' political and economic interests. Talk-show hosts and political programs seldom invite speakers with views other than those of the media outlet's owner, and politicians and companies that buy ads often ask media outlets to refrain from criticizing them.

Citation:

OSCE/ODIHR (2016): Needs Assessment Mission Report: Romania, Parliamentary Elections 11 December 2016, Warsaw, 8-9 (<http://www.osce.org/odihr/elections/romania/278346?download=true>).

Voting and Registrations Rights

Score: 6

Citizens aged 18 years or older on election day are eligible to vote, unless disenfranchised by a final court decision for reasons of legal incapacity or as part of a judicial sentence. There is a central voter register based on a compilation of information from various government authorities. To minimize voter fraud, which has been a major issue in the past, Teamnet was awarded a RON 31 million contract to provide high-tech voting equipment to monitor whether voters have their voting rights in good standing and cast only one ballot. Despite these measures, trust in the voting system remains low.

The fact that thousands of Romanians abroad were unable to cast their votes in the 2014 presidential elections prompted the introduction of a postal vote for diaspora voters in November 2015. However, less than 10,000 out of more than 600,000 Romanians abroad participated in the 2016 parliamentary elections. Information was weak, voters had to register with the Permanent Electoral Authority before the vote and the authorities asked for proof of residence before registration, which deterred many Romanians who feared that Romania's Tax Authority would use that information to trigger an investigation against them.

Party Financing

Score: 5

The legal framework for party and campaign financing was amended in 2016. One important amendment has required parties to declare all contributions received along with the sums earmarked for television ads and posters while

identifying the contributors. A second amendment strengthened the obligation of parties to document the use of public funds, which constitute a significant portion of party resources. While these amendments have enhanced the transparency and accountability of party financing, other changes have pointed in the opposite direction. In early 2016, the two biggest parties, PSD and PNL, both highly indebted, colluded and reduced the possibility for creditors to get their money back from parties. In 2017, parliament passed controversial amendments to the law on the financing of political parties and electoral campaigns which were declared unconstitutional on procedural grounds by the Constitutional Court in November. However, the main problem still is lagging implementation. Parties circumvent regulations through a variety of methods such as the creation of fictitious positions and party structures, thus enabling them to hide additional sources of income. As a result, spending by parties and candidates surpasses their declared resources, and true donor support exceeds parties' stated income. Sanctions are rare even in cases of blatant legal breaches.

Popular Decision-
Making
Score: 4

According to the Romanian constitution, national referendums are required automatically for any revision to the constitution (as happened in 1991 and 2003) and following the impeachment of the president (as in 2007 and 2012). In addition, the president can (after consultation with parliament) call for referendums on matters of national interest, as in the case of the 2007 electoral-system referendum and the 2009 referendum on parliamentary reform. For referendum results to be legally binding, turnout needs to be above a certain threshold, which was lowered from 50% to 30% by a law passed in May 2013. At the national level, citizens do not have the general right to initiate a referendum. However, if more than 500,000 citizens support a change in the constitution, parliament can approve a revision, which then must pass a nationwide referendum. At the county level, citizens can initiate referendums. However, such initiatives are subject to approval by the County Council and have remained rare.

In the period under review, controversies continued over an initiative to make the definition of marriage enshrined in the constitution more restrictive. Launched in December 2015 by the conservative Coalition for Family and supported by the Romanian Orthodox Church, it gathered three million signatures, many of them collected in churches. Although the initiative has been supported by most parties, it was not until May 2017 that the lower chamber of parliament endorsed the amendment with the required two-thirds majority. However, during the period under review, the amendment did not pass the Senate, the second chamber, and the referendum, announced already in early 2017 by PSD chef Dragnea, has been postponed several times.

Access to Information

Media Freedom
Score: 3

In Romania, the independence of the media is limited. The government can exert strong control over the public media, and private media owners often chose to become obedient and to serve powerful politicians in exchange for favors. The decision to abolish the existing TV-radio fee and to have the public media financed directly out of the central government budget, hidden in a list of popular tax cuts, has raised fears about a further increase in the political control of the public media. So have the governing coalition's plans to ease the possibility of dismissing the head of the national press agency Agerpress. Amendments adopted by the Senate to the Law on the Romanian Television Company and to the Law on the Romanian Radio Company were challenged by the National Liberal Party (PNL) in a notification presented to the Constitutional Court of Romania (CCR), stating that reforms threaten the viability and autonomy of the two public services. The PNL have alleged that the legislative proposal (Law no263/2016) adopted in June 2017 involved significant changes compared to the content that was debated and adopted by the Deputies' Chamber, thus constituting a breach in the principle of bicameralism. The challenges are currently before the court but are symptomatic of the continued politicization of media in the country.

Active Watch (2017): Media Freedom in Romania 2015-2016. Bucharest (<http://www.activewatch.ro/en/freeex/publications/freeex-report-annual-press-freedom-in-romania-2015-2016/>).

Media Pluralism
Score: 4

There is a large number of different media outlets in Romania, suggesting that Romanians have access to a multitude of information sources. But these sources lack diversity and predominantly represent the views of only the two major political parties. Many media outlets have shady owners and suffer from financial troubles. Editorial independence is limited.

Access to
Government
Information
Score: 6

Law 544/2001, known as the Freedom of Information Act (FOIA), ensures citizens' access to public information. Its remit creates obligations for all central and local state institutions, as well as public companies for which the state is the majority shareholder. Along with ministries, central agencies and local governments, public universities, hospitals, and many off-budget central and local public companies have to comply with the terms of law 544. However, actual enforcement differs from the terms of the existing legislation. Privacy and secrecy considerations often trump the transparency principle. Confronted with allegations of corruption and plagiarism, the academies of police, national defense and intelligence services, for example, have consistently refused to make basic info pertaining to job searches for their presidents, promotion criteria and procedures to grant doctoral degrees available to the public.

Civil Rights and Political Liberties

Civil Rights
Score: 5

Civil rights are guaranteed by the constitution and are generally respected in practice. Romania responded to the decision by the European Court of Human Rights by adopting a new civil procedure order, which came into effect in February 2013. However, court protection has continued to suffer as a result of long and unpredictable proceedings. More specific concerns have been raised by the disproportionate use of preventive detention, often in conflagration of European legal standards, the bad conditions in Romanian prisons, and the large-scale surveillance activities of the Romanian Intelligence Service (SRI). The NGO legislation introduced by the governing coalition is likely to weaken watchdog organizations in the field of civil rights.

Political Liberties
Score: 7

In 2017, Romanian citizens made heavy use of their political liberties, as hundreds of thousands of people took the streets to protest against the government's plans for amending the Criminal Code and for reforming the judiciary. However, the protesters and some of the NGOs involved faced a smear campaign by the governing coalition. In some cases, the confrontation between the protesters and the police raised questions about crowd control and the conduct of the Romanian Gendarmerie. The new NGO legislation introduced by two members of parliament from the governing coalition in June 2017 and passed by the Senate in November 2017 aims at weakening Romanian civil society.

Non-discrimination
Score: 5

The Romanian state has been ineffective in countering discrimination against a number of vulnerable groups, including members of the LGBT community, adults and children infected with HIV, people with disabilities, and the country's large Roma minority. The civil code still prohibits same-sex partnership and marriage, and fails to recognize any such marriages registered abroad. The popular initiative to make the constitutional definition of marriage more restrictive, with strong support by the Romanian Orthodox Church, has favored the discrimination of members of the LGBT community.

Rule of Law

Legal Certainty
Score: 4

In order to make the law more consistent, the High Court of Cassation and Justice introduced two new mechanisms in 2015, namely preliminary rulings and appeals in the interest of the law. However, legal certainty has continued to suffer from frequent changes in the judiciary and frequent amendments to the law, as well as from the widespread use of government emergency ordinances (OUG), which continued in the period of review. Since Article 115 of the constitution provides for OUGs only in exceptional circumstances, their frequency represents an abuse of the government's constitutional powers and undermines legal certainty. In some cases, however, OUGs have helped to

Judicial Review
Score: 6

clarify the situation and have served as the first step toward a harmonization of legislation.

Romania's judiciary has become more professional and independent over time, as shown by the various indictments and convictions of prominent politicians and businessmen and the increasing assertiveness of the Supreme Council of Magistrates (CSM). The integrity of Romania's judiciary was tested in the period of review when the government coalition tried to push through controversial amendments to the Criminal Code as well as a broader judicial reform package threatening the independence of the courts. The CSM has strongly criticized the reforms. In September 2017, 4,000 (out of a total of about 7,000) judges signed a letter asking the government to withdraw its reform package.

Citation:

European Commission (2017): Report from the Commission to the European Parliament and the Council on Progress in Romania under the Cooperation and Verification Mechanism. COM(2017) 751 final, Brussels (https://ec.europa.eu/info/files/progress-report-romania-2017-com-2017-751_en).

Appointment of
Justices
Score: 5

According to Article 142 of Romania's constitution, every three years three judges are appointed to the Constitutional Court (CCR) for nine-year terms, with one judge each appointed by the Chamber of Deputies, the Senate and the president of Romania. Since there are no qualified-majority requirements in either the Chamber of Deputies or the Senate, and since these appointments occur independently (i.e., they do not need to be approved by or coordinated with any other institution), Constitutional Court justices are in practice appointed along partisan lines. In 2016, the terms of three justices appointed in 2007 expired: CCR president Augustin Zegrean (appointed by former President Basescu), Valentin-Zoltán Puskás (appointed by the Senate at the suggestion of the Democratic Union of Magyars in Romania), and Tudorel Toader (appointed by the Chamber of Deputies at the suggestion of the National Liberal Party). They were replaced on July 14 by Livia Stanciu (proposed by President Iohannis), Attila Varga (proposed by the Chamber of Deputies at the suggestion of the Democratic Union of Magyars), and Marian Enache (proposed by the Senate at the suggestion of the Social Democrats). The following day, Valeriu Dorneanu (supported by the socialist PSD) was elected the new president of the CCR.

Corruption
Prevention
Score: 5

Corruption has been a major political issue in Romania for some time and became even more so in the period of review. As early as in January 2017, the newly installed government launched legislation aimed at decriminalizing and pardoning certain offenses. Broadly understood as an attempt to help politicians and others either accused or convicted of corruption, including PSD leader Liviu Dragnea, these initiatives prompted an unexpectedly strong public outcry that led the government to withdraw them. Next, the governing coalition has sought to discredit and weaken the much-acclaimed National

Anti-Corruption Directorate (DNA) while strengthening its control over the judiciary, with limited success until the end of the year. Led by the combative Laura Codruta Kövesi, the DNA, which has achieved many high-profile convictions, continued its investigations in 2017. In June 2017, a new system for identifying conflicts of interest in public procurement went online. Because of weak regulation and enforcement, public procurement, which comprises sales worth more than 15bil Euros and more than 20,000 individual tendering procedures per year, has been prone to corruption.

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 3

While EU membership has forced the Romanian government to produce regular strategic documents, policymaking in Romania continues to suffer from a lack of strategic planning. The most important strategic-planning unit within government is the Secretariat General of the Government, which was established in 2001. However, its planning capacities and its role in the government have been limited. In 2017, the government approved a new strategy for regional development. Put forth by the Ministry of Regional Development, Public Administration and European Funds, it comprised an assessment and plan for all aspects of national and EU budget exercises and their consequent impacts on Romanian territories within the broader European context.

Scholarly Advice
Score: 5

Cooperation between the Romanian government and non-governmental academic experts traditionally has been only weakly institutionalized. Under the Cioloş government, some progress has been made. Since November 2015, the newly created Ministry of Public Consultation and Civic Dialog has been responsible for facilitating communication between government and non-governmental experts and the greater society for major political projects. Under the PSD governments, however, the relationship between the government on the one hand and civil society and many academic experts on the other have been strained. Minister of Education Liviu Pop, for example, has ignored criticisms of his decisions to weaken key oversight bodies and grant agencies (CNATCDU and UEFICDI) by appointing professors close to the PSD but lacking solid research and innovation records. Since mid-2016 foreign academics have been excluded from these bodies and they are no longer consulted before policy is submitted by government to parliament.

Interministerial Coordination

GO Expertise
Score: 5

The organization of the Government Office underwent some changes in the period under review. Until January 2017, it featured two bodies involved in interministerial coordination, the General Secretariat of the Government (GSG) and the Prime Minister's Chancellery (PMC). Whereas the GSG focused on the formal coordination, the PMC, consisting of about 15 state counselors with different backgrounds, provided the policy expertise. In January 2017, Prime Minister Grindeanu dismantled the PMC and transferred its responsibilities to the GSG. Once appointed, its predecessor, Prime Minister Tudose, re-established the PMC and the old dual structure. These changes have infringed upon the government office's capacity to do comprehensive evaluations of draft bills.

Citation:

OECD (2016): Public Governance Scan Romania. Paris (<https://www.oecd.org/countries/romania/public-governance-review-scan-romania.pdf>).

GO Gatekeeping
Score: 7

Under the Grindeanu and the Tudose government alike, the government office has enjoyed the formal authority to return proposals to line ministries. Before and after the Grindeanu government, there has been a division of labor between the Secretariat General of the Government focusing on the technical issues and the Prime Minister's Chancellery being able to return items on policy grounds.

Citation:

OECD (2016): Public Governance Scan Romania. Paris (<https://www.oecd.org/countries/romania/public-governance-review-scan-romania.pdf>).

Line Ministries
Score: 5

Policy proposals are usually drafted within ministries. The Secretariat General of the Government provides administrative and legal support for policymaking. The Prime Minister's Chancellery usually becomes involved only after the compulsory public-consultation procedures are finalized. While the prime minister occasionally gets publicly involved in debating certain legislative proposals and may contradict line ministers, the final decision on the content of the policy proposal tends to be made by the line ministry.

Cabinet
Committees
Score: 5

In Romania, ministerial committees, composed of one minister, deputy ministers and public servants, feature prominently in interministerial coordination. By contrast, committees consisting only of ministers or with several ministers are rare.

Ministerial
Bureaucracy
Score: 6

Much of the coordination takes place in interministerial committees, usually presided over by a minister and composed primarily of deputy ministers (political positions) and top civil servants. In the absence of these committees,

bills are subject to interministerial consultation by being sent for review to the ministries affected by each act. If ministries do not respond to the review request within five days, the non-response is considered tacit approval. Prior to government meetings discussing a particular legislative proposal, the Secretariat General of the Government organizes working groups between the representatives of ministries and agencies involved in initiating or reviewing the proposal in order to harmonize their views. While these procedures promote coordination, the capacity limitations of many ministries and the short turnaround time allowed for review undermine effective review and hence allow for only superficial coordination in many cases.

Informal
Coordination
Score: 2

In addition to the formal mechanisms of interministerial coordination, there has been an informal coordination of the government's work by PSD chef Dragnea, the "éminence grise" of the government. When Grindeanu became too independent, he was toppled by Dragnea. The informal coordination within the governing party thus undermined the formal coordination mechanisms within government.

Evidence-based Instruments

RIA Application
Score: 6

RIA-related procedures were introduced in Romania in 2005. At least in theory, legislative proposals cannot enter the legislative process without RIA approval from the Public Policy Unit of the Secretariat General of the Government (GSG). In practice, the use and the quality of RIA is highly uneven, and many RIAs are superficial. Capacity remains a critical obstacle to the effective implementation of RIA procedures and requirements. Further problems have stemmed from the complex division of monitoring and evaluation responsibilities between the GSG and the Prime Minister's Chancellery.

Quality of RIA
Process
Score: 5

The legislation explicitly states that the RIA process should integrate other impact-assessment methodologies, especially those related to economic- or environmental-impact assessment. The public policy unit, located in the General Secretariat of the Government, is the central RIA coordination unit, and addresses functions such as the improvement of ex ante impact assessments, state-capacity evaluations, and intra-governmental epistemic exchanges. Although the access-to-information legislation stipulating that results should be posted for 30 days on ministerial websites is usually respected, the majority of RIA processes involve stakeholders or transparent methodologies such as public hearings, surveys or debates to only a small degree. Moreover, in practice, RIA exists in many areas mainly on paper and has been primarily aimed at assessing potential legal conflicts arising from new proposals rather than focusing on their policy impact. However, in some

areas (such as environmental policy), there has been greater progress toward true policy-based RIA.

Sustainability
Check
Score: 3

As a result of EU directives, the RIA methodology manual requires that sustainability concerns be incorporated in assessment reports. In practice, most such reports are primarily legalistic and pay limited attention to issues of sustainability.

Societal Consultation

Negotiating
Public Support
Score: 3

Romania has two tripartite bodies, the Social and Economic Council (Consiliul Economic și Social) and the National Tripartite Council for Social Dialog (Consiliul National Tripartit pentru Dialog Social, CNTDS). The Grindeanu and Tudose governments have used them mostly to provide information about planned initiatives, without a substantive process of involvement and cooperation. The Grindeanu and Tudose governments alike have perceived civil society as an enemy, not as a potential ally, and have made little use of the Ministry of Public Consultation and Civic Dialog originally established under the preceding Cioloș government.

Policy Communication

Coherent
Communication
Score: 4

Both the Grindeanu and the Tudose governments have lacked a unified and coordinated communications strategy, defaulting instead to a decentralized approach with individual ministries' communicating new policy initiatives and programs. In both governments, announcements of different ministers have frequently contradicted each other.

Implementation

Government
Efficiency
Score: 4

The Grindeanu government succeeded in implementing a number of campaign promises, including tax cuts as well substantial increases in the minimum wage, wages in the public sector and pensions. It soon turned out, however, that these measures put a heavy strain on the budget, so that other promises, such as raising public investment, had to be broken. The strong rifts within the coalition and massive public protests further complicated policymaking. Until the end of 2017, the attempts – first by the Grindeanu, then by the Tudose government – to decriminalize corruption, to weaken the DNA and to reduce the independence of the judiciary – failed.

Ministerial
Compliance
Score: 5

Ministers in Romania have traditionally held significant leeway in terms of deciding policy details within their departments, and the short-lived prime ministers Grindeanu and Tudose, both dependent on the backing by PSD chair

Dragnea have been too weak to bring ministers in line. The huge turnover of ministers under both governments thus does not testify to their strength.

Monitoring
Ministries
Score: 6

The government has a special office in charge of monitoring the activities of line ministries and other public bodies, the Control Body of the Prime Minister. While suffering from having limited staff and resources, this office monitors the activity of most line ministries fairly effectively.

Monitoring
Agencies,
Bureaucracies
Score: 4

The monitoring of agencies in Romania has been plagued by political clientelism and the capacity reduction suffered by many ministries following the often-haphazard personnel reductions associated with the austerity measures adopted in 2010 – 2011. Many agencies fail to provide information on their websites, which is in violation of decisional transparency legislation.

Task Funding
Score: 3

Local government have been undermined by increased uncertainty about the rules of the game and the expanding scope for clientelism in financial allocations. As part of a broader legislative package to raise salaries in the public sector, local civil servants benefited from important salary raises in mid-2017, unsustainable in many smaller towns and villages. Elected mayors and councilors had lobbied successfully for a rise a few months earlier, when their compensation packages were increased by 30%. These salary increases are unprecedented and put a strain on the budgets of small and medium localities at a time when EU funds absorption remained low. Another source of local government funding has been the National Program for Local Development (PNDL), a scheme of distributing national funds. Since its inception in 2013, the PNDL has been discretionary, opaque and politicized, lacking objective criteria for the allocation of investment projects by region or municipality and thus being used by ruling parties to reward pliant mayors. For half of the 5,000-odd projects currently implemented, contracts are won by a handful of companies with close party or family connections with leaders of public institutions. If PNDL (which is funded 100% with national money) applies “soft rules” to select infrastructure projects and supervise contractors, local governments may lose interest in the more rule-based and transparent EU structural funds. Local businesses may develop connections with public administration, engage in uncompetitive practices and rent seeking. This magnifies the PNDL’s negative political impacts: institutional uncertainty, resources can neither be predicted nor planned for, local governments lobby the upper echelons of government for “emergency transfers,” clientelism, and diminished engagement with citizens who are excluded from these dealings.

Constitutional
Discretion
Score: 3

The autonomy of subnational units is often curtailed by fiscal measures enforced from the central level. The allocation of discretionary financial transfers and investment projects to municipalities and counties along partisan lines has continued in the period under review. Another problem is that allocations are often made with considerable delay, which affects the capacity of subnational units to initiate and complete projects. This problem seems to

be especially pronounced in the predominantly Hungarian counties of Transylvania, Covasna and Harghita.

National Standards Score: 5

The central government generally tries to ensure that subnational governments realize national public-service standards. The prefects have an important role in this respect. However, enforcement is sometimes undermined by the inadequate funding provided to subnational governments.

Adaptability

Domestic Adaptability Score: 6

As Romania looks to taking on its Presidency of the Council of the European Union in 2019, EU affairs have attracted growing attention in the country. However, the political turbulences in 2017 have stymied all efforts to better adapt domestic government structures to international and supranational developments. The absorption of EU funds, an important metric which had substantially increased under the government, has declined in 2017 and was lower than targeted, and remains below that of other Central and East European countries.

Citation:

N.N. (2018): In Romania absorption rate of EU funds reaches 6.5% at end-2017, in: Central European Financial Observer, January 18, 2018 (<https://financialobserver.eu/recent-news/in-romania-absorption-rate-of-eu-funds-reaches-6-5-at-end-2017/>).

International Coordination Score: 5

Romania's NATO and EU accessions were celebrated as significant milestones and part of a reunification process with Western Europe following the collapse of communism. Romanian governments have supported international efforts to provide global public goods. As of June 2017, Romanian military forces were deployed in 10 among 15 U.N. peacekeeping missions and one special political mission. The country's international ambitions are evident in its intention to seek a non-permanent seat on the U.N. Security Council from 2020-2021.

Organizational Reform

Self-monitoring Score: 4

Changes to the makeup of Romania's institutional arrangements remain a frequent occurrence, often following a change in government. Without a systematic and regular mechanism for monitoring institutional arrangements, and with frequent changes in government, the bureaucracy struggles to sustain strategic direction. Occasional reviews by the OECD, World Bank and others persist but their effect is likely negligible.

Institutional Reform Score: 3

Institutional reforms under the Grindeanu and the Tudose governments were largely confined to changes in the portfolios of ministries. The Grindeanu government increased the number of ministries from 21 to 26. It had two

ministers dealing with EU funds, none of which was able to help Romania increase its absorption rate. The Tudose government even started with 27 ministers. Neither of the governments addressed issues such as the lack of strategic planning or the low quality of RIA. Pledged subnational administration reforms were not implemented.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 5

Although the mass protests in 2017 suggest an increase in political interest – particularly when compared with the low voter turnout at the 2016 parliamentary elections – public knowledge of government policy remains low. Most of the population, especially in rural areas and small towns, have no clue as to what government policies are being proposed or implemented. They might know the name of the president, but not the names of the prime minister and individual cabinet members; they know nothing at all about policy, but judge government activity mostly in ideological terms. In order to improve the situation, the Ministry of Education, along with other public authorities, launched in mid-2017 an initiative to provide more space in primary and secondary curricula to issues such as the constitution, legislative process, how the judiciary functions, basic elements of civil and criminal law and the fight against corruption.

Legislative Actors' Resources

Parliamentary
Resources
Score: 6

The Romanian parliament has a Department of Parliamentary Studies and EU Policies, which offers members of parliaments research support and library access and can prepare research reports at the request of members of the standing bureaus of the two chambers, as well as of the leaders of the parliamentary groups and the chairs of the parliamentary committees. However, a common complaint is that the parliament's resources are channeled to activities such as building maintenance rather than to those directly involving the main functions of a national legislature. Independent legislators have access to few material resources; moreover, little expertise is readily available, and lawmakers often rely on assistance from former parliamentarians or political-party staff rather than independent experts. When independent experts are called to provide their opinion on various aspects of government activity, these points of view might not be reflected in the reports and studies produced by the department. The lack of resources also inhibits the

<p>Obtaining Documents Score: 7</p>	<p>proper documentation of expert testimonies and committee proceedings.</p> <p>According to Article 111 of Romania’s constitution, “the government and other agencies of public administration shall, within the parliamentary control over their activity, be bound to present any information and documents requested by the Chamber of Deputies, the Senate or parliamentary committees through their respective presidents.” However, this access is limited in case of documents containing classified information, especially with respect to national security and defense issues. Members of parliament also complain about delays in the provision of documents and information.</p>
<p>Summoning Ministers Score: 9</p>	<p>According to Article 54(1) of the Chamber of Deputies Regulations, ministers are permitted to attend committee meetings, and “if their attendance has been requested, their presence in the meeting shall be mandatory.” Furthermore, ministers are requested to present a work report and strategy of their ministry before committees once per session. Notably, the frequency with which ministers attend committee meetings is not documented. Sometimes ministers send deputies who are not always able to respond to queries raised by parliamentarians.</p>
<p>Summoning Experts Score: 9</p>	<p>According to Article 55(2) of the Chamber of Deputies Regulations, “committees may invite interested persons, representatives of non-governmental organizations and experts from public authorities or from other specialized institutions to attend their meetings. The representatives of non-governmental organizations and the experts may present their opinions on the matters that are under discussion in the Committee, or may hand over documents regarding the matters under discussion to the Committee President.” The frequency with which experts are invited has differed among committees.</p>
<p>Task Area Congruence Score: 6</p>	<p>The number of committees in the Senate and the Chamber of Deputies is roughly in line with the number of ministries in the government. However, the legislature’s oversight capacity is reduced by the incomplete match between ministries and parliamentary committees.</p>
<p>Audit Office Score: 9</p>	<p>The Court of Accounts is an independent institution in charge of conducting external audits on the propriety of money management by state institutions. Parliament adopts the budget proposed by the court’s plenum and appoints the court’s members, but cannot remove them. The court president is appointed by parliament for a nine-year term from among the counselors of account. Thus, while court presidents tend to be appointed on a partisan basis, they are not always representing the current parliamentary majority. The court submits to parliament annual and specific reports that are debated in the legislature after being published in the Official Gazette. The annual public report articulates the court’s observations and conclusions on the audited activities, identifies potential legal infringements and prescribes measures. The Court and its work have enjoyed a good reputation. The appointment of Mihai Busuioc as new</p>

Ombuds Office
Score: 3

court president in mid-October 2017, however, has raised some concerns about its future independence. As the media and the opposition have pointed out, Busuioc lacks both expertise and distance to the PSD leaders.

The Romanian Ombudsman was established in 1991 after the ratification of the country's first post-communist constitution and is appointed by both chambers of parliament for a term of five years. The current Ombudsman is Victor Ciorbea, a former prime minister (1997-1998) and senator tainted by allegations that his legal practice has defended the interests of some notorious corrupt politicians. Nominated to the post in April 2014, Ciorbea has been criticized for ignoring the concerns of ordinary citizens and championing those of politicians. In one blatant example drawing concerns, Ciorbea challenged in January 2017 a law that bans convicted individuals from joining the government. The challenge, if accepted by the Constitutional Court, would have helped Liviu Dragnea to become prime minister of the new PSD/ALDE cabinet in spite of the fact that he was previously convicted of corruption and rigging elections. In August, Ciorbea celebrated the Ombudsman's 20th anniversary with a lavish party. In mid-November, the press revealed that Ciorbea was guilty of tax evasion (RON 200,000), as was his wife (RON 400,000).

Media

Media Reporting
Score: 4

Media coverage of government decisions and action on the television stations and newspapers holding the highest market shares is highly partisan, largely focusing on political scandals and key politicians' personalities rather than in-depth policy analysis. Public opinion and political discourse are subject to manipulation and misinformation, which has contributed to a radicalization of Romanian politics. Nevertheless, there is a clear minority of mass-media brands, such as the Digi 24 television station and HotNews.ro, an online news source, that produce higher quality, less partisan and more in-depth information. NineOClock.ro also serves as a useful political news outlet but is published in English and targets a foreign market. These sources – as well as some of the more serious print media (such as the 22 weekly) – have much smaller market shares than do television stations specializing in political infotainment, particularly the Antena 3 television station.

Parties and Interest Associations

Intra-party
Democracy
Score: 3

Almost all Romanian parties have been characterized by weak intra-party democracy. In the case of, the strongest party in parliament, its chairman Liviu Dragnea has enjoyed an unprecedented authority, not even reached by Ion Iliescu, Romania's first post-communist president. Despite being convicted for vote-rigging, Dragnea has been able to appoint and dismiss cabinets at will.

Association
Competence
(Business)
Score: 3

While policymaking in Romania is often influenced in a particularistic fashion by individual business interests, business associations are rather weak and have played a minor role in proposing concrete policy measures, much less offering cost–benefit analyses of the likely effects of such policies. Unions have not played an active role in policy formulation either. Even though union density is fairly high in Romania, union structure is fragmented and weakly developed.

Association
Competence
(Others)
Score: 6

NGOs have significant analytical capacities, especially in areas such as environmental policy and social protection. However, many NGOs have suffered from a lack of resources and have been dependent on international financing. The Romanian Orthodox Church, which represents as much as 85% of the population, has been a powerful actor, but has promoted a relatively narrow agenda. When the amendment to the fiscal code in 2015 renewed public debate on the many tax exemptions and subsidies the church enjoys, the church used its political influence to defend its privileges.

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