

SGI Sustainable
Governance
Indicators

2014 Romania Report

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Executive Summary

2012 was a trying year for Romanian democracy: in January thousands of protesters gathered in Bucharest to demand the resignation of President Băsescu and the government of Prime Minister Emil Boc, whose popularity had plummeted after the economic costs of harsh austerity measures reinforced accusations about deep-seated corruption and patronage politics. The developments culminated in the summer of 2012 when an exceedingly polarized and antagonistic political environment threatened the building blocks of democracy and the rule of law. The Social Liberal Union (USL) a center-left party alliance formed in February 2011, organized what some observers classified as a constitutional coup d'état by swiftly replacing the Democratic Liberal Party (Partidul Democrat-Liberal, PD-L) speakers of both chambers of Parliament with USL legislators and firing the Ombudsman, Gheorghe Iancu. In addition, the government tried to ban the Constitutional Court from reviewing acts of Parliament by issuing a governmental ordinance and transferring control of the Official Gazette to the Parliament's jurisdiction. Because notifications of decrees, decisions, laws and ordinances that are published in the Official Gazette determine when they go into effect, this move provided the governing coalition the opportunity to delay the the timing of when Constitutional Court decisions and presidential decrees could enter into force. All these efforts culminated in a 20-page request by the USL to remove President Băsescu from office for seven categories of constitutional infringements. The gravest accusations were that President Băsescu had undermined democracy, overstepped his presidential powers and curtailed the independence of the judiciary.

The Constitutional Court found that none of the aforementioned accusations could have been considered grave violations of the constitution, and expressed concern only over the efficiency of the president's role as a mediator between the state and citizens as well as different institutions. Nonetheless, the Court validated the impeachment request and on July 6 the Romanian president was suspended with 258 parliamentary votes in favor and 116 against his departure. The constitutionally mandated referendum on July 29 confirmed Băsescu's unpopularity as almost 89% of voters agreed with his dismissal but voter turnout (46.2%) fell short of the required 50% plus one of the referendum law.

Therefore, despite heavy political pressures from the governing coalition, on 21 August 2012 the Constitutional Court eventually confirmed the July 29 referendum outcome in favor of the impeached president.

Following the failure of the referendum, the governing parties focused their attention on the December 2012 parliamentary elections, and interpreted the landslide victory for the USL as a “victory against the Băsescu regime.” The social liberals reached almost 60% of the votes for each chamber of Parliament and secured roughly two thirds of parliamentary seats in what amounted to the clearest electoral victory since the 1990 elections. By contrast, their center-right rivals and Băsescu’s supporters, the Right Romanian Alliance (ARD) polled only 17%, a dramatic decline compared to the 32% vote share of the PD-L, the leading party in the Boc government, in the 2008 elections.

Even though President Băsescu had threatened to refuse to appoint Ponta as prime minister, he eventually relented and thus avoided triggering a renewed constitutional crisis. As a result, Romania continued to be governed by a dual executive split along partisan lines, which – combined with the history of rhetorical confrontations between the president and the prime minister – promised to be an explosive situation. While neither side has completely eschewed the temptation to insult one another in partisan media outlets, their cohabitation has actually improved after the elections following the signing of a cohabitation accord that set clear parameters for the interaction between the two institutions. However, the accord was criticized by Ponta’s main coalition partners, the National Liberal Party (Partidul National Liberal, PNL), which repeatedly expressed its opposition to the accord and advocated a more hardline approach against the president. Other observers worried that in order to secure the agreement, President Băsescu had “sold out” his commitment to defending the independence of the judiciary, which had been one of the main stakes of the July 2012 political crisis.

The political turbulence of 2012 not only have raised concerns about the state of democracy in Romania but also left their imprint on policy performance and the institutional arrangements of governing. For most of 2012 a succession of three governments – Boc, Ungureanu and Ponta – focused primarily on political survival. As a result, policymaking during this period was primarily targeted at short-term tactical objectives rather than longer-term reform strategies. While the broad parameters of fiscal and monetary policy were constrained by the need to secure the approval of international financial institutions in the context of continued financial instability in the eurozone, the incoming USL government reversed some of its predecessor’s policies by

starting to restore public sector wages to pre-2010 levels and granting tax refunds in the pension system, as part of an effort to woo voters in an electoral year. While these moves caused the government to miss its fiscal target for 2012, the magnitude of the changes was limited by the country's ongoing IMF program, which after a series of delays was finally completed in late June 2013.

Short-term tactical calculations in the pursuit of partisan objectives have also dominated institutional reform. This phenomenon was particularly obvious during the weeks preceding the 2012 referendum, when the government adopted a series of haphazard institutional changes whose main purpose was to strengthen the powers of the USL-dominated Parliament at the expense of other institutions. Therefore, even though the government is right to argue that the Romanian constitution would benefit from reforms that would clarify the division of power between different institutions, it appears that the real objectives of the governing coalition are the further concentration of political powers in Parliament at the expense of the presidency and the judiciary.

Key Challenges

In 2013, Prime Minister Ponta and President Băsescu's peaceful co-habitation generated a more stable political and economic environment in contrast to the animosity of the preceding year. While this truce may be maintained due to international pressures and the two leaders' recognition of the high political costs of last year's conflict, the governing coalition may be tempted to revive the conflict, which has been one of its main sources of popular support and coalition unity. At the same time, tensions have started to emerge within Romania's ruling coalition and can be expected to grow as the significant programmatic differences and conflicting patronage interests between the coalition partners will become more obvious in the course of governing. To the extent that the government's popularity declines – as the gap between electoral promises and actual achievements becomes more visible – each side will be tempted to blame the other for failures, which would undermine the effectiveness of the government and may even imperil the survival of the coalition. Given that in the past such coalition tensions have been exacerbated by the frequent migration of members of parliaments between different parliamentary factions, this risk could be reduced by legislation sanctioning MPs who engage in opportunistic floor-crossing.

While a series of high-profile prison sentences in the last year (including one dealt to former Prime Minister Adrian Năstase's controversial Liberal Deputy, George Becali) suggest that anti-corruption efforts are finally producing tangible results, the durability of such progress depends on whether institutions such as the Anti-Corruption Directorate (DNA) or the National Integrity Agency can be shielded from the attacks of an influential part of Romania's political elite (including several leading figures in the Social Liberal Union or USL, such as Dan Voiculescu) who are under investigation for corruption and have a direct interest in undermining the independence and effectiveness of these institutions (and of the justice system more broadly). While the appointment of the former Prosecutor General, Laura Codruța Kovesi, as the new head of the DNA promises a continuation of the DNA's tough approach to prosecuting high-level politicians, many observers are worried about the consequences of the simultaneous appointment of Tiberiu Nitu as Prosecutor General (and the opaque process that led to it).

Furthermore, progress in the prosecution and conviction of high-level corruption must be accompanied by a series of complementary measures. Firstly, the deterrent effect of such convictions would be magnified by stiffer prison sentences and if they were accompanied by tougher economic punishments such as the confiscation of property. Secondly, political parties and the mass media need to take a less forgiving stance towards convicted politicians from their own camp (former Prime Minister Adrian Năstase was celebrated as a martyr and victim upon his release from prison in March 2013).

At the same time, Romania needs to develop effective incentives to prevent the occurrence of the corruption in the first place by reducing the opportunities for rent seeking and political clientelism. Given the deeply rooted patronage networks dominating Romanian politics, the prospects for the government initiating such a change are not very promising. Therefore much greater pressure will be needed both from outside (international conditionality) and from below (civil society and the media). Unfortunately, however, the mass media will continue to fall short of fulfilling this important role unless measures are taken to reverse the ownership concentrated in the hands of a few oligarchs and the resulting partisan bias and lack of investigative journalism in most major mass media outlets.

While the current government has rightly identified the improvement of Romania's very low absorption rate of European funds as a key policy objective, the pursuit of such funds is a double-edged sword. On the one hand it may encourage the government to adopt a more coherent and disciplined

governance approach and provide much-needed funding to alleviate the severe resource constraints in many crucial sectors (such as healthcare and education). On the other hand, unless their use is carefully monitored by both the government and international institutions, such funds are likely to continue to represent a major source of corruption and patronage. To fight misappropriation, the distributing channels should be transparent and criteria-oriented at all stages. In addition, an early control mechanism must be established during the project's initial stages of submission and evaluation to prevent irregularities and address potential problems.

Arguably the most important political challenge currently facing Romania is the constitutional revision process. On the one hand, resolving the many ambiguities in the current Romanian Constitution could potentially improve the effectiveness of governance and reduce the conflict between different political institutions. On the other hand, there are real reasons to worry that after its failed power grab in July 2012 the Romanian government may be emulating the strategy of the Hungarian government in the last three years by using its temporary parliamentary super-majority to reconfigure political institutions in such a way that would significantly undermine constitutional checks and balances and ultimately imperil Romanian democracy. Therefore, it is crucial that the process be kept under close surveillance by the appropriate EU-level institutions while at the same time minimizing political rhetoric that would allow Romanian politicians and their mass media allies to dismiss them as partisanally motivated interference with Romania's national sovereignty.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 5

While in opposition, the parties of the current Social Liberal Union (USL) governing coalition harshly criticized the stringent austerity measures (including a 25% decrease in public sector wages) adopted by the Boc government in 2010 as part of the IMF-supported adjustment program following the global financial crisis. After coming to power in May 2012, the USL reversed some of its predecessor's policies by starting to restore public sector wages to pre-2010 levels and granting tax refunds in the pension system, as part of an effort to woo voters in an electoral year. While these moves caused the government to miss its fiscal target for 2012, the magnitude of the changes was limited by the country's ongoing IMF program, which after a series of delays was finally completed in late June 2013. While the coherence of the government's economic policy is undermined by the heterogeneous policy preferences of the main coalition partners, the broad parameters of fiscal and monetary policy are likely to continue to be constrained by the need to secure the approval of international financial institutions in the context of continued financial instability in the eurozone. However, the upcoming 2014 presidential elections may once again tempt the government to resort to populist measures and undermine fiscal prudence and policy coherence.

Labor Markets

Labor Market Policy
Score: 4

Romania's unemployment rate declined from 7.4% in May 2011 to 6.7% in March 2013, owing, in most part, to decreasing youth unemployment falling from 24.8% in 2011 to 23% in 2012. At the same time, long-term unemployment increased slightly from 3.1% in 2011 to 3.2% in 2012. However, official employment and unemployment statistics are not a very reliable gauge of the Romania's employment situation, given the large number

of Romanians working either abroad or in the informal economy. Prior to the crisis, Romania's labor market policy expenditures were the lowest among the 27 EU members (0.27% of GDP compared to an EU-27 average of 1.6%) and roughly two thirds of this spending was used for unemployment benefits and early retirement. While unemployment benefits almost tripled from 2008 – 2010 in response to the global financial crisis, the already low spending on active labor market policies declined further in both absolute and relative terms.

Taxes

Tax Policy
Score: 4

The vertical equity of Romania's tax system is very low: it has a flat income tax rate of 16% and one of the highest VAT rates in Europe, both of which have regressive distributional consequences. The situation worsened as a result of the 2010 austerity measures when the VAT was further increased from 19% to 24%. During the 2012 electoral campaign, Prime Minister Ponta proposed a return to a progressive income tax structure with the profit tax at the current level (16%) and VAT reduced from the original to 19% but it is unclear whether these changes will actually occur, given that the opposition Democratic Liberal Party (Partidul Democrat-Liberal, PD-L) as well as the National Liberal Party (Partidul National Liberal, PNL) – the second largest party in the ruling Social Liberal Union (USL) coalition – favor a continuation of the flat tax system.

Romania faces serious challenges with respect to the effectiveness of the tax collection process. A far-reaching investigation against the former president of the Agency for Fiscal Administration (ANAF), Sorin Blejnar, and a number of other officials revealed the extent of corruption within the ANAF, the institution in charge of managing the tax and contribution regime. Eight months later, the World Bank approved a €70 million loan aimed at bettering the efficacy of the tax/contribution collection structures and reducing the taxpayers' administrative burdens. Such measures are crucial for improving Romania's international competitiveness, given that in the 2012/13 Global Competitiveness Report Romania ranked 142nd out of 144 in terms of the extent and effects of taxation.

Without significant progress in tax collection, the Romanian government will have to continue to resort to new taxes to generate sufficient public revenues for its expenditures. Thus the recent amendments to Romania's fiscal code, introduced by Emergency Ordinance no. 8/2013, imposed new taxes for energy companies. Moreover, the government has recently announced the introduction

of a flat tax for hotels, restaurants and other service providers based not on profits but on the type of economic activity. Such an approach might yield additional revenues (since it reduces tax evasion opportunities) but it further undermines tax equity and may place excessive burdens on certain businesses.

Budgets

Budgetary Policy
Score: 4

In January 2013 the Ponta government approved an annual budget targeting deficit to 2.1% of GDP through revenue boosting measures, especially through higher taxes on energy suppliers. The target, which would allow the government to exit the European Union's excessive deficit procedures, are based on a projected GDP growth of 1.6%. However, the government also affirmed an intention to increase public salaries and pensions by allocating €10.2 and €11.1 billion respectively and raising the minimum wage from the current RON 700 to RON 800 and it is considering a 5% reduction in the VAT rate by January 2014. While these measures are politically attractive in the context of the upcoming presidential elections, they risk a renewed failure to meet deficit targets and by April 2013 the budget deficit already amounted to 1.2% of the annual GDP. Romania's fiscal sustainability is undermined by the fact that in almost 75% of localities wage expenses significantly exceed revenues, thus creating a serious dependence on discretionary allocations from a variety of funds, such as the Disaster Relief Emergency Fund and funds for roads (county and rural), schools, rural water systems and bridges. While the Ponta government has promised to end the practice, the opposition has complained about discretionary payments to Social Liberal Union (USL) mayors.

Research and Innovation

R&I Policy
Score: 3

Two decades of underfunding and chaotic restructuring have caused a crisis in Romania's research sector characterized by a chronic shortage of active researchers (Romania has 2.09 researchers per 1,000 employees compared to an EU average of 7.8). Resource scarcity has led to the massive migration of the most capable researchers to other sectors of the economy or other countries. At the same time, poor remuneration and uncertain prospects of professional advancement prevent the influx of young talent. Despite the promise that the 2013 budget would be development-oriented, there are no substantial policy improvements to promote R&D as less than 1% of GDP is being spent on R&D as of 2012. In addition, the National Council for Sciences and Technology Policy does not have the executive ability to plan, prioritize and coordinate R&D in Romania. Due to the fiscal restrictions since 2008, public expenditure

for R&D has decreased gradually, and as a result Romania has experienced a growing innovation performance gap compared to most other EU countries. While in 2013 the Green Industry Innovation Program was launched in Romania based on Norwegian grants totaling €21.4 million, such outside funding is unlikely to compensate for the lack of domestic funding.

Global Financial System

Stabilizing Global
Financial Markets
Score: 6

Like many other European countries, Romania was heavily affected by the global financial crisis and it was particularly vulnerable to the outflow of capital from the local subsidiaries of foreign banks. In late 2008 the Romanian Central Bank defeated a speculative attack against the Romanian currency by imposing de facto constraints on high volume bank transactions in local currencies. In 2010 Romanian consumer protection authorities tried to shift some of the burden of pre-crisis lending onto foreign banks by using a European Directive on consumer credit to force banks to adjust their hidden lending costs and interest rates, but the ensuing legislation was toned down after pressure from the IMF.

In April 2013, in compliance with the IMF's requests, Romania established a single entity, the Financial Supervision Authority (ASF), to oversee the country's financial markets. The ASF will replace the National Securities and Exchange Commission and the Insurance Supervisory Commission in the administration of the private pensions, insurance market, and stock exchange. However, as highlighted by a number of recent corruption scandals, corruption in the banking sector is pernicious and involves a network of banking elites and state officials. Such corruption undermines government banking regulation efforts and makes the country's banking system more vulnerable to external shocks.

II. Social Policies

Education

Education Policy
Score: 4

Article 32 of the Romanian Constitution guarantees access to free public education and school attendance is mandatory from the age of six until the completion of the tenth grade. However, the ease of access and the quality of primary and secondary education varies considerably: in particular, children in

poor and remote rural communities often have to attend school in another village, and given that transportation to school is rarely provided this creates significant obstacles to school attendance and translates into poor attendance and educational achievement. Ethnic minorities have the right to education in their native language though in practice Roma children have had limited opportunities for such education.

The quality of public education has generally declined since 1990, primarily because salaries for teachers have been very low which has undermined the recruitment and retention of high-quality teachers and professors and has promoted widespread corruption. The quality control and corruption problems in Romanian universities were highlighted by a series of plagiarism scandals involving Prime Minister Victor Ponta as well as two recent education ministers (Ioan Mang and Ecaterina Andronescu). While state-funded universities are crippled by financial problems, a growing number of private universities are often “diploma factories” offering low quality of education. The low graduation rates at the Baccalaureate exams in the past three years have highlighted the quality problems in secondary education, which had been previously masked by high levels of cheating. Resource allocation within the public university system has been inequitable and inefficient: thus the recent round of salary cuts associated with the 2010 austerity measures were disproportionately distributed, with university professors and department chairs suffering minimal cuts (or even achieving raises) while the costs were considerably higher for those occupying the lowest positions within the employment hierarchy.

Social Inclusion

Social Inclusion
Policy
Score: 4

Poverty levels in Romania remain the highest in the European Union. More than 30% of the population lives on less than \$5 per day, while over 50% of its inhabitants are either unemployed or underemployed, thereby triggering massive migration to Western Europe in search of work. According to EUROSTAT data, the population percentage facing the risk of poverty and social exclusion remains elevated when compared to similar numbers from most of the East-Central European countries. After some gains from 2000 – 2008, quality of life has deteriorated considerably in the aftermath of the global financial crisis, particularly due to the effects of the austerity measures, which included 25% wage cuts for public employees. On a more positive note, the Gini coefficient of disposable income, after a steady growth for most of the last decade, has declined since 2007, though it is still above the EU average. Similarly, the proportion of residents who cannot afford to pay for basic

necessities (as captured by the material deprivation rate) has somewhat improved since 2010 but was still three times higher than the EU average in 2011. It is also encouraging that youth participation rates in education have been slowly but steadily increasing in the last decade.

The country's large Roma minority is particularly vulnerable to this poverty and marginalization, as its economic and educational disadvantages are exacerbated by discrimination. On the other hand, gender equality has benefited from joint projects with EU institutions (such as the Commission for Equal Chances and Treatment and the Consultative Inter-Ministerial Commission on Equality of Treatment of Men and Women). However, the Romanian Government still has a long way to go with respect to the establishment of an effective safety net for the poorest and the formulation and implementation of long-term strategies creating more equal education and employment opportunities for the marginalized.

Health

Health Policy
Score: 4

Romania has a public health insurance system with claim to universal coverage. However, the quality and equity of Romania's public health system has been undermined by inadequate funding: Romania has the lowest health budget allocation of all EU member states. Since 2002, the healthcare budget fluctuated around 3.5% to 4% of GDP, though this share has increased marginally to 4.2% in 2013. Due largely to this underfunding, the de facto availability of many medical services is severely limited, thereby leading to widespread bribe-giving by patients even for basic services. Moreover, for many specialized procedures patients have to resort to private providers, which offer higher quality services but are often quite expensive, thereby leading to significant inequities in medical care access. Cost efficiency is undermined by the failure of the National Health Insurance Agency (CNAS) and the local authorities to monitor the hospitals' performance and program investments in the sector. The complex and sometimes contradictory set of regulations concerning the relationship between the private and the public sector further aggravates this problem.

Families

Family Policy
Score: 5

Romanian parental leave benefits are relatively generous: parents can claim parental leave for up to two years, and during the period of parental leave – and for 6 months afterwards – they have job security and cannot be dismissed. After a temporary reduction in 2010, in late 2011 the Parliament legislated a

return of benefits to 85% of the biannual income while keeping the minimum monthly amount at RON 600 (€135) and maximum limits at RON 1,200 and RON 3,400 (for parents claiming two and one years of parental leave respectively). The draft law abolished the-first-three-children-only limitation on parental leave and child care benefits and provided for an additional sum of RON 600 to parental leave and child-care beneficiaries who adopt or tutor another child.

While such measures are a step in the right direction, they are unlikely to be sufficient to reverse one of the lowest fertility rates in the world (1.3 in 2012, CIA, 2013) and the highest child poverty and deprivation indexes (70% and 20% respectively, UNICEF 2012) in the European Union and beyond. Indeed, spending on children and families accounted for only 1.8% of GDP in 2009 against the EU average of 2.3%. One of the consequences of this low spending was that in 2010 child care was available to only 7% of the children under the age of three and 66% of the children between three and six. Combined with the shortage in part-time work, the shortage in affordable child care (especially full-time daycare) creates a significant obstacle for women attempting to combine parenting and employment.

Pensions

Pension Policy
Score: 4

In Romania, low fertility rates combined with the massive outmigration of working-age citizens have contributed to a rapidly ageing population. Forecasts for 2050 predict that 43% of the population will be over the age of 65 – an dramatic increase from 27% in 2011. These demographic pressures, combined with a gradual lowering of the pension age and the widespread recourse to early retirement after 1990, threaten to undermine the pension system's sustainability.

In an economy susceptible to sudden upheavals, the fragility of the pension system exposes different strata of the population to the twin phenomena of poverty and insecurity. The situation is particularly dire in the agricultural sectors, where workers on 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.

The inconsistencies of pension policy as well as the volatile budgetary and economic situation and the low employment rates in the Romanian economy have severely inhibited the fiscal sustainability of the pension system. Fiscal

imbalances will be exacerbated at least in the short term by a January 2013, decision by Parliament to raise pensions, bringing the total pensions budget up to €11.5 billion. This politically highly popular move will, however, soon be accompanied by a raise in the retirement age for women to 60 years and men to 65, which should help with longer-term sustainability.

Integration

Integration Policy
Score: 6

Romania is still primarily a “sending” country in terms of migrants and has not experienced significant immigration yet. Half of the migrants come from neighboring Moldova, whose citizens benefit from preferential access to the Romanian education system and can get Romanian citizenship easily. More recently, immigrants from Turkey, Asia (especially China) and Africa have come to Romania in search of business and work opportunities, but their numbers have been fairly modest because low wages reduce the country’s attractiveness to guest workers.

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 towards 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 nationality. Moreover, foreign workers are not represented by local labor unions and they often fall victim to dubious contracts leading to worse work and pay conditions than initially promised.

Safe Living

Safe Living
Conditions
Score: 6

In Romania, homicide and violent crime rates have been relatively low, and according to the Global Competitiveness Report, threats of terrorism, crime and violence were not particularly important concerns among businesses in Romania (the country performed better than several EU members, including Greece, Hungary and Bulgaria). Nonetheless, the majority of Romanians (60%) reveal low trust levels when it comes to the activities of the police, known to be rife with corruption (though the extent of police corruption has declined since the 1990s). The European Commission decided back in 2005 to become directly involved in the implementation of the Anti-Corruption General Directorate (DGA) within the Ministry of Internal Affairs (encompassing the gendarmerie, the police and the immigration office). In 2010, the salaries and bonuses of police officers were cut significantly as part of the austerity

measures, and these cuts are likely to undermine the DGA's success rate as low salaries serve as a disincentive to attract qualified staff and are likely to encourage corruption.

Global Inequalities

Global Social Policy
Score: 4

Even though in theory following its EU accession Romania became a donor of development assistance, in practice the Romanian government shows limited engagement in the international efforts to promote equal socioeconomic opportunities beyond its borders and, particularly, in developing countries. The most important exceptions are a series of cooperation programs with neighboring Moldova, which benefited from almost a third of Romania's €200 million official development budget for 2013.

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

The rapid process of deindustrialization in post-communist Romania has contributed to a dramatic decline in greenhouse gas emissions and to a noticeable improvement in air and water quality. These structural changes were complemented by a number of regulatory initiatives meant to promote environmentally responsible behavior, such as an incentive program to retire old automobiles and the imposition of a variety of environmental taxes on cars (most recently in March 2013). On the other hand, however, Romania's Environmental Fund (EF) – designated to sustain and develop environmental protection projects – remains an opaque source of financing prone to improprieties and rent-seeking.

After 1990 Romania ratified the Rio Convention on Biological Diversity. Moreover, as an EU member, the country has an obligation to maintain and protect its flora and fauna and defend against disasters and natural accidents. A positive development with respect to environmental protection is the ongoing transposition of existing EU environmental regulations into domestic laws. However, implementation and enforcement has been weak, largely because of the poor integration of Rio convention priorities into EU-related reforms and due to the poor coordination between different ministries and agencies at the national and regional/local level. Some progress was made in conjunction with

a UNDP project aimed at achieving better policy coordination, but the sustainability of this progress after the completion of the project in mid-2012 is questionable.

One of the main challenges for environmental policy in Romania has been the inability of successive governments to stop the massive illegal deforestation that has amounted to over 370,000 hectares of forest since 1990. The Romanian government has recently announced a new set of measures to remotely detect illegal deforestation and to increase and enforce penalties for companies and state employees involved in illegal logging schemes.

Global Environmental Protection

Global
Environmental
Policy
Score: 5

Since 1992 Romania has ratified over 20 international environmental treaties and it was the first country to ratify the Kyoto Protocol in 2001. It has also made efforts to transpose the European Union's Environmental Action Program (EAP) under the National Sustainable Development Strategy of Romania for 2013 – 2020 – 2030. However, it has not played a very active role in the design and promotion of global environmental protection regimes.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 7

Romanian electoral law places few explicit restrictions on the ability of Romanian citizens to run for office (other than a 33-year age limit for a senator and a 23-year limit for other local and national offices). However, registration procedures are relatively demanding and can represent significant obstacles for new parties and independent candidates. A new party must have at least 25,000 founding members from at least 18 counties with a minimum of 700 per county. Independent candidates must garner an amount of signatures equivalent to at least 4% of the registered voters in the single member district where they intend to run. The registration is accompanied by a candidate-paid deposit of five minimum monthly gross salaries. Only those candidates that reach at least 20% of their single member district vote can claim the deposit back.

Media Access
Score: 5

Campaign coverage is regulated by the Election and Broadcast Laws, and the National Audiovisual Council (CNA) must ensure that candidates and parties enjoy equal access to the media and other means of communication. Election law stipulates that public broadcasters provide free coverage of electoral contestants and that private broadcasters charge the same rates of all contestants. Furthermore, the Broadcast Law requires that the airtime offered to electoral contestants by private broadcasters must be congruent with the time allowed by public broadcasters. However, in practice a number of factors undermine the fairness and partisan balance of political coverage. Thus, the Election Law requirement that registered candidates request public broadcaster airtime within two days of the election's date announcement is unnecessarily restrictive and disadvantages parties and candidates that register later in the process. Furthermore, the CNA's ability to enforce legal provisions about fair media coverage were undermined by the government's attempt to adopt an Emergency Ordinance modifying Romania's Audiovisual Law for the immediate suspension of CNA sanctions in case of an appeal. Perhaps most importantly, the largest private media outlets in Romania are owned by individuals with close ties to political parties, such as Dan Voiculescu (who owns the Intact media group and is one of the main leaders of the Social Liberal Union (USL) or Dan Diaconescu (who used his OTV station as a platform for his political party.) This means that in practice media coverage of

the political process remains partisan and unbalanced. Personal attacks overshadow meaningful policy analysis and few television stations make genuine attempts to allow for more than token coverage of alternative points of view.

Citation:

OSCE/ODIHR (2012) Romania Parliamentary Elections, 9 December 2012 OSCE/ODIHR Election Expert Team Final Report <http://www.osce.org/odihr/elections/96479> [Accessed on 7/3/13]

Voting and
Registrations Rights
Score: 6

All Romanians over 18 years are eligible to participate in national elections with the exception of the mentally impaired or convicts whose electoral rights were removed by a court sentence. Voters can vote with a valid identity card only at the polling station associated with their home address or if they provide proof of residence in the territory of a given polling station. While this provision is important to reduce the opportunities for multiple voting, it also means that citizens without a proper domicile – and hence without government IDs – are disenfranchised. This problem disproportionately affects the Roma minority, of which a sizeable share lacks proper IDs. Another problem concerns Romanian citizens living abroad: while such citizens are allowed to vote in polling stations abroad, the small number of international polling stations creates significant barriers to voting, and even though more than two million Romanians reside abroad they are only represented by four members of parliament and two senators. In the 2012 impeachment referendum, several cases of election fraud occurred, some of them involving the manipulation of voter lists.

Citation:

OSCE/ODIHR (2012) Romania Parliamentary Elections, 9 December 2012 OSCE/ODIHR Election Expert Team Final Report <http://www.osce.org/odihr/elections/96479> [Accessed on 7/3/13]

Party Financing
Score: 5

Political parties' sources of finance encompass party membership fees, donations, incomes from a party's own activities and subsidies from the state budget. By law, annual membership fees cannot exceed 48 minimum gross salaries at the national level and all political parties have the obligation to publish these contributions in the Romanian Official Journal. Similarly, anonymous donations received by a political party cannot exceed 0.006% of its fiscal year funding from the state's budget and the total amount assigned annually to political parties cannot exceed 0.04% of the budget itself. However while laws and regulations are in place, their implementation is lagging. Parties circumvent regulations through a variety of methods such as the creation of fictitious positions and party structures to hide additional sources of income. As a result, parties' and candidates' spending surpasses the resources they claim

and donors' support outstrips their stated income. Moreover, sanctions are rare even in cases of blatant legal breaches. Nevertheless, in January 2012, ex-Prime Minister Adrian Năstase was prosecuted for having illegally funded his 2004 presidential election campaign by collecting approximately €1.6 million from companies who declared these payments as attendance fees for a governmental symposium.

Popular Decision-Making
Score: 4

According to the Romanian Constitution, national referendums are required automatically for the revision of the constitution (as happened in 1991 and 2003) and following the impeachment of the president (as happened in 2007 and 2012). In addition, the president can (after consultation with Parliament) call for referenda on matters of national interest, as in the case of the electoral system referendum of 2007 and the referendum on parliamentary reform in 2009. For referendum results to be legally binding, turnout needs to be above a threshold, which was lowered from 50% to 30% by a law passed by Parliament in May 2013. Both the 2007 and the 2012 impeachment referendums were invalidated because they failed to reach the required turnout. However, even the 2009 referendum – in which turnout exceeded 50% and voters overwhelmingly approved the switch to a unicameral Parliament and the reduction of the number of members of parliaments to 300 – was not implemented subsequently. Citizens can initiate referenda at the county level but such initiatives are very rare and are subject to approval by the County Council. In December 2012 citizens in half the district of Alba County were asked to vote on the continuation of the mining project in Rosia Montana, and while 62% voted in favor, the referendum was invalidated because turnout fell short of the 50% threshold.

Access to Information

Media Freedom
Score: 4

Partisan conflicts (especially between pro- and anti-presidential forces) are reflected, in an extreme form, in the mass media realm. While the 2011 Civil Code, the Broadcast Law and the Laws on the Organization and Functioning of the Public Media Services have advanced the cause of media freedom, the Parliament has not relented in its efforts to control the media outlets. For instance, the new parliamentary majority in 2012 chose to disregard Law 41/1994, which allocates the seats in the public broadcasting corporation board based on the parliamentary seat shares of different parties. The ruling Social Liberal Union (USL) coalition denied the Democratic Liberal Party (Partidul Democrat-Liberal, PD-L) their right to nominate their candidates for the board

Media Pluralism
Score: 4

– a right which had to be reinstated by the Constitutional Court. Changes in parliamentary majority are usually associated with the wholesale removal of the public media’s management staff, as happened most recently with the leadership of the Romanian Public TV (TVR) in the summer of 2012.

Romania’s transition from Socialism saw the transformation of the state-owned media monopoly into an industry dominated by private outlets. Foreign investors who had been initially attracted by the Romanian market in the 1990s gradually abandoned it, and as a result in recent years private press and broadcasting outlets have been dominated by “media moguls” – businessmen who have consistently used their media outlets to pursue their economic and political interests. The most prominent of these is Dan Voiculescu, a senator and founding president of the Conservative Party (Partidul Conservator, PC), who owns several leading television stations (Antena 1, 2 and 3) and newspapers (Jurnalul National) and used them to spearhead the impeachment procedures against President Băsescu in both 2007 and 2012 as well as to initiate a series of attacks against the justice system where he happened to be on trial in several criminal cases. Given that other prominent media outlets, such as Realitatea TV (owned until 2011 by Sorin Ovidiu Vantu, who is currently serving a one-year jail sentence for blackmail) and OTV (owned by the leader of the populist People’s Party, Dan Diaconescu), have also served primarily as the political tools of their owners, the professional standards and editorial independence of Romanian mass media have declined and have undermined the media’s ability to inform the public in an objective and balanced fashion.

Access to
Government
Information
Score: 7

Law 544/2001, also referred to as the Freedom of Information Act (FOIA), ensures citizens’ access to public information. The remit of the law extends to create obligations for all central and local state institutions as well as those public companies where the state is the majority shareholder. Not only do ministries, central agencies, and local governments have to comply with Law 544, but so do public universities, hospitals, and many off-budget central and local public companies. The underlying assumption in FOIA is that any institutions making use of public funds or exerting public regulatory power must be accountable to the citizens. However, given that certain types of information (such as personal data, national defense information, and documents of national economic and political interest) are classified as sensitive and have been exempted from free access, institutions have tried to take advantage of this gray area to resist FOIA requests. In response, a number of media and civil society organizations have mounted a series of legal challenges and since most of these challenges were successful in court they contributed to a significant increase in the transparency of public institutions. Moreover, it appears that these legal challenges deterred public institutions

from resisting FOIA requests, which were overwhelmingly approved in recent years.

Civil Rights and Political Liberties

Civil Rights
Score: 5

Civil rights are guaranteed by the Romanian Constitution and are generally respected in practice. However, the government has been ineffective in countering discrimination in employment and education 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 respect for property right continues to be undermined by Romania's slow, intricate and corrupt property restitution process. The courts' failure to resolve the ensuing problems compelled a considerable number of former owners to bring action against their government in the European Court of Human Rights (ECHR). The Romanian Government lost 435 cases at the ECHR for breaching Article 1 in Protocol 1 of the Convention on Human Rights on property rights.

Political Liberties
Score: 7

The Romanian state concedes and protects right to speak, think, and assemble against any government interference or restraint. However, certain legal prohibitions against "defamation of the country" could potentially impinge on these rights. For instance, in July 2012 the ruling Social Liberal Union (USL) coalition filed a criminal suit against President Băsescu and 14 other Democratic Liberal Party (Partidul Democrat-Liberal, PD-L) leaders for undermining the national economy by criticizing the government's policies abroad. The inclusion of insult and libel in the Penal Code, as well as a controversial Constitutional Court decision in 2013 that prevents the decriminalization of speech offenses in Romania, constitute potential threats to the freedom of speech.

Non-discrimination
Score: 5

In response to EU directives, the National Council for Combating Discrimination (CNCD) published in March 2013 a draft proposing amendments to Romania's Anti-Discrimination Law. Most of the CNCD cases contain instances of human rights violations against the Roma. Yet, the recent amendment introducing statutory limitations of six months for cases impairs the effectiveness of the argumentation of the discrimination cases before the court. Law 137/2000, while relatively comprehensive in the field of anti-discrimination, does not include disability as a protected criterion and does not articulate a definition of segregation. In addition, the Civil Code entrenches the prohibition of same-sex partnership and marriage as well as the non-recognition of such marriages in cases when they have been registered abroad. Moreover, transgender persons cannot invoke any legal protection since the legislation offers no remedies against acts infringing on their rights. The ethnic

Hungarian community still expresses concerns about linguistic and education rights. In February 2013 tensions between Hungarians and Romanians in Transylvania escalated when Romanian officials banned the Székely flag from the roofs of office buildings.

Rule of Law

Legal Certainty
Score: 4

Legal certainty declined considerably in the first half of 2012 when the country experienced multiple changes in governments (from Boc to Ungureanu to Ponta). The situation further deteriorated during the summer of 2012 as the Ponta government's campaign to impeach President Băsescu resulted in drastic and unpredictable changes to political institutions, as well as a number of significant policy U-turns in response to international pressures (e.g., regarding the change in the referendum threshold.) Even though the Social Liberal Union's (USL) comfortable majority following the December 2012 elections and the more cooperative relationship between the prime minister and the president should improve the prospects for legal certainty, policymaking has continued to be haphazard and to rely heavily on Government Emergency Ordinances (OUG) as legal instruments (53 in the first six months of 2013 following 95 OUGs in 2012). 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.

Judicial Review
Score: 5

The Constitutional Court is charged with ruling whether legislative acts comply with constitutional provisions and in past years it has generally performed this function fairly independently. However, the Constitutional Court has come under intense pressure in the past year, particularly in the run-up to the July 2012 impeachment referendum, when the government threatened to remove pro-Băsescu justices and then reduced the Court's jurisdiction. Following the failure of the referendum to reach the 50% turnout, the ruling Social Liberal Union (USL) pressured the Court to ratify the referendum anyway on grounds that the voter lists were inaccurate but the Court eventually ruled that the referendum was invalid and the government eventually backed down under international pressure. While the frontal attacks on the Constitutional Court have abated, the campaign against judicial independence by the government and its mass media allies has continued even after the December 2012 elections, at least in part because the new Romanian Parliament has 23 members of parliament either under investigations, in pending trials or awaiting sentence. On the other hand, corruption plagues the judiciary as well, as illustrated by the recent arrests of two judges of the Bucharest Tribunal for influence peddling and bribery in exchange for favorable decisions. Combined with the inadequate training of judges (particularly in the lower courts) this

judicial corruption undermines the legitimacy of the legal system and thus makes it more vulnerable to political pressure.

Citation:

Council of Europe (2013) The Romanian Judiciary http://www.coe.int/t/dghl/cooperation/cepej/profiles/CourtSystemRomania_en.pdf

Appointment of
Justices
Score: 5

According to Article 142 of the Romanian Constitution, every three years three judges are appointed to the Constitutional Court 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 greater majority requirements in either the Chamber of Deputies or the Senate, and since these appointments occur independently (i.e., do not need to be approved by or coordinated with any other institution) this has meant that in practice Constitutional Court justices are appointed along partisan lines. As a result, the media have stressed the partisan nature of the appointments and political actors tend to attack Constitutional Court decisions as driven by partisan loyalties rather than legal merit (as happened during the disputes surrounding the July 2012 referendum).

Corruption
Prevention
Score: 5

While two thirds of Romanians believe that the level of corruption in the country has increased in recent years, anti-corruption measures have in fact become more effective since Romania's EU accession. The National Anti-Corruption Directorate (DNA), the National Integrity Agency (ANI) and the Anti-Corruption General Directorate (DGA) are the three main institutions responsible for combating corruption. Despite some political attempts over the years to dismantle the DNA, the organization continues to be the leading institution in the investigation and prosecution of high-level officials. Its performance throughout the years has shown consistent signs of improvement in the number of indictments and investigations carried out against high-profile offenders. Recent statistics released in February 2013 reveal that in 2012 the number of definitive sentences rose by 150% compared to 2011. Because of its activities, the ANI, which is responsible for combating and preventing unjustified enrichment, conflict of interests and incompatibilities, has been a target of political pressure. These pressures range from a continuous rhetoric on DNA's and ANI's partisan nature to suggestions that the institutions are restructured. The discrepancy between these genuine improvements and the public perceptions of worsening corruption may be due to the high salience of corruption in the mass media political discussions which tend to focus primarily on valence issues (such as corruption) rather than concrete policy proposals.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 3

In Romania, the most important strategic planning unit within the government is the Secretariat General of the Government, which is in charge of developing the Integrated Strategic Plan and overseeing its implementation. However, in practice this plan plays a minor role in policymaking: the current plan for 2010 – 2013 was formulated in 2009 and has not been updated under the current government. Overall, the lack of a long-term approach to policymaking undermines the continuity and coherence of public policies.

Scholarly Advice
Score: 4

The cooperation between the Romanian government and non-governmental academic experts is only weakly institutionalized. The Romanian Academic Society (SAR) prepares an Annual Policy Analysis and Forecast Report, the presentation of which involves a number of politicians and ministers, but it is unclear how this report feeds into policymaking. Academic experts, civil society representatives, and even Constitutional Court and Superior Council of Magistracy members are intended to have the opportunity to monitor the intricate process of constitutional reform. While it remains to be seen to what extent the final draft of the new constitution will take into account the advice of academic experts, it is encouraging that high-level political leaders (including Prime Minister Victor Ponta and the head of the parliamentary constitutional reform commission, Crin Antonescu) participated in a set of debates on constitutional reform organized by the Constitutional Forum, a civil society group coordinated by some well-known academics.

Interministerial Coordination

GO Expertise
Score: 6

The prime minister evaluates important draft bills. He can draw on the sectoral expertise of a set of about 15 state counselors that are part of his Chancellery. The depth of the expertise varies by sector.

GO Gatekeeping
Score: 7

Both the Prime Minister's Chancellery and the Secretariat General of the Government can formally return proposals to line ministries. Whereas the Secretariat General of the Government focuses on technical issues, the Prime Minister's Chancellery can and does return items on policy grounds.

Line Ministries
Score: 5

Policy proposals are usually drafted within ministries. The Secretariat General of the Government provides technical 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

Ministerial committees composed of Cabinet and non-Cabinet members (state secretaries, agency directors) can play an important role in shaping policy decisions on issues that involve multiple ministries. However, de facto coordination of the process is typically led by the line ministry initiating the policy proposal. Moreover, in the last year the continuity of such committees was undermined by the frequent personnel changes in the ministries (particularly at the top level) and in May 2012 Prime Minister Ponta issued a number of ordinances abolishing ministerial commissions established by his predecessors (such as the ministerial committee on tourism set up by the ex-Prime Minister Emil Boc) while establishing several new ones.

Ministerial
Bureaucracy
Score: 6

Much of the coordination takes place in interministerial committees, which are usually presided over by a minister but composed primarily of secretaries of state (political positions) and top civil servants and seem quite effective. Moreover, even in the absence of interministerial committees, normative acts are subject to interministerial consultation by being sent for review to the ministries affected by such an 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 a given proposal in order to harmonize their views. While these procedures promote coordination, the capacity limitations of many ministries, combined with the short turnaround time allowed for review, undermine effective review and hence allow for only superficial coordination in many cases.

Informal
Coordination
Score: 3

Informal coordination mechanisms – which in the case of political appointees are often based on partisan affiliations – can act as a double-edged sword. In some instances they complement the formal mechanism of interministerial coordination, in others they easily undermine their success.

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 (PPU) located in the Secretariat General of the Government (GSG). Government Decision no. 775/2005 standardized the presentation of legal acts proposals by requiring that they be accompanied by a “document of public policies” that evaluates the proposal’s potential social, economic and environmental impact, and it outlines three implementation options. With Government Decision no. 1361/ 2006, the government extended the standardization of the impact analysis to proposed single legal acts. Furthermore, in 2009 the government published a manual for monitoring and evaluating public policies, which sets common minimum standards for RIA methodology.

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. While the former focuses on the implementation of the strategic administration reforms based on the RIA prescribed procedures, the Policy Unit’s work encompasses more tangible day-to-day functions such as the improvement of ex-ante impact assessment, state capacity evaluation and intra-governmental epistemic exchange. Although the access to information legislation that stipulates that results should be posted for 30 days on ministerial websites is usually respected, the majority of RIA documents hardly involve stakeholders or transparent methodologies such as public hearings, survey, or debates. Moreover, in practice in many areas RIA exists 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 towards policy-based RIA.

Sustainability
Check
Score: 3

In theory the methodology manual requires that sustainability concerns be incorporated in RIA reports but in practice most reports are primarily legalistic and pay limited attention to sustainability. The Romanian regulation’s consideration of sustainability tends to be the result of EU directives.

Societal Consultation

Negotiating Public
Support
Score: 3

While the Economic and Social Council (CES) provides an institutional setting for government to coordinate public policies with labor unions and employers organizations, in practice the role of the CES was reduced after the change in labor legislation in 2010 and during 2010 – 2011 the CES often failed to get the quorum needed for its formal meetings. While meeting frequency has picked up since 2012, the actual consultation is quite limited, especially in a context where emergency ordinances are used on a regular basis. While the government is somewhat more careful about consulting the Romanian Orthodox Church, these consultations are limited to a rather narrow set of issues.

Policy Communication

Coherent
Communication
Score: 4

While the Romanian government has published a lengthy governing program for 2013 – 2016, it has been only partially successful in its attempts to coordinate communication and policymaking across ministries. As a result, the Romanian media repeatedly reports contradictory statements between different ministers and the prime minister, undermining the coherence of the government's message. For Romania's current coalition government these problems are exacerbated by differences in policy preferences for ministers from different parties.

Implementation

Government
Efficiency
Score: 5

Given that Romanian governments tend to have an extensive list of stated policy objectives – the current governing plan of the Ponta government is over 120 pages long – and most objectives lack concrete benchmarks for evaluating success, it is difficult to evaluate the implementation efficiency of the government at an aggregate level. There is significant variation in implementation success across both time periods and issue areas. The Boc government was fairly effective in implementing the austerity measures associated with the adjustment to the global financial crisis, including a series of deep and very unpopular spending cuts in the public sector, but these measures undermined its popularity and created growing resistance within the state bureaucracy. As a result, in the period under investigation, the Boc government was increasingly on the defensive politically and therefore was at best only partially effective in its other objectives, such as structural reforms

and the fight against corruption. For most of 2012 a succession of three governments – Boc, Ungureanu and Ponta – focused primarily on political survival in the context of a bitter partisan conflict that culminated with the July referendum to dismiss President Băsescu and continued until the December elections. As a result, policymaking during this time period was primarily targeted at short-term tactical objectives rather than longer-term governing strategies. While the new government of Victor Ponta has much greater popular legitimacy and parliamentary support, it is unclear whether it will use them to fulfill the long list of objectives in its 2013 – 2016 governing plan or whether it will continue to rely primarily on clientelist policies combined with efforts to subordinate other institutions to the Parliament.

Ministerial
Compliance
Score: 5

The prime minister can dismiss ministers for not implementing the government program, though in practice these powers are circumscribed by the fact that such a move can trigger political backlash against the prime minister, especially if the ministers are from a coalition partner whose continued cooperation is crucial for the survival of the government. While Cabinet meetings are supposed to ensure that the policies of different ministries are in line with the overall government agenda, ministers nevertheless have a lot of leeway in deciding policy details within their “fiefdoms.” While the prime minister can punish significant deviations from the government agenda by allocating smaller budgets to certain ministries in the following budget, such punishments are nevertheless constrained by coalition politics and by the political costs inherent in cutting funds for certain ministries (such as education or health).

Monitoring
Ministries
Score: 6

The government has a special office in charge of monitoring the activities of line ministries and other public bodies. This office monitors the activity of most line ministries fairly effectively.

Monitoring
Agencies,
Bureaucracies
Score: 4

In Romania, the monitoring of agencies has been plagued by political clientelism and the capacity reduction suffered by many ministries due to the often haphazard personnel reductions associated with the austerity measures adopted in 2010 – 2011.

Task Funding
Score: 3

The funding of subnational governments is a serious problem in Romania. A mere 25% of Romanian localities are able to cover their wage expenses from revenues alone, creating a serious dependence on discretionary allocations. Moreover, wage expenses exceed revenues twofold in 25% of localities, while two thirds of localities are in (or near) bankruptcy. Consequently, most localities are dependent on discretionary allocations, which tend to be allocated along partisan criteria. Whereas this widespread practice triggered massive political migration of mayors after the 2000 and 2004 elections, Law 249/2006 limited this practice and instead resulted in a rise in the share of “independent”

Constitutional
Discretion
Score: 3

mayors, whose de facto switch of partisan allegiances is rewarded by the government with the highest shares of discretionary resource allocation (even greater than for the mayors from the governing party).

Subnational implementation autonomy is often curtailed by fiscal measures enforced from the central level. Discretionary financial transfers to municipalities and counties following partisan lines have persisted throughout the period under review. In 2012, the Ponta government attempted to reverse the partisan resource allocations of the Boc and Ungureanu governments through an ordinance binding local authorities to re-channel unused resources. The ostensible rationale for the ordinance was that the bulk of earmarked monies did not meet the necessary legal criteria. Nonetheless, similar controversies over partisan allocation also haunt Ponta's government and are likely to continue as long as subnational governments rely on discretionary funds for a significant portion of their budgets.

National Standards
Score: 5

The central government generally tries to ensure that subnational governments realize national standards of public services. However, the enforcement is sometimes undermined by the inadequate funding of subnational governments, which undermines their capacity to deliver services at national standards.

Adaptability

Domestic
Adaptability
Score: 6

The significant scale and scope of the conditionality attached to Romania's EU membership has allowed the European Union significant leverage on the restructuring of the domestic institutions. The European Union's efforts to integrate Romania as part of the East-Central European region had to be balanced by stringent demands on a country that in spite of its population's sheer support for integration, was considered a reform "laggard." Nonetheless, after its 1995 application for membership Romania achieved significant progress in aligning its domestic institutions to European standards. Fearing that progress would slow down in the absence of conditionality as a mechanism of policy transfer, Brussels decided to extend conditionality to the post-accession stage. The Commission set up the Cooperation and Verification Mechanism (CVM) to set specific benchmarks in the areas of judicial reform and the fight against corruption. The most recent CVM report adopted a critical tone over Romania's recent developments and pointed at numerous areas in which the government is falling short of the mark. However, instead of trying to remedy the shortcomings, the government began an aggressive counter-campaign that unfolded in two stages. Firstly, the prime minister emphasized trivial mistakes in the report and defended some of the corrupt ministers mentioned in the document. Then, he and several members of parliament called for the dismantlement of the "damaging" CVM mechanism.

Citation:

European Commission, 2013: Report from the Commission to the European Parliament and the Council Progress in Romania under the Co-operation and Verification Mechanism. COM(2013) 47 final, Brussels (http://ec.europa.eu/cvm/docs/com_2013_47_en.pdf).

International
Coordination
Score: 5

Romania's NATO and EU accession were celebrated as significant milestones and part of a reunification process with Western Europe following the collapse of communism. The Romanian government has been supportive of international efforts to provide global public goods. Thus Romania has sent troops as part of the NATO mission to Afghanistan and it has cooperated with international efforts to combat climate change. However, for capacity reasons, it has played a more modest role in shaping such international campaigns

Organizational Reform

Self-monitoring
Score: 4

Romania's institutional arrangements of governing, including the number and organization of ministries, change rather frequently. Moreover, the new constitution currently being drafted promises to bring about a number of significant changes in governing institutions, including the relative powers of the Parliament and the presidency, and the regional organization of the country. However, the effectiveness of such institutional reforms is undermined by the lack of transparency in policymaking, which reduces the availability of reliable indicators about the performance of different institutions: thus by February 2013 none of the ministries or public institutions had published their activity reports for the preceding year and only half of them had published those of 2011, even though such delays violate existing laws and regulations.

Institutional Reform
Score: 4

While successive governments have motivated institutional changes on the basis of improving government's strategic capacity and the effectiveness of public policymaking, in reality most institutional changes have been driven by short-term tactical calculations in the pursuit of partisan objectives. This phenomenon was particularly obvious during the weeks preceding the 2012 referendum, when the government adopted a series of haphazard institutional changes whose main purpose was to strengthen the powers of the Social Liberal Union-dominated Parliament at the expense of other institutions. Therefore, even though the government is right to argue that the Romanian constitution would benefit from reforms that would clarify the division of power between different institutions, it appears that the real objectives of the governing coalition are the further concentration of political powers in Parliament at the expense of the presidency and the judiciary.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 4

Few citizens in Romania are well-informed about government policies: according to a public opinion survey following the 2012 parliamentary elections, less than a third of respondents correctly identified the government's support for lowering the VAT on basic products and less than 5% were aware that the opposition Right Romanian Alliance (ARD) proposed lower corporate taxes, while almost 28% wrongly credited the governing Social Liberal Union (USL) for that proposal. In part, this problem is due to the growing disenchantment of Romanian citizens with the political process and the corresponding lack of interest in politics: thus, according to the same survey, only 3% of respondents were very interested in politics, compared to 31% who were completely uninterested and an additional 47% who expressed low interest in politics. The problem is exacerbated by the fact that both political parties and the mass media focus primarily on personality issues (often in the form of personal attacks against their partisan opponents) thereby leaving limited scope for debates focusing on concrete policy differences between political competitors. While Prime Minister Ponta has adopted a much more active role than his predecessors in informing the public about government policies, the potential gains in the public's knowledge about specific policies are limited by the inconsistencies in the actual messages as well as by their biased coverage in much of the mass media.

Citation:

Romanian Electoral Study (2012). Change and Stability in Romanian Electoral Behaviour, 2009-2014. <http://resproject.wordpress.com/> (Data from the post-electoral survey fielded from 15/12/2012-14/01/2013).

Legislative Actors' Resources

Parliamentary
Resources
Score: 6

The Romanian Parliament has a Department of Parliamentary Studies and Community Law, which offers members of parliaments research support and library access and which 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 of the chairs of the parliamentary committees. However, a common complaint with respect to the Parliament's

<p>Obtaining Documents Score: 7</p>	<p>resources is that the latter are channeled to activities such as building maintenance, rather than those directly involving the main functions of a national legislature. Independent MPs have few material resources and little expertise available and often rely on assistance from former MPs or political party staff rather than independent experts.</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.</p>
<p>Summoning Ministers Score: 9</p>	<p>Parliamentary committees can summon ministers to their meetings, and if they do so, the minister's participation is mandatory. For example, Foreign Minister Titus Corlăţean was summoned by the foreign affairs committees of the two chambers of the Romanian Parliament following the Algerian hostage crisis in January 2013 and presented a report about the Romanian state's reactions during the crisis. However, at the minister's request, the committee agreed that the meeting would be closed to the press.</p>
<p>Summoning Experts Score: 9</p>	<p>Parliamentary committees may summon experts to their meetings but the presence of experts is not mandatory.</p>
<p>Task Area Congruence Score: 5</p>	<p>The number of commissions in the Senate and Chamber of Deputies is roughly in line with the number of ministries in the government, which should in theory facilitate a proper match between committees' and ministries' task areas. In same issue areas – such as foreign affairs or European affairs – this match is indeed achieved. However, in other areas the control capacity of the legislature is reduced by the incomplete match between ministries and parliamentary committees. Thus, the task areas of the Committee on Health and Family of the Chamber of Deputies overlap with both the Ministry of Health and the Ministry of Labor, Family and Social Protection, while the latter ministry also falls under the supervision of the Committee for Labor and Social Protection. Similarly, the Committee for Defense, Public Order, and National Security oversees task areas from both the Ministry of National Defense and the Ministry of Administration and Interior, while the latter ministry also overlaps with the Committee for Public Administration Territorial Planning and Ecological Balance (which in turn is also expected to monitor the Ministry of Environment and Forests). This multiple overlap between the responsibilities of parliamentary committees and ministries undermines the clarity of responsibility and therefore the proper legislative monitoring of ministries.</p>

Audit Office
Score: 9

The Court of Accounts is an independent institution in charge of conducting external audits on propriety of money management in the institutions of the state. The Parliament adopts the budget proposed by the Plenum of the Court and appoints the members of Court but cannot remove them. The president of the Court (currently former Prime Minister Nicolae Vacaroiu who has been serving since 2008) is appointed by Parliament from among the counselors of account for a period of nine years, which means that while they tend to be appointed on a partisan basis, they are not always from the same party as the parliamentary majority. The Court of Accounts submits to the Parliament its annual and specific reports, which are then 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 activity, identifies potential legal infringements and prescribes measures. Moreover, a commission set up in this respect by the two Chambers of the Parliament audits the Court of Accounts' budget. While the institution is efficient, and the auditors are well-trained, the accountability process has occasionally suffered from delays.

Ombuds Office
Score: 4

The ombudsman is appointed for a five-year term by both chambers of parliament, to which it reports every year or at their request, and is responsible for the settlement of petitions and complaints against public institutions. The Romanian Ombudsman's competences – such as the capacity to challenge a non-promulgated law at the Constitutional Court and refer laws and ordinances to the Constitutional Court on grounds of unconstitutionality – are critically important given the government's frequent use of emergency ordinances. Even though according to Law 35/1997 the Ombudsman can only be fired for violating the constitution or other laws, in July 2012, the Social Liberal Union (USL) fired the Ombudsman, Gheorghe Iancu, on grounds that his actions had been politically motivated (he was seen as a supporter of President Băsescu). The ombudsman's position was filled on a temporary basis by a former Social Democratic Party (Partidul Social Democrat, PSD) member of parliament, Valer Dorneanu, until the appointment in January 2013 of Anastasiu Crisu. Given that Crisu was appointed on a partisan basis by the ruling USL, it remains highly unlikely that he will play an active role in controlling the powers of the executive and safeguard the system's checks and balances.

Media

Media Reporting
Score: 4

Media coverage of government decisions and action in the television stations and newspapers with the largest market share is highly partisan and largely focuses on political scandals and the personalities of key politicians rather than providing in-depth policy analysis. While government officials often appear on political talk shows to discuss government plans and decisions with political analysts, the format and style of these shows (where participants often interrupt each other and primarily try to score rhetorical points) is not very suitable for providing nuanced and contextualized analysis of government decisions. Nonetheless, there is a clear minority of mass media brands, such as the Digi 24 television station and HotNews.ro, an online news source, that have achieved higher quality, less partisan and more in-depth information. However, these sources – as well as some of the more serious print media (like 22 magazine) – have much smaller market share than television stations specializing in political infotainment, particularly the Antena 3 television station.

Parties and Interest Associations

Intra-party
Democracy
Score: 3

The three most important parties on the Romanian political scene – the Social Democratic Party (Partidul Social Democrat, PSD), the National Liberal Party (Partidul Național Liberal, PNL) and the Democratic Liberal Party (Partidul Democrat-Liberal, PD-L) – have similar intra-party procedures that limit the influence of rank-and-file party members and exclude non-party members from the party decision-making process. The selection of leaders in all three parties is based on delegates elected from the territorially based party organizations (based on quotas decided by the party leaderships) in national party congresses that meet every four years unless emergency congresses are convened. Beyond this, however, most important personnel and issues are decided by a small group of party leaders. Beyond these institutional similarities, the de facto degree of intra-party democracy depends on the relative political power of different party leaders and factions and tends to be inversely proportional with the party's electoral success. Thus, after the resounding Social Liberal Union (USL) victory in the December 2012 elections, both Victor Ponta (PSD) and Crin Antonescu (PNL) ran unopposed for their respective parties' presidencies. By contrast, the PD-L, which had been dominated since 2001 by Traian Băsescu, saw a much more competitive election at the most recent party congress following its abysmal performance in the December parliamentary elections. Nonetheless, the main competition was between two insiders –

Vasile Blaga (who had been PD-L president since the PD-L's local election defeat in June 2012) and Elena Udrea (a protégé of President Băsescu). To make matters worse, after narrowly losing in the first round, Udrea contested the outcome of the elections, thereby casting further doubts on the quality of intra-party democracy.

Citation:

Chiru, Mihail, and Sergiu Gherghina, 2012: "Keeping the Doors Closed: Leadership Selection in Post-Communist Romania." *East European Politics & Societies* 26(3): 510-537.

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. The potential for such engagement is further reduced by the fact that Romania does not have a coherent regulatory framework for lobbying. The Romanian Lobbying Registry Association (RLRA), a weak non-profit, non-governmental private organization, has unsuccessfully petitioned in favor of regulations in the area.

Even though union density is fairly high in Romania, union structure is fragmented and weakly developed and rank-and-file members are increasingly alienated from a self-serving leadership. While strike activity has picked up in response to the 2010 austerity measures, unions have not played an active role in policy formulation and this situation is unlikely to change despite the closer ties of unions with the Social Democratic Party (Partidul Social Democrat, PSD) – the party of the current Prime Minister, Victor Ponta.

Association
Competence
(Others)
Score: 6

In certain areas, such as environmental policy and social protection, NGOs and think tanks have taken on an increasingly active role in identifying policy problems and formulating policy alternatives. However, since in recent years the central government has not shown particular interest in incorporating such policy proposals into its policymaking, many NGOs have increasingly focused on subnational governments and agencies, whose lack of policymaking expertise makes them more receptive to the sometimes significant capabilities of NGOs in particular issue areas.

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