Romania Report
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Sustainable Governance Indicators 2022
Executive Summary

In 2020–2021, the Romanian government’s ability to effectively govern and advance meaningful legislation was hindered by political instability and a rotating door of different coalitions. In February 2020, the Social Democratic Party (PSD) initiated a no-confidence vote against Ludovic Orban’s National Liberal Party (PNL) led government just three months after the government was established in response to a proposed PNL-backed reform, which would have disadvantaged the PSD in municipal elections. Prime Minister Orban remained the head of government until the parliamentary elections of December 2020 and established another government later that month. Romania was once again thrust into instability when the PNL forced Orban to resign and backed Florin Cîțu, also of the PNL, as prime minister of a tenuous coalition including the PNL, the USR-Plus and the Democratic Alliance of Hungarians (UDMR). The coalition was short lived, after another no-confidence vote in October 2021 forced a further government shuffle, which saw Nicolae Ciucă (PNL) assume the position of prime minister in a coalition of the PNL, PSD, UDMR and several minority political parties. The constant threat of no-confidence motions, and government and cabinet rotations has prevented effective progress on priorities and increased disillusionment in the government’s ability to institute reforms for Romanians.

Concerns over corruption have remained a dominant theme in Romanian politics during the period under review. The European Commission’s 2021 Cooperation and Verification Mechanism (CVM) report indicated several positive trends and suggested the possibility of the CVM process being lifted for Romania in the near future. In addition, Romania has substantially reduced its use of emergency ordinances since 2019, following a referendum in which the public voted to end their use. However, influence peddling remains a serious concern at the national level, and corruption and bribery dominate lower levels of government, which undermines public confidence. The establishment of a special prosecution service for the investigation of crimes within the magistrate (SIIJ) also damaged anti-corruption efforts by placing undue pressure on prosecutors and adversely affecting some high-level corruption cases.

The COVID-19 pandemic affected all aspects of life in Romania in 2020 and 2021, with national lockdowns and restrictions on public gatherings, but
profound mistrust in government led to substantial public pressure against these restrictions. In addition, the Constitutional Court ruled in June 2020 that some quarantine and isolation measures were unconstitutional. Following the ruling, an estimated 30,000 people left isolation, quarantine or medical surveillance. By the end of 2021, low vaccine uptake plunged Romania into its worst COVID-19 wave yet, with new infections peaking at over 18,000 a day in October. Less than 40% of the population is fully vaccinated, despite widely available vaccines, reflecting profound public distrust in government.

Economically, Romania mirrors world trends, resulting from the pandemic-induced economic crisis. After -4% growth in 2020, the economy rebounded by posting +6% growth in 2021. However, progress remains closely tied to the country’s ability to control the pandemic. The pandemic increased unemployment rates to 3.4% in 2020 and as much as 5.6% in 2021.

Key Challenges

Romania continues to struggle with political instability, a lack of judicial independence and integrity, high corruption, economic stagnation, and social outmigration in the face of the COVID-19 pandemic, which shows few signs of retreat within the country.

Concerning judicial independence and integrity, Romania has made some important progress during the period under review in reversing the damage of the 2017–2019 judicial reform packages. This has advanced efforts to lift the European Commission’s Cooperation and Verification Mechanism. However, structural challenges continue to hinder judicial integrity and independence, and there is widespread corruption at the local level. In addition, Romanians continue to perceive the government as highly corrupt and ineffective, which erodes trust and undermines the government’s policy agenda.

Distrust of government has marked Romanians’ response to official efforts to control the COVID-19 pandemic through restrictions on social gatherings, mandatory quarantines and vaccination. Protests across the country early in the pandemic indicated widespread skepticism of the official narrative, which hindered vaccination efforts. Instead of official information, Romanians increasingly rely on misinformation and “fake news” that downplay the effects of the virus, and cast doubt on the efficacy and safety of vaccines. As the Omicron variant takes hold across Europe, Romania will have to build enough public trust to encourage widespread vaccine adoption in order to avoid the
worst national health catastrophe of the pandemic yet. With just 40% of the population fully vaccinated and vaccine uptake slowing, the government faces an uphill battle.

Economically, Romania’s more lax approach to controlling the pandemic means that the economy was able to rebound quickly after a sharp decrease in 2020, growing 7% in 2021, about 3% growth compared to 2019 levels. The European Commission anticipates roughly 5% economic growth in 2022 and 2023, which is strong, with unemployment remaining stable at about 5% over the same timeframe. However, deficit reduction efforts have failed. In 2020, Romania posted a budget deficit of just under 10%, up from 4.4% the previous year. While 2020 was undoubtedly a difficult year for governments around the world in terms of fiscal consolidation, the European Union’s 27 country average was below 7%. Deficit reduction remains key to improving Romania’s economic rating and investment environment. As a final economic note, emigration, particularly that of qualified and educated individuals including healthcare workers, continues to hinder economic advancement and places additional pressures on a faltering healthcare system in the midst of the pandemic. Labor market conditions remain tight, with labor and skills shortages persisting from 2020 because of the exacerbated decline in the labor force. Low labor force participation remains a concern, despite the minor success of labor activation policies and adult learning programs, largely due to emigration.

Party Polarization

Party polarization is an impediment to effective governance in Romania. While the electoral system necessitates the formation of party coalitions in order to form majority governments, which can promote cooperation between parties, in 2020 and 2021, government coalitions proved to be fragile. Polarization continues to pit the Social Democratic Party (PSD), and the Party of the Alliance of Liberals and Democrats (ALDE) against the center-right National Liberal Party (PNL). While the PNL, propped up by the USR PLUS and the Democratic Alliance of Hungarians (UDMR/RMDSZ), moved into government after defeating the PSD in the December 2020 elections, this coalition soon collapsed when the USR PLUS pulled its support in October 2021, alleging that the PNL was advancing a reform initiative that would leverage its position in the upcoming local elections. In the 2020 legislative elections, a newly established nationalist, right-wing populist party, the Alliance for the Union of Romanians (AUR), won 9% of the votes for both
chambers of parliament. Adopting antagonistic rhetoric and campaign strategy, AUR has further contributed to polarization. Mistrust between the political parties impedes effective and sustainable coalitions, leads to finger-pointing, and is a distraction for both policymakers and the public from advancing meaningful governance initiatives. (Score: 4)
Sustainable Policies

I. Economic Policies

Economy

Romania’s economy contracted by 3.9% in 2020, because of the economic effects brought on by the COVID-19 pandemic. However, Romania’s contraction was one of the lowest in the European Union. In the first half of 2021, Romania’s economy recovered strongly, growing 6.5%, due partly to business and consumer sentiment remaining strong, relatively strong growth of wages in the first months of 2021, and an uptick in public and private sector investment. The sharp increase in energy prices, stemming from both the liberalization of the domestic electricity market and the increase in global oil prices, as well as the recovery in aggregate demand, contributed to inflationary pressures in 2021. From the end of the fiscal year 2020 to the April 2021, Romania’s inflation rate increased from 1.8% to 2.7%. As energy prices decline and demand cools down, inflation was reported to reach 2.9% in early 2022. The central bank has raised interest rates to accommodate these developments. At the end of 2020, the fiscal deficit reached 9.2%, driven to a lesser degree than in fellow EU economies by the COVID-19 fiscal stimulus. The government responded to the pandemic by providing a fiscal stimulus of 4.4% of GDP in 2020 and 1.2% in the first half of 2021. According to the 2021 edition of the IMD World Competitiveness Ranking, Romania’s international competitiveness has dramatically improved. Improvements were noted for government and business efficiency. The performance was supported by broad economic performance and export growth, given the country’s relative resilience to the pandemic.

Labor Markets

The pandemic created the highest number of unemployed in the last two years. In March 2020, the unemployment rate reached 4.6% compared to 3.9% in the previous month. The labor market dynamics in Romania remain positive, but with only a slight uptick in the unemployment rate in 2021, from 4.2% in 2020 to 5.5% in May. Still, differences in the labor market remain between regions and demographic groups. Youth unemployment has declined, but remains the highest rate of any age group, at 19.5% in June 2021 – a steady figure from 2020. Moreover, labor market conditions remain tight, with labor and skills shortages persisting from 2020 because of the exacerbated decline in the labor force. Low labor force participation remains a concern, despite the minor success of labor activation policies and adult learning programs, largely due to emigration. While participation increased to 55.5% in 2020, Romania continues to struggle with labor force and skill shortage challenges. Women, people with a low education attainment rate, and vulnerable groups (e.g., Roma) disproportionately contribute to the low participation rate.

The population continues to decrease due to a negative natural rate of population growth and outward migration. According to an INS report, from January 2020 to January 2021, Romania’s population dropped from 19.32 million to 19.18 million. Since joining the European Union in 2007, the effects of free movement on the healthcare system has been particularly pronounced. While emigration has contributed to lower unemployment levels, it has also resulted in a brain drain and shortages, particularly in the healthcare system during the pandemic. According to Solidaritatea Sanitara, the country’s public healthcare system has a deficit of 40,000 healthcare workers, equivalent to 17.5% of public hospital staffing needs. To combat the trepidations of the country’s labor supply, government measures (e.g., wage subsidies and other incentives to preserve employment amounting to 5% of GDP) mitigated the labor market impact.

Citation:
Taxes

Ludovic Orban’s government (and succeeding PNL governments) amended the Romanian Fiscal Code in December 2020. Corporate taxation has been revised, particularly in regard to foreign direct investment (FDI). Overall corporate income tax, according to the revised Convergence Program of 2020, is set to remain at 16%. The new legislation grants cumulative calculated corporate tax exemptions to firms when taxpayers apply the quarterly corporate tax return/payment and one can allocate said funds from the granted corporate tax exemption to reserves for the following year. The bill on micro-enterprises allows micro-enterprises to recover tax losses in the context of structural operations (e.g., merger, division or split). Tax consolidation has been made possible for corporate income tax, allowing firms to offset the tax profits and tax losses of jointly owned firms – so long as a responsible legal entity calculates, declares and pays corporate income tax for the group. The legislation clarifies that there is no obligation on a Romanian legal entity to retain, declare and pay a dividend tax. Dividend incomes received by micro-enterprises have been made nontaxable for the purposes of taxing the incomes of micro-enterprises.

The government has considered the elimination of the mechanism of VAT payment in installments, according to the acquis communautaire. To support the liquidity of the private sector, the government has reimbursed RON 3.17 billion to firms. Furthermore, in the midst of the COVID-19 pandemic, VAT is no longer required for imports of medicines, PPE, and other medical and sanitary devices.

Romanian residents are taxed at a flat rate of 10% on different types of revenues, including capital gains and interest, except for dividend income, which is taxed at a flat rate of 5%. Individuals may owe social security contributions for certain types of income, including investment income. Non-resident individuals are also subject to tax in Romania for certain Romanian sourced incomes, such as investment income obtained from residents. The building tax ranges from 0.08% to 1.3%, depending on the usage of the building (e.g., residential, non-residential or mixed use) and is levied at a fixed rate per square meter, varying according to the local governments categorization of said property.

Romania’s tax-to-GDP ratio continues to stand at around 26% to 27%. This is well below the EU average of 41% and one of the lowest in the European Union. Moreover, the influence of Romania’s tax schemes has maintained its fiscal deficit, with tax revenues continuing to trail expenditures.
Alongside Romania’s flat tax scheme in both corporate and personal income tax measures, and misguided public expenditure priorities, the pandemic has exposed the vulnerability of Romania’s institutions to adverse shocks, exacerbated existing fiscal pressures, and widened gaps in healthcare, education, employment and social protection. As a result of the pandemic, poverty has increased in 2020, especially among vulnerable communities (e.g., Roma), and this trend will likely continue in 2021, because of the triple-hit taken by the Romanian economy (i.e., the persistence of the pandemic, poor agricultural yields and declining remittances). Low-skilled, temporary, frontline and self-employed workers, women, young people, and small businesses have all been disproportionately impacted by the crisis (e.g., lost salaries, jobs and opportunities). The uprooting of deep-seated inequalities has only been exacerbated by the pandemic, with Romanians in informal sectors and those with fragile incomes (e.g., Roma) continuing to struggle.

While Romania’s environmental taxes amount to around 2.2%, they are well below their EU counterparts. Furthermore, while the country has committed to the targets outlined in the Paris Agreement, energy taxes and a carbon tax have still not been implemented. The “strategic plan regarding climate change for 2016 – 2020” does, however, aim to increase taxes on motor fuels and introduce a tax on air travel.

Citation:

Budgets

The pandemic has intensified Romania’s public spending, with the budget deficit increasing from 9.4% of GDP in 2020 to 9.8% of GDP in 2021 – significantly more than the government’s estimate in November 2020. Romania’s budget posted a deficit above RON 100 billion for the first time in the country’s history, maintaining a budget gap of RON 102 billion, more than double that of the 2019 budget. This came despite a budget revenue increase in 2020 of 0.4%, to RON 323 billion. But expenditures rose to RON 424.4
billion, an increase of nearly 15%. The Ministry of Finance argued that the increase of 4.5% of GDP in spending was caused by the COVID-19 pandemic. Romania’s debt-to-GDP ratio has reached 50%, increasing from 47% in 2020. As a result of running high deficits, before and during the pandemic, the European Commission started an excessive deficit procedure against Romania in April 2020. The Romanian government has remained steadfast in limiting the budget deficit to 7% in 2021. Moreover, while public sector payroll has increased by 2.6% in 2020, it decreased as a percentage of annual GDP by 0.5%, to 6.3% of GDP.

Citation:

Research, Innovation and Infrastructure

Romania adopted the National Strategy for Research, Development and Innovation in 2014, setting out domestic goals until 2020. Following a policy dialogue phase between the coordinating consortia and MECS, the final four priorities selected were bioeconomy; ICT, space and security; energy, environment and climate change; and eco-nano technologies and advanced materials. The Ministry of Education and Research is in charge of planning and monitoring research, development and innovation (RDI) undertakings, and is funded by the state budget and EU funds. Nevertheless, the efficiency of the RDI strategies was low. Due to the large research and development gap between Romania and western EU member states, insufficient budgets, and a brain drain of tech-industry workers, Romania’s research and innovation systems are fragmenting, and are unable to integrate EU RDI dimensions into successful domestic policies. Because of said setbacks, Romania received the smallest amount of EU funds for RDI. Romania’s participation in Horizon 2020, the European Union’s largest research and innovation program, was modest, resulting in the country attracting some €215 million from the program’s budget. Still, this capital injection was generated by the underfunding of research from public funds, difficulties in attracting private funds in research and innovation, and the lack of effective national policies to stimulate RDI activity. According to past government budgets and the Europe 2020 Strategy, Romania’s government allocated between 0.13% and 1% of GDP to RDI – a drop from 2019 and a concern that has only been exacerbated by the pandemic. All these factors have resulted in a lackluster RDI environment and Romania being labeled as a “modest innovator,” with a 50% gap between Romania and the EU RDI average. According to the European
Innovation Scoreboard, Romania has ranked last for RDI in the European Union for the past several years. As a result, the Ministry of Education and Research launched a new RDI national strategy in Romania, coinciding with the EU Strategic Agenda for 2019–24 and the Cohesion Policy for 2021–27. Financially, the government has encouraged taxpayers engaged exclusively in innovation, research, development and related activities to continue their RDI activities by exempting them from corporate income tax during the first 10 years of activity. This tax relief is applied in compliance with state aid regulations. State aid schemes (e.g., non-refundable grants) aimed at supporting R&D activities and investments in the R&D sector are also available.

Between 2014 and 2020, Romania received €43 billion in accordance with the 2014–20 MFF, of which the allocation for European Structural and Investment Funds (ESIF) made up €31 billion. Most of the funds were allocated to ESIF – operational programs of large infrastructure projects. Taking into consideration the COVID-19 pandemic, Romania saw a significant decrease in FDI. However, Romania’s capabilities in the IT sector, logistics projects and retail development projects attracted investors, with 57 projects registered in 2020. The welcoming tax environment for foreign firms has resulted in investment confidence in 2021, with 75% of investors stating that the pandemic no longer influences their direct investments (versus 5% that are influenced). In order to maintain and see an uptick in confidence in the long run, Romania must continue to invest in reliable infrastructure and broaden regions for investment, outside of major urban centers.

Citation:
Popovici, Oana C. “Romania economy briefing: The science and technology innovation mechanism of CEE countries.” China–Cee Institute, 32(2), September 2020, ISSN: 2560-1601
Global Financial System

With the influence of the pandemic in mind, Romania has participated more than ever in the EU and global economy, with the hope of mitigating the health and economic consequences of COVID-19. Most notable was the influence of the SURE initiative and Next Generation EU funding. Romania received €3 billion from SURE, in the form of loans granted on favorable terms from the European Union to EU member states. The program was introduced to preserve employment in the context of the pandemic crisis. Romania’s application for Next Generation EU funding has been met with positive assessments from the European Commission, because of Romania’s recovery and resilience plan (i.e., Romania devotes 41% of funds to support a green transition and 21% to support a digital transition). Next Generation EU is set to offer Romania €14.2 billion in grants and €14.9 billion in loans under the RFF to tackle the COVID-19 crisis, to embrace green and digital transitions, to strengthen economic and social resilience, and to improve cohesion with the European Single Market. As an emerging and developing economy, Romania has remained as active and influential in IFIs, such as the IMF, as it can be, but has remained steadfast in recovering from the pandemic. As a result, the IMF endorsed Romania’s plan to combat the economic consequences of the pandemic and it sees the EU-Romanian cooperative measures as beneficial to combat the effects of COVID-19. The government imposed a moratorium enabling non-financial corporations and households to postpone debt repayments by up to 9 months. While this moratorium (in force until March 2021) constrained the increase in non-performing loans, banks continue to be exposed to highly indebted firms. External debts comprise more than half of the total debt in the non-financial corporate sector. The government increasingly relies on external markets to finance public debt, implying risks for financial stability (OECD 2022)

Citation:
II. Social Policies

Education

Romania’s Ministry of Education heads and organizes the state’s education and technological innovation system, while working alongside subordinate institutions at the national, central and local levels. The organization and functioning of the education system are established according to constitutional and legal parameters (i.e., the Law of National Education). Romania’s national educational system is both open, allowing for the mobility and transfer of pupils, and pluralistic, offering education in public and private settings, and in recognized native languages. While the education system remains a national priority for the Romanian government, disparities are prevalent in its organization. The phenomenon of Romania’s struggling education system is not novel. Since the fall of the communist regime, public schooling has never received adequate funding. The Romanian state spends about €33,000 on education from kindergarten to graduating higher education for each person who graduates with a master’s degree, but it collects €300,000 from an entire person’s working life – a return on investment of 700%. Due to the lack of access to education, however, the state spends €18,000 for an unemployed person with only primary education throughout his or her lifetime. Under the present pressures of the COVID-19 pandemic, education has been pushed even closer to the edge. Some 400,000 children in Romania don’t attend school or complete compulsory education requirements. Moreover, OECD findings show that 44% of 15 year olds cannot read or write properly. The poor academic outcomes stem from Romanian governments undercutting funding to the education system, which stands at only 3.4% of the state budget – 2.6 percentage points below the legally mandated level of 6%.

The rural-urban disparity is telling, however, and underscores the dual trajectory of young people in the education system. Because of the state’s limited investment in broadband infrastructure, digital schooling is lowest in rural areas. More than 50% of rural households do not own a digital device necessary for remote learning. Furthermore, one-in-three villages have “very weak, or no, internet signal,” limiting communication between educators and their students. Rural areas have alarmingly high dropout rates, which can only be exacerbated by the lack of digital equipment, and the pandemic has exacerbated the underperformance of rural areas of Romania. The lack of IT-based infrastructure and limited state funding of the public education system, alongside a lack of basic amenities (e.g., running water or indoor plumbing at
schools, or dwindling family incomes in rural communities) and the COVID-19 pandemic, will intensify social exclusion, inequality and poverty. While the revision to law 292 on social assistance will give children and their families access to basic community services provided by a small team of local professionals (e.g., social workers, nurses and school counselors), 38% of Romania’s young people remain subject to poverty and under the auspices of social welfare.

Citation:


Social Inclusion

The health crisis risks putting a halt to strong improvements in living standards and aggravating poverty, especially among marginalized communities, informal workers and the working poor, who are more vulnerable to economic shocks and insufficiently protected by a weak social security system. In 2020, nearly 35.8% of Romanians are at risk of poverty, are socially or materially deprived, or live in a household with low work intensity. Due to the socioeconomic repercussions of the COVID-19 pandemic, 36.3% of children were at risk of social exclusion or poverty. Even prior to the health crisis, Romanian children faced difficulty accessing quality and equal healthcare. The pandemic only worsened disparities. Some 23% of parents could not afford medicines for their children, and 15% did not have access to medical services. In addition to Romania’s youth (16 to 24 years old), the elderly (aged 65 plus), people with disabilities, Roma and people living in rural communities are at heightened risk of poverty and social exclusion. The Romanian government has attempted to mitigate the effects of social exclusion with social transfers. However, these measures have only lowered the at-risk-of-poverty rate to 24%, which is still 7 percentage points higher than the EU average.

Inequality in Romania remains one of the highest in the industrialized world. In 2020, Romania’s Gini coefficient of income inequality stood at 35.0 – the median figure for advanced economies was 30.3. 20% of the poorest households accounted for 5.7% of Romania’s total income. Despite the state’s attempts to strengthen employment and job protection, the government failed
to cushion the negative impact of the pandemic, underscoring Romania’s already weak social safety net. The government offered less than a 20% coverage rate for unemployment benefits, while the OECD average stood at 60%. Furthermore, the statutory replacement rate stood at less than 10%, less than half the OECD’s average of 20%. While low-income earners in Romania remain the least affected by the pandemic in the European Union, middle-income earners were the most affected. The education system suffered a severe hit with the start of the pandemic, raising the problem of quality in educational services offered to the children and the issue of equal opportunities in education, as there are large gaps between urban and rural areas with regard to IT endowment, and digital skills among teachers and pupils.

In response to Romania’s large at-risk of poverty and social exclusion population, the government has attempted to tackle issues of affordability. For instance, in 2020, in spite of warnings by the IMF and European Commission of increasing the deficit, the state increased pensions by 40%. While past increases to pensions were made, they were implemented along regional and socioeconomic lines, perpetuating social disparities. Shortly afterward, the government voted in favor of a minimum package of basic healthcare, education and social protection services, guaranteeing free access for all children in rural areas, hoping to tackle the rural-urban divide. The actions taken by the Romanian government are only a small step in the right direction. UNICEF has warned that in the context of the COVID-19 pandemic, “already existing vulnerabilities could exacerbate pre-existing risks, such as limited access to social services, inequalities in access to education, poverty due to the traffic limitation which reduced the income of the families.” The impetus lies in the governing parties, who have so far failed to find a consensus on how best to tackle the issue of inequality.

Citation:


Marica, Irina. “Save the Children: Over 1.5 mln children in Romania were at risk of poverty or social exclusion in 2020.” Romanian Insider, 29 October 2021. https://www romania-insider.com/save-children-poverty-romania-report


Health

Romania is an upper-middle-income country with an ever-decreasing population, due to low fertility and high mortality, as well as high levels of migration. This has resulted in a relatively old demographic and an old-age dependency ratio – those over the age of 65 – of 27%. The life expectancy of Romanians (73 years) in 2021 remained below the EU average (81 years). Moreover, there is a gap in the quality of healthcare provision between urban versus rural areas. In rural areas, the mortality rate is 15.4 per 1,000 individuals, compared to 11.7 per 1,000 individuals in urban areas. For Romanian women, breast and cervical cancer cause the highest mortality rates for those aged between 15 and 49, with cervical cancer in Romania being at the highest rate in the region. Romanian public maternity wards have been accused of having a high degree of “obstetric violence, or the use of procedures that are not medically necessary (e.g., C-sections and episiotomies), and verbal and emotional abuse is prevalent. Furthermore, the rate of amenable mortality in Romania is the highest in the European Union for women and the third highest for men.

As a result of the Romanian government’s handling of its healthcare woes, opportunities to improve health outcomes through the provision of essential services and public health interventions are pivotal for the improvement of the state healthcare system. Improvements in screening for cervical cancer (25%) can be made to catch up to the EU average (60%); measles vaccination rates (87%) trail the European Union’s rate by 10 percentage points and the number of primary healthcare (PHC) contacts per person remains well below the EU average. More importantly, however, preventing flight in medical professionals to other EU member states remains a problem. There is an exodus of medical personnel, who head for employment elsewhere in the European Union, where they are offered better facilities and higher pay. According to some doctors, almost 90% of the hospital budget is used to cover the salaries of the medical personnel, which increased in an effort to prevent brain drain. But this led to hospitals being unable to offer basic medication to patients, who need to cover it from their personal pocket. The funding allocation is not sustainable and did not result in the provision of cost-efficient healthcare.

As it pertains to coverage, the National Health Strategy 2014–2020 and the accompanying Action Plan 2014–2020 attempts to align Romania with the WHO’s Regional Office for Europe and the European Commission to 1) improve public health and reduce the burden of non-communicable diseases; 2) ensure access to quality and cost-effective health services; and 3) cut the
costs of healthcare systems, maintaining efficient ordinances. Under the present circumstances, however, the lack of furthering healthcare coverage has worsened the situation in Romania. Despite attempts by the government to improve the provision of public healthcare, most citizens avoid the program offered by the state, instead choosing to enroll in the private healthcare system. Despite more confidence in the private healthcare system, it also remains under fire for poor service provision, complex coverage plans and costly premiums. Consequently, Romania continues to struggle with high mortality rates in preventable or treatable diseases, such as diabetes, cardiovascular diseases, cancer, tuberculosis and hepatitis.

During the early months of the COVID-19 pandemic, the crisis completely congested the Romanian healthcare system. As a result, Romania activated a €400 million loan from the World Bank to help prevent and respond to the ramifications of the pandemic. Still, in late 2020, all 2,000 intensive care beds were occupied, and 50 critically ill patients had to be transferred to hospitals in Hungary and Poland. Much of the failure in curbing the rise in coronavirus cases is directly correlated to the low vaccination rate in Romania, standing at 30% – significantly lower than the EU average. Then Prime Minister Florin Citu’s decision to relax restrictions was hugely popular in June, but this accentuated the stresses on the healthcare system, resulting in 15,000 daily cases in late 2021. Thus, the combination of a relaxed vaccination program and a laissez-faire approach to lockdowns by the government, worsened by the decision to sell “unwanted vaccines,” has set Romania on a trajectory toward a healthcare crisis.

Citation:


https://www.banatulazi.ro/un-celebru-chirurg-banatean-lanseaza-un-atac-dur-la-adi-propriilor-colegi-multa-spaga-aroganta-si-salarii-uri-ase-in-sistem/?fbclid=IwAR1D3PFPiHq1H81im9h9hVlV3jg6UN2aqZ4L5m7RQo9fOyjzEmgz2Kn31M

Families

Parental leave in Romania is an exemplary feat and a model for most developed economies. A report by the OECD and European Union on the quality of leave ranks Romania’s program as second, as it pertains to entitlement. The current plan offers 92 weeks of full pay and the longest leave reserved for fathers. The benefit amounts to 85% of the mean monthly gross income obtained in the last six months before maternity leave begins and considers the mother’s previous breaks from employment. Maternity benefits are not taxed and are funded by the national budget for social health insurance and are only given to residents that contribute to the social security system, irrespective of their occupational status. Paternity benefits are limited to a maximum of 15 days with 100% of earnings covered. Parental leave is permitted, prior to the child turning two years old, with each parent having 12 months of paid leave available at 85% coverage, or no less than €258.71 and no more than €1,759.29 a month. Since LGBTQ marriage or adoptions are not legally recognized in Romania, there is no provision for same-sex parents.

As it pertains to a child’s (aged 3–5) access to benefits, such as childhood education or care, Romania ranks toward the bottom of OECD and EU lists. As it pertains to the affordability of childcare, Romania ranks in the middle-third of the list. According to the report, parents in Romania rely on informal care, or care provided without remuneration by relatives, friends or neighbors. Romania’s participation rates of young children in childcare illustrate shortcomings in both the quality and quantity of these services, but also the lack of funding of said programs and a lack of services – both setbacks accentuated by the pandemic.

As in most EU member states, employment rates for women in Romania are lower than those for men. A report by MDPI found that the gender split in the Romanian workforce is wide, with only 23.7% of women participating in the pandemic workforce, while 76.3% are male. Moreover, 87% of the population that is looking for work or is unemployed are women, while only 13% are men.

A recurring hindrance for women in the workforce, both for those participating and wanting to enter it, is harassment. In Romania, 30% of women (44% of all Romanians) say they have been affected by physical or sexual violence – 12% of victims say that they experience such behaviors constantly. Only 21% said they went to superiors, while another 20% preferred to keep quiet and endure the situation. Most concerning, however, is that 30% of respondents found that
once they confronted the aggressor, their situation got worse. That is because 35% found their superiors or employers to be the ones sexually harassing them. In 2019, 20,000 women were physically assaulted by a domestic partner and 44 died. The COVID-19 pandemic has increased the need for prevention and support services for victims of violence. By March 2020, the number of domestic violence offenses had increased by 2.3% from 2019. The existing measures to combat violence against women are still insufficient. In 2019, police were finally given the power to issue restraining orders on the spot, but 36% of restraining orders were still broken in 2019. When women complain about or report violations of restraining orders to the authorities, they are often met with suspicion, doubt and victim-blaming.

Citation:


Pensions

The national pension system of Romania consists of three pillars. Pillar I, the mandatory public pension, is a pay-as-you-earn scheme administered by the state and includes old-age, early retirement, partial early retirement, disability, and survivor pensions. Pillar II, the mandatory private pension scheme was introduced in 2007, is a defined contribution scheme, with a minimum investment guarantee, based on individual accounts. Pillar III, the voluntary private pension scheme was introduced in 2007, is a defined contribution scheme with voluntary participation, based on individual accounts.

A pension reform law, adopted in 2019, aimed to improve pension adequacy, replacement rates and the ratio of average pensions to average wages. The law included a recalculation of existing pensions and changes to the indexation formula. Starting in 2018, participants who have contributed for at least five
years to the pillar II pension scheme can opt to transfer to pillar I. However, very few participants have opted-in to the public pension plan. As it pertains to the effects of the COVID-19 pandemic, no effect is more apparent than the loss of pension participants in pillar II. From August 2019 to 2020, the number of active pensioners in pillar II dropped by 400,000. In 2021, however, pillar II funds continued a nine-month growth rate, reaching €15.7 billion.

The PNL government approved an emergency ordinance reducing the size of September’s legislated pension increase alongside a second 2020 budget revision in August 2020. It had previously hinted at this approach to address deteriorating public finances due to Romania’s weak starting position, the coronavirus shock and the elections that were held in December 2020. Nevertheless, the PNL government passed a 14% pension hike, as opposed to the 40% promised by the PSD opposition, which was nevertheless the largest in the country’s history. Global ratings agencies and international organizations (e.g., the European Union and the IMF) repeatedly warned against the 40% increase projected by the former PSD government, which was ousted in a no-confidence vote in October 2019, and welcomed the PNL-led government’s decision to cap the pensions’ hike.

Citation:


Integration

Romania is a country of emigration and the presence of foreigners in the country is heavily concentrated in the main urban centers. Official statistics show no major fluctuations in recent years, but a steady increase in third-country nationals is apparent due to the increase in migrant workers. In August 2021, the government approved a new National Strategy for Immigration for 2021-2024.
Romania’s integration program targets the beneficiaries of international protection who possess either refugee or a subsidiary protection status. The program consists of a series of services offered in cooperation with public institutions, local communities and non-governmental organizations, all under the coordination of the General Inspectorate for Immigration. The program includes counseling services and support activities ensuring access to employment, housing, medical and social assistance, social security and education, and language courses and civic education, but not vocational training or labor market assistance – all of which is covered under government ordinance no. 44/2004. The program generally lasts for 12 months, and enrollment needs to start within 30 days of the date of granting protection. Enrollment offers certain benefits, such as non-reimbursable financial aid and housing at the government’s reception facilities for asylum-seekers for a limited period of 12 months, which is available to low-income refugees.

https://legislatie.just.ro/Public/DetaliiDocumentAfs/245959

Safe Living

The coronavirus lockdown has led to a drop in the overall crime rate in Romania, but domestic violence calls have increased. Romanian police data shows that, in March 2020, the number of reported crimes was 14.6% lower than the same period in 2019 – 20% fewer cases of thefts and robberies, a 27% drop in violent crime, and almost a third fewer cases of attempted murder. Much of the decline in overall crimes stems from the COVID-19 pandemic, and the restrictions and lockdowns that were implemented. However, while crime on the streets of Romania fell substantially, crimes in the home increased by 2.3%.

A European Commission report from October 2020 found that Romania had the highest rate for human trafficking in the European Union, at 74 victims per million inhabitants. Most of the victims were women who were subjected to sexual exploitation. NGOs consulted by the Council of Europe’s Group of Experts on Action Against Trafficking in Human Beings (GRETA) warned that official statistics are most likely to have been underreported, particularly “the scale of trafficking of foreign nationals” for their exploitation in Romania, which is believed to be “much larger than the limited number of identified foreign victims... suggest.” In turn, Romania’s Chamber of Deputies voted in favor of removing the statute of limitations for crimes ranging from human
trafficking, forced labor and slavery to rape and the sexual abuse of minors. The legislative change coincides with the publication of a report by GRETA and EU standards on the prosecution of perpetrators of said offenses.

Citation:


Global Inequalities

Romania’s development cooperation mainly focuses on countries in its vicinity – the Eastern Partnership (EaP) countries and Southern Neighbourhood. Romania’s volume of official development assistance (ODA) has steadily increased in recent years. In 2016, Romania established the legal framework for national development cooperation policy to regulate its programmatic and institutional structure, as well as associated financial and implementation regulations. Moreover, the Romanian Agency for International Development Cooperation (RoAid) became operational in 2018 and began implementing aid activities. In the context of the COVID-19 pandemic, Romania participated in multilateral initiatives addressing the global crisis, such as the United Nation’s Global Humanitarian Response Plan and the Team Europe initiative. Romania joined 13 EU member states to set up a support mechanism at the European level to facilitate access to COVID-19 vaccines for EaP countries. Romania has also supported its partner countries’ pandemic response in different areas (e.g., providing healthcare support to Moldova). Assistance is not limited to Europe, however, with funds reaching partner countries in Africa, the Middle East and Latin America. In 2020, Romania provided $305.5 million in official development assistance – a 17.5% increase from 2019.

Romania’s development cooperation is focused on the eradication of extreme poverty and global security by promoting socioeconomic sustainability and effectiveness through international cooperation. The Multiannual Strategic Program on International Development Cooperation and Humanitarian Assistance for the Period 2020–2023 establishes Romania’s objectives, which includes “the provision of humanitarian aid; cooperation with civil society and the private sector; promoting transparency and communication; and the strengthening of resources and the consolidation of the capacity of the Romanian Ministry of Foreign Affairs as the national coordinator in
development cooperation and humanitarian assistance.” Romania’s priorities and interests include good governance, the rule of law, peace and security, sustainable economic development, education, and youth promotion.

Citation:

III. Environmental Policies

Environment

With the health crisis appearing to be near an end, EU member states are shifting their focus on emergency problems and mitigation, and finding sustainable, affordable and efficient solutions that aim to improve the well-being of European citizens. With access to capital from the Just Transition Fund and Next Generation EU, Romania is on track to implement policy goals from the European Green Deal (EGD) and the Recovery and Resilience Plan (RRP). These goals include the “transition toward a green economy; digital transformation; intelligent, sustainable, and inclusive economic growth; social and territorial cohesion; health and institutional resilience; and children, youth, education, and competences.” Domestic targets for the RRP and EGD, however, are not easily reachable, because of the Romanian government’s opposition. For instance, the EU Climate Law proposed by the European Commission addresses the climate neutrality objective for 2050 and transposes it into EU legislation – a target vehemently opposed by the Romanian government. The new initiative of the Romanian Ministry of Foreign Affairs for developing a pilot network of climate diplomacy represents an important incentive, aiming to develop a pragmatic answer to climate change through multilateral cooperation. Domestically, the decarbonization of the energy sector is largely based on the support provided by the EGD, although local renewable energy solutions have the potential to drive decarbonization for Romania’s energy sector, so long as public initiatives are synchronized with business intentions. Nevertheless, the energy market in Romania is competitive, with too many electricity producers. The majority of producers are state companies and many household consumers are covered by regulated tariffs. Consequently, Romania performs very well for greenhouse gas emissions, at 4.09 metric tons per capita. Romania is also one of only two EU member states to be integrated into the EU power market, with an interconnection capacity of 7%, which is expected to increase to 10%. Yet, at
the national level, Romania needs to move toward a clear vision and strategy, promoting research, innovation and good practice in the field of the circular economy. Buildings are a key segment of EU energy efficiency policy, as they are responsible for about 40% of final energy consumption and CO2 emissions.

In spite of improvements and commitments made to tackle carbon emissions by the Romanian government, Romania’s environmental authorities have been accused of failing to collect accurate data on air pollution in the country, fearing sanctions by the European Union. For example, the European Commission has argued that Romania has failed to ensure that three industrial plants operate with a valid permit under the Industrial Emissions Directive (Directive 2010/75/EU), undermining efforts to prevent or reduce pollution. Secondly, Romania has not adopted a national air pollution control program under Directive (EU) 2016/2284 on reducing national emissions of certain atmospheric pollutants. Thus, the commitments set out in the EGD, launched in December 2019, agreed upon by the Romanian government, are under threat. Domestic targets to reach regional carbon and climate neutrality targets by 2050 with an intermediate goal of cutting emissions by 40% by 2030, and efforts to achieve the Low Carbon Green Strategy for 2016–30 are undermined by evasive carbon emission measurements of Romanian industries.

Citation:


Global Environmental Protection

Romania’s Ministry of Foreign Affairs has adopted the 1992 UN Framework Convention on Climate Change (UNFCCC) as the main instrument for addressing climate change, ratifying it under Romania’s Law no. 24/1994. Romania was also a signatory to the Paris Agreement on Climate Change, ratifying it in 2017. The European Union and its member states, including Romania, committed to reduce domestic greenhouse gas emissions by at least 55% in order to achieve climate neutrality by 2050. In 2019, Romania joined 50 UN member states to set up the Group of Friends on Climate and Security, which aims to find solutions to the impact of climate change on security policy and stimulate UN involvement in this field. Romania partook in the
Conference of the Parties to the UNFCCC (COP26) and the Glasgow Climate Pact in November 2021, agreeing to accelerate efforts toward phasing out unabated coal power and the inefficient fossil fuel subsidies, while recognizing the need to support a just transition. Moreover, the government pledged to stop land degradation by 2030. Romania has established a network of climate diplomacy in May 2021, and the government has also appointed a special representative for energy and climate diplomacy.

While Romania’s actions on the global stage are small, the government has taken a more prominent role regionally. Romania, alongside nine regional partners in southeastern Europe, signed the common Declaration for Cooperation, which acknowledged the importance of coordination within the Danube river basin, took into account the need for concerted action, promoted the “protection of water resources and prevention of floods” for the benefit of the general public, and fostered cooperation in the field of strategic policy. The partnership was founded to counter disasters intensified by climate change in the Danube microregion. The DRIDANUBE project has resulted in transnational cooperation, improved responses to drought emergencies (strategy), and strengthened cooperation between operational services and decision-making authorities in the Danube region at the national and regional level.

Citation:

Robust Democracy

Electoral Processes

There have been no substantial developments in candidacy procedures that would have had an impact on the 2020 or 2021 parliamentary and local elections in Romania. Like most parliamentary systems, political parties put forward their candidate for respective ridings, while other individuals are permitted to run as independents. In the 2020 local elections, there were 18 candidates on the ballot for the Bucharest mayoral race, with five of those candidates running as independents. Candidates are finalized by the Central Election Bureau in advance of the election.

Freedom House’s 2021 report noted that Romania’s electoral laws and frameworks generally provide for fair and competitive elections. This is supported by the Central Election Bureau, which includes judges and political representatives, as well as the Permanent Electoral Authority, which manages voter registration, campaign finance and logistics. The Organization for Security and Co-Operation in Europe observers who monitored the 2020 parliamentary elections noted the complexity of the legal framework.

While parts of the Romanian political environment are relatively free and pluralistic, key outlets continue to be controlled by business individuals with political interests. Owners’ priorities distort coverage and can result in more favorable coverage for certain candidates. The Organization for Security and Co-Operation in Europe observers of the 2020 parliamentary elections noted that television channels either did not devote significant airtime to polls or offered extensive coverage to public officials and President Iohannis of the National Liberal Party (PNL). Further, as a result of the COVID-19 pandemic, President Iohannis issued a decree that allowed authorities to restrict access to webpages or websites that disseminated purportedly false COVID-19 information during the state of emergency. While tackling misinformation related to the pandemic has been an important challenge for governments around the world, observers raised concerns that users had no avenue to appeal the removal of content. The exercise of this power demonstrated the government’s continued ability to participate in media censorship, which could have repercussions during the election process.
Romanians enjoy relatively free and open access to the right to vote across the country. In September 2020, 19 million registered voters participated in elections for more than 43,000 local officials across the country, including council presidents and mayors. Just a couple of months later in December 2020, voters again went to the polls for a parliamentary election. While the right to vote is broadly available to eligible adults, only 31.84% of the eligible population voted. This is down from 39.49% in 2016 and represents a collapse in public confidence in the political class, its institutions and the government more broadly.

Parliamentary elections were held on 5 and 6 December 2020. On 17 January 2021, the think-tank Expert Forum published a report on the poll. While the authorities’ efforts to enable quarantined and isolated voters to vote were more visible than they were for the subsequent local elections, there were problems with using the special ballot box and protective masks. The report also indicated that the transparency of the process was significantly diminished due to the fact that the meetings of constituency electoral offices were not public.

Updates to anti-corruption policies in 2015 have strengthened Romania’s party financing framework to promote transparency. While no additional updates to the party financing framework were advanced in 2020 or 2021, a notable development was the prosecution of Iona Basescu, daughter of former President Traian Basescu, and a former minister, Elena Udrea, for their roles in illegally financing the former president’s 2009 presidential campaign, which resulted in his election for a second term. Ms. Basescu was sentenced to five years in prison for incitement to embezzle and money laundering, while Ms. Udrea was sentenced to eight years for instigating bribe taking and money laundering. The high-profile case represents a commitment by the courts to ensure party financing rules are respected.

In 2021, the Permanent Electoral Authority (AEP) reported that it had carried out no less than 3,396 control actions between 2019 and 2020 on election candidates, political parties, and natural or legal persons. This covered the 2020 local elections, as well as the European Parliament elections and a national referendum held in 2019. While all the parties have been sanctioned...
with fines and confiscation of sums ranging between €600 and €13,000, the PNL received cumulatively the highest sanction, receiving an estimated €90,000 in fines, for expenditure issues pertaining to the election campaign.

On September 7, the government allocated RON 90 million (approx. €18.2 million) in party subsidies from the state budget, despite previously promising to cut the subsidy granted to parties. Since parties had spent only half of the subsidies they received in the first six months of the year, this sudden increase in subsidies was probably meant to boost Cițu’s chances of winning the PNL leadership. Moreover, the PNL and PSD were the biggest beneficiaries of this subsidy.

Citation:
AEP: Aproape 3.400 de acțiuni de control la competitorii electorali realizate în 2019 și 2020” [AEP: Nearly 3,400 control actions on electoral contestants carried out in 2019 and 2020], Agerpres, 2 August 2021
https://wwwb.agerpres.ro/politica/2021/08/02/aep-aproape-3-400-de-ac-tiuni-de-control-la-competitorii-electorali-realizate-in-2019-si-2020-757268

Mihai Roman, “Premierul Cițu a mai dat 90 de milioane de lei partidelor politice în plină criză, deși promisea că le taie subvențiile” [Prime Minister Cițu gave another 90 million lei to political parties in the midst of the crisis, even though he promised to cut their subsidies], G4Media, 7 September 2021,
https://www.g4media.ro/premierul-citu-a-mai-dat-90-de-milioane-de-lei-la-partidele-politice-in-plina-criza-deși-promisea-ca-le-taie-subventiile.html

According to the 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 exceed 30%. At the national level, citizens do not have the right to initiate a referendum. However, if more than 500,000 citizens support a change to the constitution, parliament can approve a revision, which then must pass a nationwide referendum. Citizens can initiate referendums at the county level, but such initiatives are subject to approval by the County Council and are rare. No national referendums were undertaken during the period under review.

Access to Information

Overall, Romania enjoys a relatively free media environment and ranks 48 out of 180 countries worldwide regarding press freedom, according to the 2020 Reporters Without Borders Ranking. However, journalists often report subtle obstructions by authorities intended to impede their work and the government exercises outsized influence on the content of media coverage. This was exacerbated during the COVID-19 pandemic, which saw a collapse in private
advertising revenue around the world, including in Romania. This loss in revenue left private media outlets dependent on government for funding, which, according to the Freedom House 2020 report, presented an opportunity to the authorities to gain editorial access through publicly funded advertising.

Across the country, there have been increasing signs that lawsuits are being strategically used against public participation. For example, politicians, church officials and businessmen with links to the state have sued well-established newsrooms of investigative journalists (e.g., Recorder, RISE and Libertatea) to stifle legitimate criticism through the abuse of existing laws (most notably, defamation).

Citation:


Incomplete transparency of media ownership in Romania continues to favor business individuals who exploit the media environment to advance their own agendas and provide favorable coverage to their preferred candidates. The 2021 Media Pluralism Monitor notes concerns over a lack of specific safeguards for editorial independence and professional norms, which poses a high risk to media pluralism and is further exploited by gaps in legislation related to ownership disclosure requirements. The Media Pluralism Monitor also notes that discretionary distribution of state advertising funds can be used by state authorities to interfere with media, notably at the local level. This phenomenon has been compounded by the COVID-19 pandemic, which resulted in a collapse in private advertising revenue for media companies and therefore increased dependence on state funds.

In a positive development, EuroNews announced in early 2021 that it would be launching a Romanian news channel in partnership with Universitatea Politehnica din București (Bucharest Polytechnic University). The center-left outlet is one of the largest independent news channels in Europe, and will deliver local, regional, national and international news on TV and digital platforms across the country. The outlet will also have journalists and correspondents in Romania. The entrance of EuroNews into the Romanian market marks a positive step in media pluralism and independence.

Citation:
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. Authorities often try to withhold information or to restrict access through cumbersome or obstructive administrative mechanisms. Privacy and secrecy considerations, be they real or pretended, often trump the transparency principle.

The COVID-19 pandemic restricted the ability of Romanians to access official information in a timely manner. While citizens have the legal right to obtain public information and can petition government agencies, during the pandemic agencies were not obligated to respect the normal time limit for responding to requests for information. Additionally, pandemic-related information was sometimes withheld by authorities. In March 2020, the Ministry of Internal Affairs ordered local prefects not to publish the number of COVID-19 tests performed or the number of positive results, though this has since been made public again. In September 2020, the Centre for Independent Journalism noted that healthcare staff were often prohibited from discussing the pandemic with media outlets.

Civil Rights and Political Liberties

Civil rights are guaranteed by the constitution and are generally respected in practice. Romania responded to a European Court of Human Rights decision 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. There is no equal access to the law since well-positioned individuals, including politicians, are given preference by the courts. More specific concerns have been raised concerning the disproportionate use of preventive detention (often in conflagration of European legal standards), the poor conditions in Romanian prisons, and the large-scale surveillance activities of the Romanian Intelligence Service. NGO legislation introduced by the governing coalition in 2017 has weakened civil rights watchdog organizations.

Romanians continue to exercise their political liberties through well-attended public demonstrations and assemblies. In June 2020, a coalition of academics, students and human rights groups pushed back against Law 617/2019, which looked to ban all educational institutions from “propagating theories and
opinions on gender identity according to which gender is a separate concept from biological sex.” Both the University of Bucharest and the Babes-Bolyai University issued strong statements opposing the law, and a petition from the National Alliance of Student Organizations and the National Council of Students called on President Iohannis to block the law. Demonstrators also protested outside the Ministry of Health following the third fire in a hospital in as many months, while smaller demonstrations took place throughout the country as well.

Romanians also exercised their right to protest throughout the pandemic, opposing the government’s lockdown measures, despite health-related restrictions on public gatherings. In March 2020, several hundred protestors gathered and additional demonstrations have taken place throughout the pandemic. The Romanian government bent to public pressure, easing lockdown restrictions throughout the country, despite having some of the lowest vaccination rates in Europe and, as of late 2021, some of the highest infection and death rates in the world. In general, Romanians enjoy a well-respected right to political demonstration and civil liberties, with freedom of assembly guaranteed in the constitution.

Citation:

Romania continues to struggle with non-discrimination and protection of marginalized persons within the law. In 2020, the country adopted Law 671/2019, banning all educational institutions from “propagating theories and opinions on gender identity according to which gender is a separate concept from biological sex.” This comes just two years after a referendum limiting the definition of family to exclude LGBTQ+ couples narrowly failed after it did not meet the required voter turnout threshold. In 2020, Romania ranked 38th out of 49 European countries for LGBTQ+ equality laws and policies by the International Gay, Bisexual, Trans, and Intersex Association European region.

In addition, Romania lacks a policy to encourage female participation in politics and women continue to be underrepresented in the parliament. Following the 2020 parliamentary elections, women held just 18.5% of lower-house seats and 18.4% of Senate seats, with only one female minister appointed in the new government. Members of the Roma minority also continue to face health and political disparities with few legal protections.
In January 2021, the Law on measures for Preventing and Combating Anti-Gypsyism entered into force. This is an important development for the protection of the Roma ethnic minority. According to the law, “anti-gypsyism” means both the perception of Roma expressed as hatred against them, as well as verbal or physical manifestations motivated by hatred against Roma, their property, institutions, traditions and language.


**Rule of Law**

The 2021 EU Rule of Law report indicated favorable trends in Romania’s commitment to reforming its legislative and judicial frameworks, and its political environment to favor the rule of law.

While parliamentary and legislative activity was limited due to parliamentary elections, and the pandemic in 2020 and 2021, the Constitutional Court retains an active role in reviewing legislative activities to ensure legal frameworks are consistent with the Romanian constitution. In 2020, a significant ruling by the Constitutional Court found that the government’s emergency ordinance that established fines for non-compliance with the restrictions during the pandemic was unconstitutional, leading to an exodus of patients from government-mandated quarantines. By July 2020, the health minister had estimated that up to 30,000 people might have left isolation, quarantine or medical surveillance. While the court’s decision may have impeded the government’s ability to respond effectively to the pandemic, which continued to ravage the country at the end of 2021, the government’s respect for abiding by the order reflects positively on trends in legal certainty.

In addition, since the May 2019 referendum, which limited the government’s ability to issue emergency ordinances (a practice that was criticized for circumventing normal legislative procedures), there have been very few cases of emergency ordinances being used. Further, the number of emergency procedures concerning the justice laws, criminal code and criminal procedure code, the legal framework on integrity, and the fight against corruption has significantly decreased since the 2019 EU Commission Cooperation and Verification Mechanism report. This shift introduces enhanced stability into political and legislative procedures, and has a positive impact on legal certainty.
Both domestic and international (European) courts have weighed in on Romanian legislative processes through 2020 and 2021, in addition to regular activities by the Romanian Constitutional Court to review legislation and ensure compliance with existing legal frameworks. In 2017–19, the governing majority amended the laws on the status of judges and prosecutors, judicial organization, and the self-governing body of the judiciary (Superior Council of Magistracy). This reform created, among other things, the special prosecutorial Section for the Investigation of Offenses in the Judiciary (SIIJ).

The European Union monitors judicial reforms and anti-corruption policies in Romania under the Cooperation and Verification Mechanism (CVM) in order to check whether Romania complies with commitments agreed in its EU Accession Treaty from 2004. Driven by the interest in ending the CVM, several governments have sought to support an independent judiciary and to respect judicial review procedures.

The European Commission has set several objectives that need to be met for the CVM to be closed. These include dismantling the SIIJ, disciplinary, civil and criminal liability regimes for judges and prosecutors, and increasing accountability over the appointment and dismissal of judicial inspection management and senior prosecutors.

The dismantling of the SIIJ is of particular concern, as it has been observed to impede the independence of the judiciary by placing undue pressure on prosecutors, which can intervene with high-level corruption cases. While the justice minister drafted a proposal to disband SIIJ in 2020, parliament later rejected the draft initiative introduced by a group of members of parliament to dismantle the section. In early 2021, the government drafted a new law to abolish the SIIJ, which was shared with the Superior Council of Magistrates (SCM) for its opinion. The SCM issued a negative opinion, arguing it needs additional guarantees to protect magistrates from potentially abusive corruption investigations. However, the government did not follow on the SCM’s opinion and adopted the draft law on 18 February 2021 through normal process. During the Chamber of Deputies reviews in March, provisions were added that were meant to “protect magistrates against abusive corruption investigations,” proposing that a request for approval should first pass through
the SCM. This additional step brought criticism from civil society and the judiciary, and from the SCM, saying that it equated to new a form of immunity and could limit the accountability of magistrates. The draft law was sent to the Venice Commission for review and the SIIJ remains in effect at the end of 2021. The abolishment of the SIIJ in order to increase the protection of prosecutorial and judicial independence would be a positive advancement in ensuring independent and thorough judicial review in Romania.

In May 2021, the Court of Justice of the European Union (CJEU) ruled that the CVM objectives have direct effect, and are binding on government and courts. These rulings were opposed by the Romanian Constitutional Court (RCC) in June 2021. The RCC claimed that EU law does not have primacy over the Romanian constitution. Thus, domestic courts would not be entitled to disregard laws they considered to be in violation of EU law or to check whether laws declared as constitutional would conform to EU law. According to the RCC, courts would not have to respect and apply CVM obligations, and the SIIJ would conform to Romania’s constitutional rule of law provisions. Reacting to this decision, in December 2021, the CJEU reaffirmed the primacy of EU law over national law, including national constitutional law.

Citation:

Bianca Selejan-Gutan


There have been no substantial changes in the legal framework with respect to the appointment of justices since the regressive judicial reform packages of 2018 and 2019. Accordingly, two main themes arise when assessing this topic: inefficiency in the appointment process; and reduced transparency and accountability, perceived or otherwise, in the appointment of prosecutors.

In terms of appointments in 2020 and 2021, the Romanian justice system continues to struggle under a human resources deficit with 10% of judicial and 16% of prosecutor positions vacant as of December 2020. These vacancies can partially be explained by the fact that there were no new competitions to recruit magistrates in 2020 following a Constitutional Court ruling that
declared the requirement for the Superior Council of Magistrates (SCM) to approve regulations of the organization and conduct of competitions for admission to the judiciary unconstitutional, creating a legal void which prevented the implementation of new processes. However, as part of a package of justice reforms proposed by the government in September 2020, in January 2021 the government proposed two accelerated, more specific legislative amendments, which outlined temporary measures on admission to the judiciary. The amendments were adopted by parliament on 3 February 2021, though some provisions were found to be unconstitutional by the Constitutional Court on 17 March 2021. The amendments will allow for competitions to take place in 2021 and 2022, easing the human resources deficit.

With respect to high-level appointments, in early 2020, the justice minister increased transparency in selection procedures to appoint new leadership to the country’s prosecution services (DNA), in addition to a new prosecutor general and a chief prosecutor for the Directorate for the Investigation of Organized Crime and Terrorism (DIICOT). While the new DNA chief was appointed following a positive opinion from the Superior Council of Magistrates (SCM), both the prosecutor general and the chief prosecutor for the DIICOT were appointed following negative opinions. In response, the justice minister stressed the advisory nature of the SCM, noting that their opinions were not binding on government. As a result, the Section for Prosecutors of the SCM reported that they were subject to pressure from the contentious special prosecution unit for investigating crimes within the judicial system (SIIJ), which has been criticized for pressuring judges and prosecutors to change the course of some high-level corruption cases. These challenges were in addition to instances in 2020 where the minister of justice disregarded the opinion of the SCM concerning deputy management posts. The same year, the DIICOT appointee resigned after her husband was convicted of illegally accessing a computer system.

By September 2021, the Justice Ministry had announced that 11 bids had been filed for vacant management positions at the Attorney General’s Office, DNA and DIICOT. The selection process took place at the justice minister’s headquarters, with the list of prosecutors who met the requirements for the selection process and the candidates who were invited to the interview process headed by the justice minister shared publicly.

Additionally, the high-profile rulings of both the Court of Justice of the European Union (CJEU 2021) and the European Court of Human Rights (2020) further highlights the inconsistencies in the appointment process in Romania. The 2021 CJEU ruling considered provisions in Romania’s
controversial justice laws in light of Articles 2 and 19(1) of the Treaty of the European Union, and of the Cooperation and Verification Mechanism decision, in particular with regards to the SIIJ and the interim appointments to management positions within the judicial inspectorate, as well as the personal liability of judges as a result of judicial error. The court recalled that an EU member state cannot amend its legislation, particularly as it regards the organization of justice in such a way as to bring about a reduction in the protection of the value of the rule of law. This has increased pressure on Romania to amend its controversial judicial reforms.

The 2020 European Court of Human Rights also found Romania in violation of European convention when it concluded that Romania had violated the right to a fair trial and freedom of expression enshrined in the European Convention of Human Rights following 2018 dismissal of chief DNA prosecutor Laura Kovesi. The ruling drew attention to the growing importance attached to the intervention of an authority independent of the executive and the legislative branch in respect of decisions affecting the appointment and dismissal of prosecutors.

Citation:

High levels of corruption continue to persist throughout Romania. The Transparency International Corruption Index issued Romania a score of 44 out of 100 in its 2020 index, with the country ranking 19th in the European Union. However, despite lingering high-level corruption, and a perception at the local level and within the business community that corruption is widespread throughout the country, 2020 and 2021 saw some positive advancements in terms of progress in lifting the European Commission’s Cooperation and Verification Mechanism (CVM) and implementing anti-corruption strategies.

With respect to the CVM, progress in reversing the damaging legislative amendments to the justice laws between 2017 and 2019 led the European Commission to support Romania’s argument for listing the CVM at the end of 2021. This is supported by legislative amendments working their way through the parliamentary process, which would abolish the SIIJ, increase the professional independence of prosecutors, remove the early retirement scheme for magistrates, modify the provisions on the civil liability of magistrates, remove restrictions on freedom of expression for magistrates, and amend the procedures for appointing and removing senior management prosecutors. These legislative amendments have been described within Romania as a “new coat” for the judiciary and the European Commission has expressed support.
for the proactive participation of Romanian authorities throughout the CVM process. The European Commission’s 2020 Rule of Law report also notes that legislative and institutional anti-corruption frameworks are broadly in place, with the Ministry of Justice coordinating the implementation of National Anti-Corruption Strategy.

However, institutional challenges and high-level corruption continue to overshadow the Romanian political environment. In 2021, DNA prosecutors requested approval for a criminal probe into former Prime Minister Tariceanu for accepting bribes in 2007–2008. President Iohannis sent the justice minister a request for a criminal investigation of the former environment minister for bribery and embezzlement, and both the daughter of former President Basescu and his former tourism minister were sentenced to prison for their roles in illegally financing his 2009 presidential campaign. In addition, Cristian Popescu Piedone was elected in September 2021 as mayor of Bucharest’s fifth borough, despite being sentenced to eight years in prison on charges of abuse of power in connection to the 2015 Colectiv nightclub fire.

Politically, in October 2021, the Alliance for the Union of Romanians (AUR) accused the ruling National Liberal Party (PNL) of offering bribes to members of parliament in exchange for abstaining from a no-confidence vote, which ultimately failed due to the lack of quorum. The AUR claimed that members of parliament were offered lucrative positions for associates or relatives at state-owned energy companies in return for boycotting the vote. Just a month earlier, the USR-PLUS party withdrew its support from the government after then-Prime Minister Florin Cîțu asked the president to remove Stelian Ion, the justice minister and a member of USR-PLUS, after Ion blocked an investment program that would provide RON 10 billion in funding to upgrade local government infrastructure. Opponents say the investment project was an attempt to buy political support using public funds of local mayors ahead of a party leadership campaign. In response, USR-PLUS called on the prime minister to resign and claimed that the proposed infrastructure scheme would allow wealthy individuals to access easy financing without the checks of EU-funded projects, a claim supported by non-governmental organizations based on the outcomes of previous programs. The USR-PLUS, in an effort to unseat Ludovic Orban as party chief, also accused Cîțu of using the scheme to garner support for his then-upcoming leadership campaign.

Political shenanigans at this level contribute to persistent perceptions of corruption throughout the country. Transparency International’s 2020 index reports that 83% of Romanian respondents consider corruption to be widespread in the country, while 64% of respondents report that they feel personally affected by corruption in their daily lives.
The country’s principle anti-corruption institution, the DNA, reported a lack of sufficient resources to carry out its activities “under good conditions,” after receiving just RON 6 million in the first budget of 2021 instead of the RON 30 million it had requested. However, the DNA indicated that it was hopeful that it would receive additional funding in subsequent budget revisions throughout the year. More positively, Anti-Corruption Directorate General officers were trained by the U.S. Federal Bureau of Investigation via webinars, and studied best practices in preventing and combating corruption, discussed ways to improve the legislative framework, and developed new approaches and partnerships in the global fight against corruption. However, this represents a minor step in equipping the country’s anti-corruption apparatus.

Citation:
Good Governance

I. Executive Capacity

Strategic Capacity

While EU membership has forced the Romanian government to produce regular strategic documents, and despite Romania’s 2018 National Reform Program having declared strategic planning a key priority for the government, policymaking in Romania still lacks strategic planning. In March 2019, parliament adopted “Romania 2040,” which outlines a long-term national social and economic development strategy that is coordinated by a multi-stakeholder commission (Comisia Romania 2040) and elaborated by a council (Consiliul de Programare Economica si Comisia Nationala de Strategie si Prognoza) that would advise government policy for years to come. In June 2019, however, the Constitutional Court rejected “Romania 2040” criticizing the substitution of the parliament by the commission. Critics also noted that the strategy had been pushed by PSD head Dragnea so that a smaller PSD-controlled commission would adopt the national budget for the years to come instead of parliament.

The European Commission continues to support Romania to improve its strategic planning capacities through the implementation of the Annual Working Plan of the Government and supporting frameworks. Of note, the Romanian government extended its strategic planning systems so that all 13 Institutional Strategic Plans were updated for 2019–2022.

Citation:

Cooperation between the government and non-governmental experts is weakly institutionalized. Consultations are irregular and lack transparency as well as mechanisms that would ensure feedback received is actually accounted for in policy. The dismantling in 2018 of the Ministry for Public Consultation and Civic Dialogue, to ensure systematic public consultation, marked a step backward in the formalization of public and expert consultation processes within the country. No real changes occurred under Dăncilă and Orban in 2019. As part of its National Action Plan, Open Government Partnership (2018–2020), the Romanian government sought to standardize the public consultation process. However, the outcome of this exercise is not clear and public consultation on legislative or institutional activities remains sporadic.

Citation:

Interministerial Coordination

The way in which the Government Office is organized in administrative terms has undergone frequent changes. Until January 2017, it featured two bodies that were engaged 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 successor, Prime Minister Tudose, re-established the PMC and the old dual structure. Under Prime Minister Dăncilă, the PMC included seven pro bono “scientific” members with some sectoral experts. Under Prime Minister Orban, the PMC has had only six members in total. This situation has not improved under prime ministers Cițu and Ciucă.

Policy proposals are usually drafted within ministries. The Secretariat General of the Government provides administrative and legal support for policymaking but has a limited role in the quality control of policy design. The Prime Minister’s Chancellery usually becomes involved only after the compulsory public-consultation procedures are finalized, and its mandate is to ensure that policy proposals align with broader government strategy. While the prime minister occasionally publicly involves himself 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.
In Romania, ministerial committees, which are composed of one minister, deputy ministers and public servants, feature prominently in interministerial coordination. They are used for preparing 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. By contrast, committees consisting only of ministers or with several ministers are rare.

In the absence of interministerial 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.

In addition to the formal mechanisms of interministerial coordination, there has been an informal coordination of the government’s work by PSD chef Liviu Dragnea, the “éminence grise” of the PSD governments. Barred from becoming prime minister himself by a criminal conviction, Dragnea has been keen on preventing prime ministers to act in too independent a manner. In January 2018, he toppled Prime Minister Mihai Tudose, barely seven months after his predecessor Sorin Grindeanu had suffered the same fate. Thus, the informal coordination within the governing party has tended to undermine rather than complement the formal coordination mechanisms within government. This remains true for 2020 and 2021, which saw two coalition governments collapse in addition to parliamentary elections, which has continued to undermine the government’s ability to advance national priorities. Infighting in major political parties (e.g., concerning former Prime Minister Orban’s bid to unseat the current acting Prime Minister Citu as head of the PNL in fall 2021) has contributed to an environment in which powerful political actors, former or current, are able to exert disproportionate influence over intergovernmental coordination.

The 2014 National Strategy on Digital Agenda for Romania explicitly called on the public sector to embrace and optimize the use of digital technology for improving effectiveness in governance. This commitment was further buttressed through the establishment of a Government Chief Information Officer within the chancellery. In July 2018, the government announced plans to spend €45 million on the development of a government cloud framework to be used by all public institutions in the country. However, similar plans were announced in 2014 and 2017 without substantial results. Indeed, a 2018 report on government digitalization ranked Romania 67th out of 193 countries and
last among 28 EU member states, and also noted that Romania implemented only one-fourth of all commitments it assumed in 2014. To date, the role actually played by digital technologies in interministerial coordination has been limited.

While there have not been any notable developments in 2020 or 2021, Romania’s Recovery and Resilience Plan, endorsed by the European Commission in 2021, commits €1.5 billion to digitalizing public administration. This should support the digitalization of interministerial coordination.

Citation:


Evidence-based Instruments

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. While Romania’s 2018 National Reform Program stressed the government’s commitment to improve RIA, no significant improvements have actually taken place.

Citation:

Romanian law stipulates that RIAs, along with proposed regulations, must be published for at least 30 days on the ministerial websites, and this obligation is usually respected. Only a select few stakeholders are regularly involved in the RIA process. Public consultations are largely online (which is problematic given unequal internet access within the country) with a short timeframe for input, while in-person consultations tend to be informal and, as a result, risk being subject to regulatory capture. Other ministries are not systematically involved in the RIA process. While the RIA process as a whole has been
reviewed by the OECD as well as the World Bank, there are no regular independent quality evaluations of individual RIA assessments.

In the 2020 country report for Romania, prepared by the European Commission, the commission noted that Romania had stalled on its reform of public administration, including on the implementation of effective regulatory impact assessments, and has recommended the establishment of an independent regulatory impact assessment board.


Sustainability Check
Score: 3

Romania is formally committed to SDG implementation. It participated in the 2018 voluntary national review of the United Nation’s High-Level Political Forum on Sustainable Development and has initiated a review of the country’s 2008 National Sustainable Development Strategy with a view to incorporating the 2030 Agenda for Sustainable Development. The RIA methodology manual requires that sustainability concerns be incorporated in assessment reports. In practice, however, sustainability checks do not feature very prominently, are not done in a comprehensive manner, and draw on minimal sets of impact indicators. Romania has also adopted the 2030 Sustainable Development Strategy, which aims to support the 17 SDGs.


Quality of Ex Post Evaluation
Score: 3

While the institutionalization of ex post evaluations has been announced several times, they have remained the exception rather than the rule. If such evaluations have been done, their impact on decision-making has been intransparent.

Societal Consultation

In Romania, there are two tripartite bodies, the Economic and Social Council (Consiliul Economic și Social, CES), which must approve every legislative proposal and government decision, and the National Tripartite Council for Social Dialogue (Consiliul National Tripartit pentru Dialog Social, CNTDS). In early 2018, the Dăncilă government disbanded the Ministry for Public Consultation and Civic Dialogue that was established by the Ciołoș
government in 2015, stating that its responsibilities were to be taken over by other unspecified ministries. Later in 2018 and with little warning, the government replaced 13 of the 15 representatives on the CES in order to help ensure its priorities would be accepted. Consultation with societal actors has been ad hoc and is used primarily as a means of government communication, not as an attempt at collaboration. Societal actors as diverse as trade unions and the judges’ professional associations have complained that their views have not been taken seriously by the government.

Despite an enabling legislative framework for civil society in the country, mandatory consultation procedures prior to the adoption of normative acts are seen as perfunctory. The number of public consultations and impact assessments remains limited, and the few bills that are subject to public consultation do not tend to have a major budgetary impact.

The European Commission’s 2020 Country Report on Romania indicates that the quality of public consultation has deteriorated, despite being widely used in the government’s policy development process.

Citation:

Policy Communication

Despite the fact that the Chancellery of the Prime Minister was tasked with taking care of public relations and communication with mass media, the Romanian government continues to lack a coherent communications strategy. Individual ministries issue fragmented releases and public trust in government communication is low. During the COVID-19 pandemic, these shortcomings allowed misinformation to run rampant leading to increased infection and death rates, and lower vaccine uptake. Romania and its local health authorities lacked a clear communication strategy implemented at a national level and did not have a clear risk management or crisis communication procedure.

Citation:
Implementation

Romania’s revolving door of governments has reduced the government’s effectiveness and ability to advance consistent and meaningful legislative programs. In 2020 and 2021, Romania experienced two failed coalitions, which resulted in the collapse of government in addition to the parliamentary elections in 2020. This has made it extremely difficult for any government to advance its priorities. The European Commission’s 2020 Country Report on Romania indicates only moderate progress in ensuring the long-term viability of the second pension pillar and in implementing the national public procurement strategy. Meanwhile, limited or no progress has been made in strengthening tax compliance; improving the quality and inclusiveness of education; increasing the coverage and quality of social services; improving social dialogue; developing a minimum wage-setting mechanism based on objective criteria; improving access and cost-efficiency of healthcare; focusing investments on key policy areas; ensuring the national fiscal framework is implemented; ensuring the sustainability of the public pension system; improving skills in the labor force; completing the minimum inclusion income reform; and improving the predictability of decision-making.

Citation:

Ministers in Romania have traditionally held significant leeway in terms of deciding policy details within their departments. This leeway was exemplified in 2021, when the then justice minister, Stelian Ion (USR-PLUS), unilaterally decided to block an investment program that would provide RON 10 billion in funding to local governments to upgrade infrastructure. Prime Minister Cîțu (PNL) called blocking the investment scheme “blackmail,” a tussle which eventually resulted in the collapse of the governing coalition. While the USR-PLUS issued legitimate concerns over the scheme, claiming it would allow wealthy individuals access to easy financing without the checks of EU-funded projects (a claim supported by non-governmental organizations and other opponents), the move demonstrated the flexibility ministers have to influence government policy.

Citation:
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. In spite of having limited staff and resources, this office monitors the activity of most line ministries fairly effectively.

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 even fail to provide legally required information on their websites.

Subnational governments suffer from a lack of revenues and thus remain dependent on central government funding. As the governing coalition has done little to secure sufficient funding for subnational governments, the quality of public services has remained low. Central government funding has been tainted by party bias, with subnational governments controlled by the ruling parties receiving more money. Moreover, the funds from Bucharest have come late, so that subnational units have scrambled to keep projects alive during the first months of each calendar year. The financial dependence of subnational governments has contributed to an unwillingness to implement larger-scale projects for fear of losing funding as a result of political changes. Concerns with bias in the distribution of funds to regional governments continued in 2021, when the USR-PLUS accused the PNL of using a large-scale infrastructure funding scheme to buy political support in subnational regions ahead of a party leadership campaign. The scuffle precipitated the collapse of the ruling government, forcing Romania into its third shuffle in two years.

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 during 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. The Dăncilă government promised to further decentralization, but was unable to deliver on this promise by the time it was unseated. The current government does not list decentralization among its major objectives.

The central government seeks to ensure that subnational governments realize national public-service standards. The prefects, which represent the central government in each of the country’s 41 counties as well as in the municipality of Bucharest, have an important role in this respect. In practice, however, enforcement is often undermined by the inadequate and uneven funding of subnational governments.
Generally speaking, government agencies possess the technical capacity to enforce regulations against vested interests. In practice, however, regulations are mostly enforced only to the extent to which they benefit powerful lobbies and politicians’ clients.

**Adaptability**

On 30 June 2019, Romania completed its six-month term hosting the EU Council Presidency, with the last summit hosted in President Iohannis’ hometown of Sibiu. The presidency went better than expected, producing 90 pieces of legislation addressing banking, workforce, future migrant crisis situations, the gas market, and low-emission vehicles. The better-than-expected functioning of Romania’s presidency shows that Romania was able to adapt its government structures and processes so as to successfully meet its obligations as EU council president. At the same time, little progress was made in terms of improving the absorption of EU funds. Since the end of its EU presidency, Romania has not demonstrated any notable developments in its capacity to adapt government structures to respond to new challenges.

Romanian governments have supported international efforts to provide global public goods. The country has been actively involved in various UN peacekeeping missions, has contributed to global action against climate change and has participated constructively in the allocation of refugees within the European Union. In April 2018, it also became a member in the OECD’s Development Assistance Committee. The country’s international ambitions are evident in its intention to seek a non-permanent seat on the UN Security Council from 2020–2021; an initiative that was ultimately unsuccessful as members opted to award the seat to Estonia instead. Romania remains committed to joining the Schengen Area as soon as possible, an ambition regularly reiterated in meetings with the European Council. However, Romania’s international standing has suffered from the democratic backsliding.

**Organizational Reform**

There is no systematic and regular monitoring of institutional arrangements. Occasionally, the OECD and World Bank have been involved in governance reviews, but the effects of the latter have been negligible. The European Commission also participates in country reviews, though governance and monitoring of institutional arrangements is not identified as a priority area for Romania in light of more pressing reform priorities.

Institutional reforms under the Tudose and Dăncilă governments were confined to changes in the portfolios of ministries. Most notably, the Dăncilă government split the Ministry for Regional Development, Public
Administration and European Funds into two separate ministries and abolished the Ministry of Public Consultation and Social Dialogue. However, these changes have failed to improve the government’s strategic capacity. The absorption of EU funds has remained low, and public consultation has further lost importance. There have been no institutional reforms to address long-standing problems such as limited planning capacities or the low quality of RIA. The pledged reforms of subnational administration have not been adopted.

Former Prime Minister Orban reduced the number of deputy prime ministers and cut the number of ministers from 27 to 18 by merging some portfolios. Under the most recent government led by Prime Minister Ciuca (a coalition of PNL, PSD and UDMR), 21 ministers and deputy ministers were sworn into cabinet. The dual crises of the COVID-19 pandemic and the collapse of coalition governments through 2020–2021 have prevented progress on additional institutional reforms, which are not high on the new government’s list of priorities in light of the continued COVID-19 crisis.

II. Executive Accountability

Citizens’ Participatory Competence

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.

Romania joined the international Open Government Partnership in 2011, emphasizing the overarching goals of increasing transparency, promoting new technologies and engaging citizens. Within the framework of the partnership, five action plans have been approved since 2011. In 2013, the government established an open data portal (data.gov.ro) which now provides over 1,000 datasets from almost 100 public bodies. From 2015 to 2017, the Ministry of Public Consultation and Civic Dialogue oversaw the implementation of the action plans. Since its disbandment in January 2018, the implementation oversight has rested with the Secretariat General of the Government. A quick look at the website of various ministries and agencies shows that the information provided is patchy, outdated or partial. Some of the websites are hard to access or are difficult to navigate. In Romania’s 2021 Recovery and
Resilience Plan, €1.5 billion is earmarked for the digitalization of government. This may improve the timeliness and quality of government publications.

Some restrictions imposed during the COVID-19 state of emergency constrained the capacity of citizens (through civil society) to effectively hold the government accountable. In particular, Article 56 of the Presidential Decree 195/2020 doubled the response time on FOIA and petitions, while some authorities became very reluctant to respond at all.


**Legislative Actors’ Resources**

The Romanian parliament has a Department of Parliamentary Studies and EU Policies, which is divided into two divisions: the Division for Legislative Studies and Documentation and the EU Division. Together, these divisions offer members of both chambers, as well as parliamentary group leaders and committee chairs, useful documentation, studies and research materials, expertise and assistance. In addition, all members have equal access to the parliamentary library which provides references as well as research and bibliographic services. However, members of parliament have relatively limited individual resources. In practice, they tend to rely on assistance from former parliamentarians or political-party staff rather than on the expertise of the Department of Parliamentary Studies and EU Policies or independent experts.

A new set of regulations for the organization and functioning of the departments assisting the Chamber of Deputies was adopted in February 2019. It brought no changes to the Department of Parliamentary Studies and EU Policies and the Divisions for Legislative Studies/Documentation and the European Union. The Senate had adopted similar regulations in 2018.

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. In 2020 and 2021, these concerns were compounded by the coronavirus pandemic, which slowed access to information across government.
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. Sometimes ministers send deputies who are not always able to respond to queries raised by parliamentarians. Notably, the frequency with which ministers attend committee meetings is not documented.

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.

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 the task areas of ministries and parliamentary committees. The number and task areas of the ministries changed significantly after the Dâncilă government was replaced by the government of Ludovic Orban, but, these changes did not lead to changes in parliamentary committees.

In the current parliament, the six permanent committees remain and only two standing committees have been struck, though this number should increase as the government stabilizes.

Media

Media coverage of government decisions and public policy continues to be highly partisan and emphasize political scandals and politicians’ personalities rather than in-depth policy analysis. Many journalists believe that their media environment is protected from outside threats, although Romania ranks first among EU member states in the spread of “fake news.” There is increased anxiety that Russia might exploit Romanian media’s limited ability to counter disinformation by fueling protests on the eve of the presidential election, funding fringe political parties, and spreading fake news to provoke civil unrest and divide society. These disinformation efforts are often helped by Romanian actors voluntarily or inadvertently. Romania has begun to fight disinformation and external media infringements, although many journalists claim that the Romanian government is the main threat to press freedom.
Some journalists believe that pressures from western partners over Romania’s widespread corruption has prompted the Social Democratic party to be more critical of the West, which results in high levels of fake news that affect the uninformed citizens of rural Romania in particular.

Disinformation in Romania has had deadly consequences over the last two years, as false information circulating across the internet has hindered vaccine uptake to confront the COVID-19 pandemic. Romania continues to struggle with high levels of corruption and a media environment dominated by wealthy individuals with political interests, which influences the quality of information available.

The media landscape in 2020–2021 was dominated by COVID-19-related restrictions on information flows and distortions of the media market created by government financing. The government’s public information campaign paid €41 million for ads about the pandemics and preventive measures. Mainstream channels applauded this massive aid, but some media groups turned down the money, and warned about attempts to buy off the silence or goodwill of channels and commentators. The sums were distributed according to ratings and/or readerships, with local media receiving only 5%. The bulk went to mainstream TV channels, which did not suffer much in the crisis, as their viewing figures went up during lockdown. Paradoxically, the winners were active sources of conspiracy theories about COVID-19 and vaccines.

Thus, an ill-considered measure created a public subsidy for irresponsible propaganda and clickbait, in exchange for toning down criticism against certain parties, politicians and policies. In addition, municipal governments launched their own “information campaigns” paid for from local budgets. In Bucharest, for example, the outgoing mayor spent €400,000 on ads promoting “completed projects” (some fake), when she sought re-election. Across central and local governments, there are signs of media market distortion, press clientelization and illicit campaigning that are unlikely to be investigated since the media regulator (CNA) and electoral authority (PEA) are too weak and politically subordinated.

The state of emergency decree allowed authorities to block websites when content promoted fake news about COVID-19 and prevention measures. A Strategic Communication Group, consisting of government officials, decided on instances of trespass, while the telecom authority (ANCOM) implemented the decisions. There was no mechanism for appeal. However, the suspended websites could create clones on servers outside Romania. Moreover, authorities assured “recognized media channels” that they would not be blocked, which just increased the confusion and impression of arbitrariness. Eventually 15 websites of marginal importance were blocked but restored
when the emergency situation was lifted in mid-May. The activity of the CNA, the state media regulator, was interrupted between February 10 and May 11 as four senior positions were left vacant and could only be filled with parliament’s approval.


**Parties and Interest Associations**

The major Romanian parties remain controlled by leaders that are isolated from the party membership and seemingly have little patience and desire to consult local organizations before making decisions. Delegates to national congresses are selected by local organizations in ways that are not always open and transparent, and which allow relatives of current leaders to be promoted. Romanian parties remain largely clientelistic, nepotistic structures in which the power of a handful of leaders outweighs that of large segments of the membership.

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. Union density has decreased considerably since 1990, with union structure fragmented and weakly developed. Unions have become increasingly distrusted as various leaders have joined political parties and sought political careers, often by sacrificing the interests of the union members to their own personal objectives. Moreover, when economic interest associations are capable of formulating relevant policies, this has been somewhat undermined by the unwillingness of the government to consider their views, as was demonstrated by the recent tax reforms which prompted significant criticism from labor organizations.

While many NGOs have suffered from a lack of resources, quite a number of them have significant analytical capacities, especially in areas such as environmental policy and social protections. Many NGOs have benefited from international funding. The Romanian Orthodox Church, which represents as much as 85% of the population, has been a powerful actor, but has promoted a relatively narrow and conservative agenda.

**Independent Supervisory Bodies**

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 appointment of Mihai Busuioc, who has been close to PSD leader Dragnea, as new court president in mid-October 2017 has raised concerns about its independence. These concerns have been aggravated by parliamentary proposals to alter the Court’s remit and to render it more amenable to the will of the government.

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. In mid-2019, Renate Weber replaced the very controversial Victor Ciorbea, who had ignored the concerns of ordinary citizens and championed those of politicians, as Romania’s Ombudsperson. As was the case with Ciorbea, Weber is a lawyer. She was appointed for a five-year mandate, with the possibility of being renewed only once. Weber was nominated by the junior ruling partner, ALDE. Observers had hoped that she will break with Ciorbea’s legacy and strengthen the office by making it more independent from the Social Democrats.

In 2021, Weber was removed from her position by parliament following a request from the PNL, who had accused her of a conflict of interest. The Constitutional Court later overturned the decision, citing provisions on the principle of legality and that the five-year term of office had been violated. Ms Weber remains the ombudsman at the end of 2021, though the ordeal did not improve the office’s real or perceived independence.

Data Protection Authority
Score: 5

Romania updated its data protection legislation in accordance with European Union’s GDPR policy in May 2018. The responsibility for protecting personal data rests with the National Authority for the Supervision of Personal Data Processing (DPA), which has limited resources. The position of the DPA’s vice-president remained vacant until April 2019, when Mirela Nistoroiu was appointed by the ruling Social Democrat Party, in spite of her lack of specialized skills. The DPA President Ancuţa Gianina Opre, named in 2013, has languished under corruption charges dating from 2009 when she was working for the National Authority for the Restitution of Properties.
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