

**SPRING 2020 REFORM BAROMETER – ROMANIA**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	<p>The economic growth rate was unrealistic: 5.5% vs. ~4% in the previous year &amp; the forecast of international institutions, including EC.</p> <p>While NRP mentions the objective of strengthening the culture of transparency and participative governance, it does not mention the emergency ordinance, issued in December 2018 with no prior consultation, with major impact on several economic sectors, including banking, energy, telecom.</p> <p>In 2018 the minimum wage was increased with no prior consultations of the social partners.</p> <p>Overall, the social dialogue is formalistic, not enough time is allowed for analysis &amp; positions/amendments.</p> <p>The vast majority of the laws and regulations have no impact analysis.</p>
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	All points raised by the CSR are valid.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The assessment is appropriate.

	To what extent do you agree with these statements:		Detailed comments
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	The assesement is appropriate.

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure compliance with the Council Recommendation of 14 June 2019 with a view to correcting the significant deviation from the adjustment path towards the medium-term budgetary objective. Ensure the full application of the fiscal framework. Strengthen tax compliance and collection.	Extremely important	No progress	The Govt ended a project with the World Bank on IT infrastructure for tax collection. The budget deficit has surpassed the 3% target.
CSR 2	Safeguard financial stability and the robustness of the banking sector. Ensure the sustainability of the public pension system and the long-term viability of the second-pillar pension funds.	Extremely important	Mixed	The new Govt has reversed some of the regulations on the banking sector imposed through the controversial Energy Ordinance from Dec 2018 (OUG 114/2018), yet there other provisions still in place. The new Govt reversed the capital obligations for the private pensions management funds & the possibility to transfer Pillar 2 funds to state-managed Pillar 1. Yet more reforms are needed to ensure the sustainability of system.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	<p>Improve the quality and inclusiveness of education, in particular for Roma and other disadvantaged groups. Improve skills, including digital, in particular by increasing the labour market relevance of vocational education and training and higher education. Increase the coverage and quality of social services and complete the minimum inclusion income reform. Improve the functioning of social dialogue. Ensure that the minimum wage is set on the basis of objective criteria, consistent with job creation and competitiveness. Improve access to and cost-efficiency of healthcare, including through the shift to outpatient care.</p>	Extremely important	No Progress	No significant policy reforms implemented.
CSR 4	<p>Focus investment-related economic policy on transport, in particular on its sustainability, low-carbon energy and energy efficiency, environmental infrastructure as well as innovation, taking into account regional disparities. Improve the preparation and prioritisation of large projects and accelerate their implementation. Improve the efficiency of public procurement and ensure the full and sustainable implementation of the national public procurement strategy.</p>	Important	No progress	No significant policy reform implemented.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 5	Ensure that legislative initiatives do not undermine legal certainty by improving the quality and predictability of decision-making, including by appropriate stakeholder consultations, effective impact assessments and streamlined administrative procedures. Strengthen the corporate governance of State-owned enterprises.	Extremely important	No progress	No significant policy reform implemented.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

<b>Taxation and Public Finances</b>	Satisfactory
<b>Business environment (regulation/access to markets)</b>	Mixed
<b>Labour market</b>	No progress
<b>Innovation and skills</b>	No progress
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

The new Government reversed the controversial Emergency Ordinance issued in December 2018 with no prior consultations and major impact on several economic sectors (banking, energy, telecom).

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Wage bargaining and wage-setting policies	Support capacity building for social partners from ESF+ MFF 2021-2027	No
<b>Priority 2</b>	Wage bargaining and wage-setting policies	Implement an objective, transparent and predictable mechanism for minimum wage setting with the involvement of social partners.	No
<b>Priority 3</b>	Business Environment - Regulatory barriers to entrepreneurship	Modernize the Economic and Social Council: -Ensure genuine representativity – digital & transparent mechanism for the quantitative representativity % and objective criteria for selecting member NGOs -Capacity building and minimum competencies for designated members -Extend the consultation period for the draft laws in consultations -Allocate the mandates in the plenary sessions based on a clear and transparent formula	No
<b>Priority 4</b>	Public sector efficiency	Digitalisation of the public services: -Develop an open service-oriented architecture, technologically neutral, compatible with the European Interoperability Framework -Develop Government cloud as a platform for digital public services -Electronic signature regulations aligned to the EU provisions - Digitalisation of the tax collection	Yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 5</b>	Competition policy framework	Improve the input data for labour market policies & business-related business decisions: improve collection, consolidate & align statistics from all sources, public and private, and develop forecasting capabilities	No