

# Romania

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*Capital:* Bucharest  
*Population:* 21.5 million  
*GNI/capita:* US\$13,380

Source: The data above was provided by The World Bank, *World Bank Indicators 2010*.

## Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75
Civil Society	3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50
Independent Media	3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00
Governance*	3.75	3.75	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75	4.00
Local Democratic Governance	n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.00
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00
Corruption	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00
Democracy Score	3.67	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36	3.46

\* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

## EXECUTIVE SUMMARY

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**A**fter lagging behind other Central European countries for most of its transition due to a hesitant break with its Communist past, on January 1, 2007, Romania succeeded in becoming a member of the European Union (EU). Disappointment followed fast as the governing center-right coalition disintegrated in 2007, and ministers who had led the process of EU accession were pushed aside. Starting in mid-2005, Romania's political life was effectively deadlocked in a conflict between Prime Minister Călin Popescu Țăriceanu and President Traian Băsescu, and ended with Țăriceanu losing office in the 2008 parliamentary elections.

In 2009, the country held presidential and European elections, as well as a series of referendums in the midst of economic constrictions and high political tensions. On October 13, the government of Prime Minister Emil Boc collapsed after a vote of no confidence, a first in Romania's post-transition history. The new government and president failed to reach an agreement regarding the nomination of a new prime minister, leaving the government in a political and administrative stalemate. With the reelection of President Băsescu, in what has been called the most turbulent of elections in the 20 year history of free elections in Romania, Emil Boc returned as prime minister.

Following eight years of robust economic growth, in 2009, the global economic crisis presented the government with a serious challenge: to demonstrate Romania's capacity to adjust to new, harsher economic circumstances in the midst of political tensions and an unstable governing coalition. In March, the government asked the EU and the International Monetary Fund (IMF) for a stabilization loan, which was approved in May, but the government struggled to implement the adjoining conditions. The economic downfall also contributed to further worsening of professional standards within Romania's media sector.

**National Democratic Governance.** In May, the government agreed to a series of reforms and to drastic spending reductions in the public system as conditions for receiving a loan from the IMF and the EU, but reform efforts were halted by the collapse of the government and the turbulent presidential election in the fall. Political tensions were exacerbated by the government's abuse of power in issuing an inordinately high number of emergency ordinances, and by requesting the Constitutional Court to decide on political matters. In late September, the president dismissed Interior Minister Dan Nica of the Social Democratic Party, which sparked a prolonged political crisis, including the October 13 vote of no confidence against Prime Minister Emil Boc's government. The government and the president failed to appoint a new prime minister prior to the presidential election, plunging the government into a political and administrative stalemate that

jeopardized further financial assistance from the IMF and EU. *Romania's national democratic governance rating worsens from 3.75 to 4.00.*

**Electoral Process.** In 2009, Romania held presidential and European Parliament elections, as well as a referendum for adopting a one-chamber legislature. Along with record low voter turnout, there was evidence of serious fraud and manipulation in numerous polls. The newly created, independent, election oversight institution, the Permanent Electoral Authority, proved inefficient. International observers deemed the process to be mostly fair and in accordance with international standards. However, both local and international monitors credited the open bias of the media in contributing to the most turbulent presidential election in Romania's post-transition history. *Due to fraud, manipulation, biased media coverage and poor electoral management Romania's electoral process score worsens from 2.50 to 2.75.*

**Civil Society.** Romanian civil society, especially heritage protection and anticorruption groups, continued to engage in meaningful campaigns in 2009. However, political parties continued to create alternative groups intended to usurp the influence of independent civil society. *Due to the persistence of economic and political pressures on civil society, Romania's civil society rating remains at 2.50.*

**Independent Media.** Romanian media carried out impressive anticorruption investigations in 2009. However, the financial crisis and conflicts between the president and publishers politicized the media. The National Audiovisual Council made more attempts to enforce media standards. An initiative to reform public television and radio broadcasters was blocked in Parliament, while 22 journalists signed a letter to the head of Romania's public television broadcaster demanding an end to unprofessional and unethical leadership. *Due to political interference and lowered professional standards within the media sector, Romania's independent media rating worsens from 3.75 to 4.00.*

**Local Democratic Governance.** Local democratic governance reforms were stalled in 2009 due to political infighting. The central government undermined local autonomy by attaching various unfavorable conditions to grants and financial transfers initially meant to shield local budgets from the financial downturn. The collapse of the governing coalition led to two rounds of purges of civil servants in local bureaucracies, demonstrating the highly political nature of these positions. *Due to the absence of any positive reforms, Romania's local democratic governance rating stays at 3.00.*

**Judicial Framework and Independence.** Romania's legislature adopted new civil and criminal codes to comply with EU requirements. On the downside, judges went on strike for higher wages and made rulings that would help benefit themselves financially. *With a balance of positive and negative trends, Romania's judicial framework and independence rating remains at 4.00.*

**Corruption.** Romania's anticorruption agencies were active in 2009. For the first time, Parliament agreed to release files on parliamentarians who faced criminal charges. The National Anticorruption Directorate launched investigations against a minister close to President Băsescu, ending years of speculation on the immunity of the president's party. *While the consolidation of the anticorruption establishment is a positive step forward, the fruits of these actions will only become visible next year, thus Romania's corruption rating remains at 4.00.*

**Outlook for 2010.** The fragile parliamentary majority may be the main obstacle for an efficient government in 2010 when Romania must apply a series of reform measures and massively cut public sector spending. The extended political crisis of 2009 blocked the delivery of the third and fourth installment of the IMF loan, amounting to over US\$2.5 billion in total. Romania was late in voting on its 2010 budget, which further loan installments depend on. The IMF postponed its evaluation visit to Romania until after the December 2009 elections.

As the parliamentary majority is currently very slim, and the loan is conditional on structural reforms to bring public expenditure under control, the government may not have the capacity to pass vital laws through Parliament.

# MAIN REPORT

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## National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.75	3.75	4.00

After the November 2008 elections, an unlikely coalition of the Democratic Liberal Party (PLD), the Social Democratic Party (PSD), and the Conservative Party (PC) led Romania. President Traian Băsescu, who heads the PLD, argued that the coalition between these long-time rivals was needed to ensure a parliamentary majority of nearly 70 percent and to allow for effective crisis management.<sup>1</sup>

In December 2008, President Băsescu chose Theodor Stolojan, an economist from the PPLD who served as prime minister from 1991 to 1992, to head the government. Stolojan resigned after five days, before the formation of a new government, explaining that he wanted to leave room for a new, younger generation of politicians. Following Stolojan's resignation, President Băsescu chose Emil Boc, the leader of the PLD, and then mayor of Cluj-Napoca, to form a new government.

At the outset, despite the approaching economic crisis, the president and the new government were reluctant to pursue harsh economic policies. Only after the first quarter, when the country's economy contracted for the first time in nine years, did the government begin to take action.

After initially rejecting the idea of accepting a foreign loan to deal with the country's domestic economic strife, in March the government asked the International Monetary Fund (IMF), the European Commission, and the World Bank for a loan of almost €20 billion (US\$24.8 billion). The loan was approved in May, but coalition partner PSD, as well as the opposition, expressed concerns about the unpopular measures Romania would have to take in order to comply with the loan's conditions.

In compliance with the Memorandum of Understanding with the IMF and the European Union (EU), Romania committed to a series of public sector reforms to be carried out on an established calendar. Measures included the reform of public sector wages, fiscal responsibility guidelines, and the pension system. Meanwhile, the government also committed to drastically reduce spending in the public system, requiring the state to lay off many public sector employees.

The government met IMF targets within the first six months, but the looming electoral campaign and tensions within the governing coalitions blocked the process of reform. The government, however, managed to impose several unpopular measures to boost budget revenues. Most significantly, it introduced a lump sum tax, which forced firms to pay the state a fixed, quarterly sum. The government assumed responsibility in Parliament for a set of laws: the Education Law, the Unified Public Payment Law, and a bill aimed at limiting the number of governmental agencies.

The laws passed through this procedure (but the Education Law was later declared unconstitutional by the Constitutional Court). The National Liberal Party (PNL) and the Democratic Union of Hungarians in Romania (UDMR) challenged the new laws at the Constitutional Court. This delayed the implementation of the reform measures required by the IMF deal.

The PSD withdrew from the governing coalition after the prime minister replaced Dan Nica, PSD member and interior minister, who was also serving as deputy prime minister in late September. Nica blamed the PLD for setting the stage for electoral fraud, but failed to produce any evidence; the PSD's withdraw ensued. This followed months of increased tension, particularly after the PSD voted with the opposition to open parliamentary investigations against the PLD's Monica Iacob-Ridzi, the Minister of Youth and Sports, and Elena Udrea, the Minister of Tourism. The PSD launched a press campaign alleging that the two ministers had used public funds to improve their own images during a year of government financial woes.

Nica's dismissal sparked a prolonged political crisis. The PSD left the governing coalition and joined an alliance with the National Liberal Party. Following the change in the parliamentary balance of power, the Boc government lost a no-confidence vote on October 13 and collapsed. This was the first instance of a post-1989 government in Romania that fell due to such a vote. The new parliamentary majority, led by the PSD and the PNL, with the support of the UDMR and representatives of ethnic minorities, proposed Klaus Iohannis, mayor of Sibiu, for the position of prime minister. President Băsescu rejected the nomination and opted for Lucian Croitoru, a former IMF staff member and advisor to the governor of Romania's central bank. The opposition accused the president of ignoring a parliamentary majority of over 60 percent with his nomination, however, the constitution only requires the president to consult with the party holding a parliamentary majority before choosing a prime minister. The constitution does not provide for a situation in which a coalition—and not one party—holds a parliamentary majority. The Parliament nevertheless failed to confirm Croitoru, and Băsescu put forth a second nomination, Liviu Negoită, a district mayor of Bucharest and a PLD member. Since the presidential electoral campaign was in full swing, the nomination did not reach Parliament, and Negoită did not become prime minister. The absence of a government weighed heavily on Romania's economy; spending accelerated, and the IMF loan was put on hold. The government entered a political and administrative stalemate until after the December 6 presidential elections.

Once President Băsescu secured his second term in office, Negoită resigned and the president nominated Boc to return as prime minister. The DLP and the UDMR formed a new government, and managed to garner a slim majority in Parliament.

In 2009, the government continued to assume the role of the Parliament by abusing of its right to issue emergency ordinances—it issued 86 during the first 6 months of 2009—in cases when an emergency intervention of the government was not needed.<sup>2</sup> The Constitutional Court was also frequently called on to rule on purely political matters, as the struggle between Băsescu and his opponents frequently pushed the interpretation of the constitution to its limits. The court,

which since 2007 has been the chief political referee, declined on grounds of lacking jurisdiction to vote on the constitutionality of the no-confidence vote in October. The PLD had brought the matter before the court on the basis of parliamentary regulations, claiming that PNL could provoke no more than one vote of no confidence per session.

### Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.75

Romania held presidential and European Parliament (EP) elections in 2009. Turnout for EP elections, the first elections for a full term in the EP since the country's accession in 2007, saw record low rates. At 27 percent, these elections had the lowest turnout for any post-1989 election in Romania and one of the lowest turnouts in the entire EU.<sup>3</sup>

From a total 32 seats for Romania, the SDP-CP Alliance received 11, the PLD received 10, the PNL received 5, the UDMR received 3, and the Greater Romanian Party (PRM) received 3.<sup>4</sup> Elena Băsescu, a former model and daughter of the president, won a seat as an independent candidate, though many suspect she received help from the PLD. The entry of the PRM, a radical, populist party led by Corneliu Vadim Tudor, into the EP, was the greatest surprise of the election. Despite not reaching the 5 percent required threshold in national elections, PRM managed to make it into the EP by uniting with the New Generation Party, another radical populist party. The New Generation Party is headed by Gigi Becali, a controversial business man known for racist, xenophobic, and populist outbreaks, who recently faced charges of kidnapping, tax evasion, and bribery.

The EP electoral campaign was marked by a lack of public debates on European issues; candidates instead focused on domestic problems. As was the case in the 2008 general and local elections, allegations of vote fraud were rampant; some alleged that bribing of voters and multiple voting took place on a large scale. As a result, Parliament adopted legislation making multiple voting illegal.

The Permanent Electoral Authority (AEP), a newly created independent institution which overviews the electoral process, proved inefficient. Electoral lists, for instance, were not checked before the presidential elections. According to AEP data, the institution received 95 requests from criminal investigation bodies to verify people suspected of having voted without the right to or having voted multiple times during the June 7 elections.<sup>5</sup> In August, police reported they had forwarded more than 80 criminal files to prosecutors while another 100 were still in preliminary procedures.<sup>6</sup>

On October 22, President Băsescu signed a decree for the organization of a referendum on November 22—simultaneously with the presidential elections—over the consolidation of the current, two-chamber parliament into a single-chamber legislature and the reduction of the number of members of Parliament (MPs) to

300. As popular trust in the Parliament is very low, members of the PSD, the PNL, and the UDMR accused the head of state of pandering to populist demands and reducing the number of MPs for his own electoral interest. The referendum's proposal was not a topic of public debate. It was passed with a turnout of 50.9 percent, but only serves consultative purposes, as the Parliament decides on all changes to the constitution.

After leaving government, the PSD continued to warn of electoral fraud in the upcoming presidential elections. A group of Romanian nongovernmental organizations (NGOs), led by Pro Democracy and the local chapter of Transparency International (TI), warned that holding the referendum on the same day as presidential elections and displaying referendum posters with a picture of the president and anti-Parliament rhetoric would violate the neutrality of the poll. In response to these allegations, the president invited an Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) mission to observe the elections.

The electoral campaign for the 2009 presidential elections was considered one of the most turbulent in the 20-year history of free elections in Romania. In the last weeks of the campaign, news channels repeatedly broadcasted a video posted on YouTube of President Băsescu apparently hitting a child, which was later proven to be fake footage.<sup>7</sup>

In the first round of elections on November 22, the incumbent president, supported by the PLD, came in first with 32 percent of the vote. Mircea Geoană of the PSD came in second with 31 percent, and Crin Antonescu of the PNL came in third with 20 percent. Turnout reached 54 percent. The incumbent president also won the second round, but at less than one percentage point above his rival. Turnout in the second round stood at 58 percent.<sup>8</sup>

On election night, Mircea Geoană claimed victory at the PSD party headquarters as three exit polls declared him the winner of the elections. Soon after, President Băsescu also claimed victory. The Central Electoral Office confirmed that the incumbent had won the elections with 50.3 percent of the vote, compared with Geoană's 49.6 percent. While Geoană won more votes in Romania proper, the president won more votes abroad, especially from Moldovans holding dual citizenship.<sup>9</sup>

Geoană brought charges against President Băsescu to the Constitutional Court and called for a recount of annulled votes. He demanded that the state carry out the second round of the elections again. In response, the court ordered a recount of the annulled votes. It showed that of the 138,476 registered annulled votes, 2,247 were valid votes. Of those valid votes, 1,260 were for President Traian Băsescu and 987 were for Mircea Geoană. On December 14, the Constitutional Court validated the results of the election.

International organizations deemed the 2009 presidential elections more or less fair. An OSCE report published on December 7 noted Romania's "overall compliance with OSCE commitments and other international standards for democratic elections, the respect for fundamental political freedoms, the competitive campaign environment, and the efficient administration of the election."<sup>10</sup>



## Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.00	3.00	2.75	2.50	2.25	2.25	2.25	2.25	2.50	2.50

Romania's civil society sector witnessed contradictory developments in 2009. On the one hand, it withstood the economic crisis remarkably well, no extremist or intolerant organizations rose to exploit social hardship, and no violent protests took place to endanger the social cohesion. On the other hand, lack of funds and corruption rendered much of the civil society sector inefficient.

Genuine networks of civic activists, who are well motivated and working largely on a volunteer basis, struck roots and scored important achievements in 2009. For example, a broad organization of NGOs, initiated in 2008 to encourage Bucharest's mayoral candidates to adopt a code of good conduct, continued to monitor the Bucharest local council and lobby for stricter legislation in environmental and cultural heritage protection. The Coalition for Clean Universities, a group of NGOs, unions, and students, published a ranking of levels of integrity in Romania's 42 public universities, leading to some improvements in the transparency of higher education institutions. In September, the "Clean Urbanism" Network organized street protests and public campaigns against the Bucharest city council's controversial development plans and ultimately blocked the project. Similar success was achieved in fighting a large mining project (Roşia Montană) in the Apuseni Mountains, despite strong political support for the plan. Such successes helped establish the nonprofit community as serious actors, alongside the authorities and businesses.

Large and professional NGOs have become credible partners of central and local governments in providing direct social assistance to vulnerable groups, including orphans, the elderly, and the disabled. Though these groups have existed for many years, grants over the last two years from the European Social Fund allowed some to scale up their operations.

Apart from EU support and partnerships with Romanian authorities, service-providing NGOs have witnessed a small but encouraging inflow of funds from local private charities. Companies are more likely than in past years to set up foundations or donate directly to causes of public interest, and the media appears more open to cover such initiatives.

Conversely, whistle blowing, democracy promotion, and anticorruption watchdog groups have been increasingly difficult to support, as most private and bilateral funding was phased out after Romania joined the EU in 2007. Political parties set up NGOs of their own, but these organizations only monitor their political competition. The PLD, for example, founded the Institute for Popular Studies in order to lend logistical support to the campaign for President Băseşcu's referendum. The Liberal Party has used their Group for Social Investigation to exclusively attack the president and his supporters. Additionally, even supposedly independent NGOs are not free from government interference. The National Integrity Agency (ANI) is currently investigating Victor Alistar, the head of TI Romania, for simultaneously serving as the executive director of TI and as a public

servant. The Prosecutor's Office may look into allegations that Alistar forged the signature of the president of TI on a document which confirmed that Alistar could suspend his civil service contract while keeping his post and working for TI.

Romania's legislation requires government approval for establishing an NGO, except in the case of a court decision. Discussions continue to arise over a draft law banning the use of words such as national, institute, and academia, in their names. Such a law would effectively dismantle some of the country's most effective civil society organizations. An extreme right-wing senator put the draft law forward in 2006 and Parliament passed it with changes in 2008.<sup>11</sup> In 2009, the new government overturned the law following strong public pressure, but various parliamentarians have tried to resurrect it.

Additionally, the country's professional and labor associations have failed to consolidate and truly represent the interests of their members. For example, SoJust, an organization of magistrates, was posited to become an effective advocate for judicial reform and an independent whistle blower. However, over the past two years, the organization has failed to fulfil these roles and instead has allied itself with conservative judicial groups on the common goal of salary rises.

Romania's trade unions largely did not react to wage cuts and layoffs resulting from the country's economic crisis. Paradoxically, unions of the public sector organized protests prior to real cuts that took place in the last two months of the year, raising suspicion over the motivation behind the strikes.

Conflicts of interest plague the country's trade unions. Investigative journalists have exposed many trade union leaders as having long-term and strong political connections and using their positions for pursuing private business interests. Most of the 11 vice presidents of *Frăția*, a large confederation, are also PSD representatives in Parliament or in local councils. Many suspect that these union leaders coordinate the timing of their protests with their party's political agenda.<sup>12</sup> The trade union of Bucharest's metro system set up a private firm to deliver services to the public metro company, avoiding legal procurement procedures. Other union leaders with significant personal wealth sit on executive boards of various corporations. Such developments have reduced the legitimacy and effectiveness of Romanian trade unions as credible social dialogue partners.

#### Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.75	3.75	4.00	4.00	3.75	3.75	3.75	4.00

The economic crisis, which overlapped with two nationwide polls, affected the professional standards of Romania's media. Massive layoffs have reduced the editorial independence of journalism. Managers reported a 50 percent decline in advertising revenue, and media trade union representatives reported the closing of 50 local and national press outlets and the layoffs of 1,500 journalists.<sup>13</sup> Oligarch-controlled media groups are involved in a hunt for state advertising, which developed

simultaneously with defamation campaigns against many electoral candidates.

As a result of the economic crisis, the agenda of media groups has moved away from the public interest and now focus mainly on the political and economic interests of their owners. More often than not, these owners are at odds with the president, as he, even prior to the economic crisis, publically accused media outlets of manipulating the public. President Băsescu has verbally attacked individual journalists, calling one a “stinking gypsy.”<sup>14</sup>

Cătălin Tolontan, editor in chief of *Gazeta Sporturilor*, issued an investigative report proving that a minister bought editorial space at several television channels to further the agenda of his party under the cover of a public campaign for a youth event. The investigation led to the resignation of PLD-member Monica Iacob-Ridzi, the country’s youth minister, who became the subject of an inquiry by the National Anticorruption Directorate. Iacob-Ridzi was also a key promoter of Elena Băsescu. The broadcasts under review featured Elena Băsescu and Iacob-Ridzi herself. Yet, channels whose owners are in open conflict with the president received the lion’s share of profits from this scandal. Allegedly, politicians frequently use public funding to secure positive news reports on television. Elena Udrea, the former tourism minister, and Radu Măzare, the mayor of Constanța, are accused of funding television programs with public money in order to secure a positive image.

Some media groups promote ethically dubious tabloid journalism. For example, following the arrest of Gigi Becali, businessman and soccer club owner turned politician, television channels launched defamation campaigns against the judges who issued the arrest warrant, defending Becali who at the time was a candidate for European Parliament.<sup>15</sup> Allegations exist that Becali pays for media support.

A September 2009 Oxford Analytica report claimed, that the Romanian media has degraded in recent years: “Having been a force that raised expectations and strengthened civic awareness, much of the media now seems merely to be an extension of business interests.”<sup>16</sup> The independent press organizations have shown little initiative thus far to address this problem. One month before the presidential elections, a group of media organizations agreed on a joint Code of Ethics for the media sector. However, it is unlikely media outlets will seriously comply with the new code.

In 2009, the National Audiovisual Council (CNA) issued numerous fines to television news channels for not complying with audiovisual legislation and journalistic principles. In total, during the first 10 months of 2009, CNA issued 31 fines and warnings to Antena 3; 39 to Antena 1; 33 to Realitatea; 53 to Oglindă Television; 12 to B1 TV; 10 to the Romanian Television Network (RTN); and 1 to the country’s public television channel (SRTV).<sup>17</sup>

Romania’s public television channel has come under serious criticism. Twenty-two journalists issued an open letter to Alexandru Sassu, RTN’s president and general manager, urging him to put a stop to “legal and professional abuse” and to “give control...back to the taxpaying public.”<sup>18</sup> They claimed that Madalina Radulescu, the interim head of the news department since 2007, did not have the ethical and professional authority necessary for such a position and called for

her replacement.<sup>19</sup> The RTN Ethical Commission deemed Madalina Radulescu responsible of poor editorial decisions, but nevertheless Radulescu continued to serve as the head of the news department. The Parliament is currently blocking an initiative to reform public television and radio channels. If passed, the initiative is unlikely to result in substantial changes.

International observers accused the Romanian broadcast media of providing unprofessional and biased coverage during December's presidential campaign. An OSCE report issued shortly after the elections alleged that Realitatea TV and the Antena network provided coverage, "which was not balanced and lacked impartiality." The report also accuses some newspaper outlets of providing biased coverage of the campaign.<sup>20</sup>

Cătălin Macovei, the head of ANI, accused journalists Bogdan Chireac and Sorin Roșca Stănescu of using blackmail to obtain information on ongoing investigations against politicians within the agency to be used in the electoral campaigns. Professional associations condemned the conduct of Chireac and Stănescu, recommending publicly in an unprecedented move in post-1990 Romanian media, that the two no longer be presented publicly as journalists.<sup>21</sup> The media outlets where Chireac and Stănescu appeared announced it would drop their services, but they returned after the elections.<sup>22</sup>

Presidential candidates attacked media group owners during the campaign. The attacks were consequential; following the election, Sorin Ovidiu Vântu, the owner of Realitatea-Cașavencu, announced that the group would exit the print media business and instead focus on electronic media and on expanding to Moldova. Realitatea-Cașavencu closed four newspapers in late 2009 and early 2010.

#### Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.00

When the new cabinet with a true parliamentary majority took office at the beginning of the year it planned significant measures in the area of local democratic governance. These structural reforms had been on the agenda for quite some time, but the previous minority government failed to institute the changes.

By and large, the new cabinet sought to decentralize power and resources in the areas of education, public health, and law enforcement. Additionally, it aimed to transfer jurisdiction over assets, such as land, real estate, ports, and airports, to local councils.

In March, the prime minister and the minister of administration and interior again raised the issue of decentralization and an action plan was drafted. Since this promising start, the process has stalled completely. The government failed to implement any of the proposed measures. This failure can be attributed to two factors. First, intensifying political squabbles within the ruling coalition

made it increasingly difficult to reach agreements over the critical details of the decentralization process. Second, the global economic crisis increased financial uncertainty of all public budgets, pressuring decision makers to play safe and shelve decentralization plans.

On the bright side, the economic crisis failed to hit local budgets as hard as was expected by the end of 2009. In fact, as was the case in most of Western and Central Europe, until late 2009 public revenues declined less dramatically on the local than the national level.<sup>23</sup> This protected the locally-elected councils and mayors from the direct impact of the crisis and allowed them to maintain basic service provision at reasonable levels.

On the other hand, the central government insulated local budgets from the effects of the crisis by buoying local governments with grants and other financial transfers. The central government often attached various conditions to this money, leading to a *de facto* reduction in local autonomy, thereby undermining the decentralization process.

In 2009, no substantial progress was made in improving the transparency and accountability of local governing bodies. Implementation of national transparency laws outside the capital is uneven, and local governments often tolerate large deviations from the rules. Local political parties, for example, often siphon off public money through business clients with party affiliations.

The waves of elections in 2009 brought the issue of local governance to the forefront. Local party branches visibly pressured local institutions with partisan appointments. Local bureaucracies experienced two rounds of purges of the civil service, correlating with the coalition's formation and break up, respectively. This illustrates that, despite legal guarantees of impartiality, the country's civil service is highly politicized, especially on the local level. Nevertheless, local and county institutions did not fare worse than their much more heavily endowed counterparts at the national level in terms of public accountability. A study, conducted by the Romanian Academic Society, found that many central ministries, agencies, and public companies are more opaque and politicized than local institutions.<sup>24</sup>

As anticipated, the introduction of direct elections for county council presidents in 2008 contributed to the consolidation of the local power networks of the country's main political parties. The PSD's decision to join then leave the governing coalition clearly demonstrated this trend, as the balance of power between various territorial groups largely determined these strategic choices. This development may lead to more pluralism and the emergence of genuine links with real interests of communities; however, it is too early to predict such a positive outcome. Alternatively, it could result in the emergence of territorial monopolies merging political and economic power.

## Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.25	4.25	4.25	4.00	4.00	3.75	4.00	4.00	4.00

It has been a troubling year for the Romanian judiciary. The first strike over judicial salaries took place in September. Key decisions were made on appointments to the highest positions in the system—president of the High Court of Cassation and Justice (HCCJ) and prosecutor general—but the decisions were heavily contested. Furthermore, Parliament worked extensively on four new codes that will shape the Romanian legal framework in the years to come.

After the national elections in late 2008, the two parties in the ruling coalition were unable to come to an agreement on a suitable minister of justice and citizenship freedoms. In the end, they chose to retain Căătălin Predoiu, who was originally selected as minister of justice in March 2008. Predoiu was a member of the PNL, but left the party and became independent upon joining Prime Minister Boc's cabinet in December 2008.

In recent years, magistrates increased their income through court decisions that added bonuses to their salaries.<sup>25</sup> The Constitutional Court ruled these decisions unconstitutional, but the ruling was not made in time to prevent the latest salary increases. Estimates show that the unpaid debts to judges and prosecutors are significant—according to the general prosecutor, the debt solely for prosecutors amounts to approximately US\$400 million.<sup>26</sup> Also, through court decisions, the salaries of judges and prosecutors were increased by roughly 65 percent.<sup>27</sup> The tensions between the judiciary and the government over the payment schedule became obvious between May and July, culminating in a *de facto* strike of judges over salaries in September. The court blocked cases and threatened to boycott the presidential elections. In addition to these debates, the entire government, including the judiciary, discussed the new Unified Public Payment Law, which unifies and simplifies the pay scales in the public sector. The judiciary, including the representatives of the Superior Council of Magistracy (SCM) strongly defended the benefits (the confidentiality bonus of 15 percent and the neuropsychological risk bonus of 50 percent) gained through court decisions which led to the roughly 65 percent increase in their salaries. By defending the same points on the salary issue and by arguing for an increase of the judicial budget, members of the SCM managed to divert a wave of discontent from the magistrates. With the entire judiciary paralyzed by the strike, the government found itself in a weak negotiating position. This paralysis resulted in enormous costs for an economy already hit by the crisis. The government met most of the judiciary's demands and modified the Unified Public Payment Law accordingly.

Romania was faced with choosing a new prosecutor general in 2009. The minister of justice nominates a candidate and the president confirms the appointment with consultation with the SCM. In late September, the minister of justice proposed Laura Codruța Kövesi for another term as prosecutor general. The SCM interviewed Kövesi, and advised the president not to confirm her, most likely

as a result of Kövesi's outspoken criticism of the SCM. On October 2, the president, disregarding the opinion of the SCM, reappointed Kövesi as prosecutor general.

The government also had to choose the president of the HCCJ. The procedure is as follows: the HCCJ proposes potential candidates to the SCM; then, the judges section of the SCM holds public interviews and makes a proposal to the country's president, who may accept or refuse the candidate; if he refuses the candidate, he must provide an explanation for his refusal. The SCM repeatedly prolonged the mandate of Nicolae Popa, the HCCJ's previous president, in order to delay a decision. President Băsescu claimed that this tactic was used so that the new president elected in December could decide on the appointment. However, Popa retired in September after reaching the magistracy's mandatory retirement age of 70. The selection procedure started while Lidia Bărbulescu, the vice president, took over the interim management of the HCCJ. The HCCJ proposed five candidates to the SCM, which decided that only four complied with the eligibility requirements for the position. After conducting interviews, the SCM decided to propose Bărbulescu for the position, despite media allegations that she exerted undue pressure on judges, attempted to hinder the investigatory activities of the National Council for the Study of the Communist Intelligence Service and the NIA, and engaged in patronage politics. The president refused to appoint her, using his prerogative under the law, and the nomination process was reopened.

Drafts of four codes—the civil code, the criminal code, the civil procedure code, and the criminal procedure code—were submitted to Parliament in late 2008. However, neither chamber approved nor rejected the drafts before the new government was appointed, and as a result, the procedure came to a halt. In early 2009, after a lively debate within the ruling coalition about whether the codes should be adopted through regular parliamentary debates or through a special constitutional procedure under which the government takes responsibility before Parliament on a proposed bill (if a motion of no confidence passes, then the government falls and the bill is rejected—otherwise the bill is adopted and the government continues to function)—an intermediary solution was chosen. The Parliament will set up two special committees—one on criminal matters and another on civil matters—in order to discuss the draft codes and make necessary amendments. Afterward, the Parliament may either approve the drafts, or the government may assume responsibility for them. In February, the Boc government adopted the four draft codes and sent them to Parliament; however, the civil sector complained of the lack of meaningful consultations on the substance and potential of the codes. Two parliamentary committees discussed the civil code and the criminal code, and the government assumed responsibility of the final version in June. The parliamentary committee began debating the civil procedure and criminal procedure codes in the fall, but were unable to adopt them by the end of 2009.

## Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00

In February, the president, at the recommendation of the minister of justice, reappointed Daniel Morar as chief prosecutor of the National Anticorruption Directorate (DNA). The rest of Morar's management team was appointed in July. This decision ensures continuity of the DNA's proactive approach in the investigation of high level corruption cases. The DNA carried out investigations of systemic corruption, such as illegal networks to obtain driving licenses and media allegations of misuse of public funds by senior officials. In corruption cases related to the country's football industry, the DNA continued to indict high-level officials, including the former prime minister and other former ministers, local and county-level officials, heads of state-owned companies, and law-enforcement and judiciary representatives. The DNA also promptly launched investigations against Monica Iacob-Ridzi, following public outrage over her public relations expenses. As Iacob-Ridzi is close to the Băsescu family, the decision to investigate her demonstrated the independence of DNA.

While some convictions were pronounced by the courts, many high-level corruption cases are still pending. The European Commission Mechanism for Cooperation and Verification criticized the long duration of trials, highlighting the automatic suspension of trials when one party invokes a constitutionality challenge. All attempts to modify the relevant provisions that allow for this automatic suspension of trials have failed. Another area of concern is the lenience shown in the sanctions given by courts for corruption and economic crimes. Also, significant discrepancies between court decisions in similar cases still exist. To address these problems, a non-compulsory sanctioning guideline for the use of judges is under preparation.

Parliament approved all requests of the general prosecutor for the investigations of ministers and former ministers with one notable exception: the criminal file of former prime minister Adrian Năstase. This decision received criticism from the European Commission when reporting on the Mechanism for Corruption and Verification, who stated that the Parliament must "improve its handling of high-level corruption cases and allow the investigation of all appropriate cases by the judicial authorities."<sup>28</sup>

The ANI, which verifies asset and interest declarations of public officials, also began to refer cases to the courts and prosecutors' offices. However, most of the cases involved mid-level officials and the outcomes of the trials are forthcoming. During the last months of 2009, the courts confirmed several files investigated by ANI and applied sanctions to the individuals involved. This is a positive development, however, the difficult cohabitation between agency staff and the National Integrity Council (its politically-appointed board) proved to be detrimental for the agency's activities. The media published accusations made by both parties, eroding the credibility of this newly-established body.



Corruption was a hot topic in the debates over the new criminal code. In the initial form sent by the government to Parliament, the code undermined corruption investigations by dramatically shortening the duration of the statute of limitations and decriminalizing certain behaviours that are now treated as corruption. These modifications were not featured in the initial drafts published for consultation on the Ministry of Justice's Web site, thus concerns were raised about a possible source for later amendments. The general prosecutor, the chief prosecutor of the DNA, and several NGOs complained about these amendments to the criminal code. The amendments were debated within the parliamentary judicial committee, which hesitated before amending the code as requested by the prosecutors and the NGOs. The amendments to the criminal code left the special legislation on corruption untouched, thus complying with the obligation undertaken by Romania within the Cooperation and Verification Mechanism not to modify the legal and institutional framework on anticorruption.

In an unprecedented decision, during the summer of 2009 the European Commission decided that, while the three-year-long safeguard mechanism for Romania and Bulgaria came to an end, they would continue to monitor Romania in the field of judiciary reform and corruption. The decision received political criticism in Romania, particularly from the PSD and opposition parties. However, a significant part of the media and civil society, concerned that without EU conditionality Morar would lose his post as chief prosecutor of DNA, welcomed the decision.

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